Magnolia Public Schools

Finance, Audit, Risk, and Facilities (FARF) Committee Meeting

Date and Time

Monday September 14, 2026 at 5:00 PM PDT

Location

Home Office: 250 E. 1st Street, Suite 1500, Los Angeles, CA 90012

Notice

Access to the Board Meeting

Teleconferencing locations are provided at each Magnolia Science Academy school site:

- Magnolia Science Academy-1 (18238 Sherman Way, Reseda, CA 91335)
- Magnolia Science Academy-2 (17125 Victory Blvd, Van Nuys, CA 91406)
- Magnolia Science Academy-3 (1254 E Helmick St, Carson, CA 90746)
- Magnolia Science Academy-4 (11330 W Graham Place, Los Angeles, CA 90064)
- Magnolia Science Academy-5 (18238 Sherman Way, Reseda, CA 91335)
- Magnolia Science Academy-6 (745 S. Wilton Ave, Los Angeles, CA 90005)
- Magnolia Science Academy-7 (18355 Roscoe Boulevard, Northridge, CA 91325)
- Magnolia Science Academy-8 (6411 Orchard Ave, Bell, CA 90201)
- Magnolia Science Academy-Santa Ana (2840 W 1st Street, Santa Ana, CA 92703)
- Magnolia Science Academy-San Diego (6525 Estrella Ave, San Diego, CA 92120)
- Magnolia Science Academy-Orange County Anaheim (412 W. Carl Karcher Way, Anaheim, CA 92801)

Any interested parties or community members from remote locations may attend the meeting at any Magnolia Science Academy school.

Dialing information for this meeting is included below:

Dial in: 1-669-444-9171

Meeting ID: 978 5606 4990 - **Passcode:** 021250

Zoom: https://zoom.us/j/97856064990?pwd=MHhBZCtGT0xEMlZpNEZQZVJ3RDBPZz09

Accessibility
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. Members of the public who need special accommodations or translation are strongly encouraged to contact Magnolia Public Schools at least 24 hours in advance of the Board meeting so assistance can be assured. Please contact MPS Home Office at 213-628-3634 or email board@magnoliapublicschools.org with such requests.

Any public records relating to an agenda item for an open session which are distributed to all, or a majority of all, of the Board Members shall be available for public inspection.

Public Comment Procedures
Magnolia Public Schools greatly values public comment during Board meetings. For members of the public who would like to speak, please fill out the Public Speaker Form which can be accessed at magnoliapublicschools.org, there will also be speaker cards to be filled out prior to the beginning of the meeting. By law, the Board is only allowed to discuss or take action on items listed on the agenda. The Board may, at its discretion, refer a matter to MPS staff or add the issue to a future board meeting date for discussion. Public speakers are limited to three (3) minutes and speakers with interpreters up to six (6) minutes.

Please note that the agenda presenting times for when that item will be discussed, or taken action on, is subject to change on the day of the Board meeting to accommodate public speaker times indicated above.

For any questions regarding this meeting please email board@magnoliapublicschools.org or call (213) 628-3634 ext. 21101.

Board Committee Members:

Mr. Serdar Orazov, Chair
Mr. Mekan Muhammedov
Ms. Diane Gonzalez
Dr. Umit Yapanel, Alternate Member

CEO & Superintendent:
Mr. Alfredo Rubalcava

Agenda

		Purpose	Presenter	Time
I.	**Opening Items**			**5:00 PM**
A.	Call the Meeting to Order			
B.	Record Attendance and Guests			1 m
C.	Approval of Agenda	Vote		1 m
D.	Approval of Minutes from MPS Regular Finance Committee Meeting - December 11, 2025	Approve Minutes		1 m
E.	Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - September 12, 2024	Approve Minutes		1 m
II.	**Recommended Action Items**			**5:04 PM**
A.	Approval of 2025-26 Unaudited Actuals Report	Vote	Cafer Turan	10 m
B.	Approval of Revised Preliminary, Non-Binding Stifel Engagement and Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2026C / 2026D Financing	Vote	Cafer Turan	10 m
C.	Magnolia Public Schools (MPS) Annual Authorizer Oversight Reports	Vote	David Yilmaz	10 m
III.	**Closing Items**			**5:34 PM**
A.	Adjourn Meeting	Vote		

Coversheet

Approval of Minutes from MPS Regular Finance Committee Meeting - December 11, 2025

Section:	I. Opening Items
Item:	D. Approval of Minutes from MPS Regular Finance Committee Meeting - December 11, 2025
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for Finance Committee Meeting on December 11, 2025

DRAFT

Magnolia Public Schools

Minutes

Finance Committee Meeting

Date and Time
Thursday December 11, 2025 at 5:00 PM

Location
Home Office: 250 E. 1st Street, Suite 1500, Los Angeles CA 90012

Finance Committee Members:
Dr. Salih Dikbas, Committee Chair
Mr. Mekan Muhammedov
Dr. Umit Yapanel
Mrs. Diane Gonzalez (alternate)

CEO and Superintendent:
Mr. Alfredo Rubalcava

Committee Members Present
M. Muhammedov, S. Dikbas (remote), U. Yapanel

Committee Members Absent
None

Guests Present
J. Lara

I. Opening Items

A. Call the Meeting to Order

M. Muhammedov called a meeting of the Finance Committee of Magnolia Public Schools to order on Thursday Dec 11, 2025 at 5:36 PM.

B. Record Attendance and Guests

Refer to the attendance information recorded above.

C. Approval of Agenda

U. Yapanel made a motion to approve the agenda as presented.
M. Muhammedov seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

M. Muhammedov	Aye
S. Dikbas	Aye
U. Yapanel	Aye

D. Public Comments

No public comments were made at this time.

E. Approval of Minutes from MPS Regular Finance Committee Meeting- December 12, 2024

M. Muhammedov made a motion to approve the minutes from Finance Committee Meeting on 12-12-24.
U. Yapanel seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

S. Dikbas	Aye
M. Muhammedov	Aye
U. Yapanel	Aye

II. Recommended Action Items

A. Approval of First Interim Reports for the 2025-26 Fiscal Year

S. Budhraja, Chief Financial Officer, presented the First Interim Report for the current school year. He noted that a second financial snapshot will be presented in March as part of the Second Interim Report. He reviewed financial data for the organization as a whole and across individual school sites. He noted increased expenses related to facilities matters at several school sites. He also reported that current projections indicate a deficit, while emphasizing that the organization’s cash-on-hand percentage remains strong. He reviewed funds received and the organization’s financial preparations.

J. Lara, Board Secretary, noted that due to time constraints and the upcoming start of the Regular Board Meeting, the Committee would not be able to take action on this and the other recommended approvals on this agenda. Time was allotted for Committee members to ask questions related to this item. Committee members directed staff to review and address ADA numbers.

Further discussions on these items are on the agenda for discussion and action at the Regular Board Meeting.

B. Approval of Intra-Organization Loan from Magnolia Science Academy-Bell to Magnolia Educational & Research Foundation

Item was not discussed due to time constraints, as the meeting concluded before there was sufficient time for discussion. The item will be brought forward at the Regular Board Meeting for discussion and action.

C. Approval of Intra-Organization Loan from Magnolia Educational & Research Foundation to Magnolia Science Academy-Orange County

Item was not discussed due to time constraints, as the meeting concluded before there was sufficient time for discussion. The item will be brought forward at the Regular Board Meeting for discussion and action.

D. Approval of Revised MPS Home Office Management Fee Policy

Item was not discussed due to time constraints, as the meeting concluded before there was sufficient time for discussion. The item will be brought forward at the Regular Board Meeting for discussion and action.

E. Approval of Underwriter for Financing (Supplemental) for Magnolia Science Academy-5 Project

Item was not discussed due to time constraints, as the meeting concluded before there was sufficient time for discussion. The item will be brought forward at the Regular Board Meeting for discussion and action.

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 5:57 PM.

Respectfully Submitted,
S. Dikbas

Coversheet

Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - September 12, 2024

Section: I. Opening Items
Item: E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - September 12, 2024
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Audit/Facilities Committee Meeting on September 12, 2024

DRAFT

Magnolia Public Schools

Minutes

Audit/Facilities Committee Meeting

Date and Time
Thursday September 12, 2024 at 5:30 PM

Location
Home Office: 250 E. 1st Street, Suite 1500, Los Angeles, CA 90012

Audit/Facilities Committee Members:
Mr. Mekan Muhammedov, Chair
Ms. Diane Gonzalez
Dr. Salih Dikbas (alternate)

CEO and Superintendent:
Mr. Alfredo Rubalcava

Committee Members Present
D. Gonzalez, M. Muhammedov

Committee Members Absent
None

Guests Present
J. Lara

I. Opening Items

A.

Call the Meeting to Order

M. Muhammedov called a meeting of the Audit/Facilities Committee of Magnolia Public Schools to order on Thursday Sep 12, 2024 at 5:42 PM.

B. Record Attendance and Guests

Refer to the attendance information recorded above.

C. Approval of Agenda

D. Gonzalez made a motion to approve the agenda as presented.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

D. Public Comments

No public comments were held at this time.

E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - March 7, 2024

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 03-07-24.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

II. Recommended Action Items

A. Approval of 2023-24 Unaudited Actuals Report

S. Budhraja, Chief Financial Officer, provided an overview of the 2023-24 Unaudited Actuals and year-end closing for the period ending June 30, 2024. He presented the current Average Daily Attendance (ADA) numbers, noting a slight decrease from the original projections. He reviewed the organization’s revenues and expenditures and reported that the organization was operating overall in black, despite some deficit spending at individual sites. He also reported that the organization’s cash position remained strong. He provided detailed financial breakdowns for each school site. Board member questions were addressed by staff.

M. Muhammedov made a motion to approve the Fiscal Year 2023-2024 Unaudited Actuals Report for Magnolia Public Schools. Furthermore, for the Committee to move and recommend that the Board adopts the same.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov	Aye
D. Gonzalez	Aye

B. Approval of Berliner Architect Change Order for Magnolia Science Academy-2 Conditional Use Permit Project at 16600 Vanowen Street (Ground Up Construction)

M. Sahin, Facilities Project Manager, reported on the change orders received from Berliner Architect to complete the conditional use permit application for Magnolia Science Academy (MSA)-2. Board members questions were addressed by staff.
D. Gonzalez made a motion to approve Berliner Architect's $12,000 change order, along with an $8,000 contingency, to finalize the conditional use permit ("CUP") application for Magnolia Science Academy-2 new site at 16600 Vanowen Street in Van Nuys. Furthermore, for the Committee to recommend and move that the Board adopt the same.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

C. Approval of Franco Architects Change Orders for Magnolia Science Academy-1 Tenant Improvement Project at 18242 Sherman Way (Gym)

M. Sahin, Facilities Project Manager, reported on the change orders from Rafael Franco Architects for the completion of the project at Magnolia Science Academy (MSA)-1 to convert the JAM building into a new gymnasium. He reviewed existing conditions and requests requiring additional work, as well as new elements to be incorporated into the project. He also discussed a second change order related to updates to the fire sprinkler meter. Board member questions were addressed by staff.
D. Gonzalez made a motion to approve Rafael Franco Architect's two (2) change orders for Magnolia Science Academy-1's new gym at 18242 Sherman Way, Reseda, CA 91335. Furthermore, for the Committee to move and recommend that the Board adopt the same.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

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 6:27 PM.

Respectfully Submitted,
M. Muhammedov

Coversheet

Approval of 2025-26 Unaudited Actuals Report

Section: II. Recommended Action Items
Item: A. Approval of 2025-26 Unaudited Actuals Report
Purpose: Vote
Submitted by:
Related Material:
II. A. Recommended Action Item Approval of 2025-26 Unaudited Actuals Reports.pdf

Agenda Item:	II. A. Recommended Action Item
Date:	September 14, 2026
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools ("MPS") Board of Directors (the "Board")
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Cafer Turan, Interim Chief Financial Officer
RE:	Approval of the 2025-26 Unaudited Actuals for All MPS Sites and MERF

Action Proposed

Staff moves that the MPS Board approve the 2025-26 Unaudited Actuals for all MPS school sites and MERF as presented and authorize management to submit the approved reports to the applicable authorizers and regulatory agencies.

Purpose:

The purpose of this item is to present the fiscal year 2025-26 Unaudited Actuals for Board review and approval. The Unaudited Actuals report the organization's year-end financial results, including revenues, expenditures, changes in net assets, and key variances from the 2025-26 Second Interim Budget.

Background:

California charter schools prepare annual unaudited actual financial reports after each fiscal year closes. These reports provide the Board, authorizers, and other oversight agencies with the organization's preliminary year-end financial position before the annual independent audit is complete. The figures remain subject to audit review and any final audit adjustments.

The 2025-26 Unaudited Actuals were prepared using year-end general ledger activity, year-end close adjustments, updated revenue information, and final site-level expenditure activity. Management also worked closely with the external auditor on complex accounting matters affecting the year-end close, including facility-related and state funding transactions.

Analysis:

On a consolidated basis, the 2025-26 Unaudited Actuals report total revenues of approximately $102.6 million and total expenditures of approximately $89.3 million, resulting in positive net revenue of approximately $13.3 million. This compares with a projected deficit of approximately $3.3 million at Second Interim, a favorable change of approximately $16.5 million.

The organization reported P-2 ADA of approximately 3,572, which was approximately 79 ADA above the Second Interim projection of 3,493. LCFF revenue totaled approximately $53.1 million, about $1.2 million above Second Interim. Other State Revenue was approximately $32.4 million, about $14.5 million above Second Interim and represents the largest consolidated revenue variance.

Management Discussion

- **MSA-5 Prop 1D / State Funding Adjustment.** MSA-5 includes approximately **$15.2 million of CSFP-related revenue recognition** associated with the facility project. This recognition materially impacts the reported year-end results and **should not be interpreted as recurring operating revenue or an equivalent current-year cash inflow** .
- **Revenue Variance.** Consolidated revenue exceeded Second Interim by approximately $17.6 million. Approximately $14.6 million of the increase is reflected in MSA-5 All Other State Revenue, while LCFF revenue was approximately $1.2 million above Second Interim due to higher than expected P-2 ADA and local revenue was also higher than projected.
- **Expenditure Variance.** Total expenditures were approximately $89.3 million, about $1.1 million above Second Interim. The largest consolidated variance was in Services and Other Operating Expenses, which were approximately $1.0 million above budget. Other outflows were approximately $310,000 above Second Interim.
- **Net Revenue / (Deficit).** Reported consolidated Net Revenue was approximately **$13.3 million**. Excluding approximately **$15.2 million of CSFP-related revenue recognition at MSA-5**, the adjusted consolidated result was approximately a **$1.9 million deficit** compared with the **$3.3 million deficit projected at Second Interim**. UAR Net Revenue also includes an additional $1.2 MM in LCFF revenue from higher P-2 ADA which was not accounted for in the 2nd Interim budget.
- **Site-Level Results.** Several sites closed the year with deficits, including **MSA-2, MSA-3, MSA-4, MSA-7, MSA-OC, and MERF**. MSA-OC reported the largest deficit at approximately **$1.08 million**. After excluding the CSFP-related revenue recognition, **MSA-5 also had an adjusted deficit of approximately $359,000**. MSA-1, MSA-6, MSA-8, MSA-SA, and MSA-SD reported positive net revenue
- **Fund Balance / Reserves.** The consolidated ending fund balance is approximately $72.5 million. The report identifies approximately $27.0 million as available for economic uncertainties, equal to approximately 30.2% of consolidated expenditures. Restricted balances and net fixed assets make up the remaining major components of ending fund balance.
- **Audit Status.** These results are unaudited and remain subject to the FY2025-26 independent audit. Management will continue to reconcile supporting schedules and address any audit adjustments identified during the audit process.

Key Consolidated Results

Metric	2nd Interim	Unaudited Actuals	Variance
P-2 ADA	3,493	3,572	+79
Total Revenue	$85.0M	$102.6M	+$17.6M
Total Expenditures	$88.3M	$89.3M	+$1.1M
Net Revenue / (Deficit)	($3.3M)	$13.3M	+$16.5M
Ending Fund Balance	—	$72.5M	—
Available for Economic Uncertainty	—	$27.0M / 30.2%	—

Site-Level Net Revenue / (Deficit)

Site	FY2025-26 Unaudited Net Revenue	Status
MSA-1	$308,528	Positive
MSA-2	($52,579)	Deficit
MSA-3	($334,936)	Deficit
MSA-4	($150,835)	Deficit
MSA-5	$14,827,065	Positive*
MSA-6	$2,254	Positive
MSA-7	($437,771)	Deficit
MSA-8	$42,901	Positive
MSA-SA	$54,942	Positive
MSA-SD	$551,419	Positive
MSA-OC	($1,081,857)	Deficit
MERF	($439,140)	Deficit

* MSA-5 includes the significant year-end state funding recognition discussed above and should not be interpreted as recurring operating income.

Ongoing Fiscal Monitoring

Although consolidated year-end results are positive, management will continue to monitor structural operating results separately from one-time and non-cash accounting adjustments. Particular focus will remain on enrollment and ADA performance, site-level operating deficits, MERF liquidity, facilities and debt service obligations, restricted funding compliance, and timely implementation of corrective actions where needed.

Exhibits:

- **Exhibit A:** FY 2025–26 Unaudited Actuals Executive Summary
- **Exhibit B:** FY 2025–26 Unaudited Actuals – Detailed Financial Reports

FY2025-26 Unaudited Actuals — Executive Summary

Reported results improved materially; adjusted view removes one-time MSA-5 CSFG/Prop 1D revenue recognition.

Reported Net Revenue

$13.29M

UAR reported result including MSA-5 facility revenue recognition.

Less: MSA-5 CSFG/Prop 1D

($15.18M)

One-time accounting recognition removed for operating view.

Adjusted Net Revenue

($1.89M)

Underlying result after excluding the MSA-5 one-time item.

Improvement vs. 2nd Interim

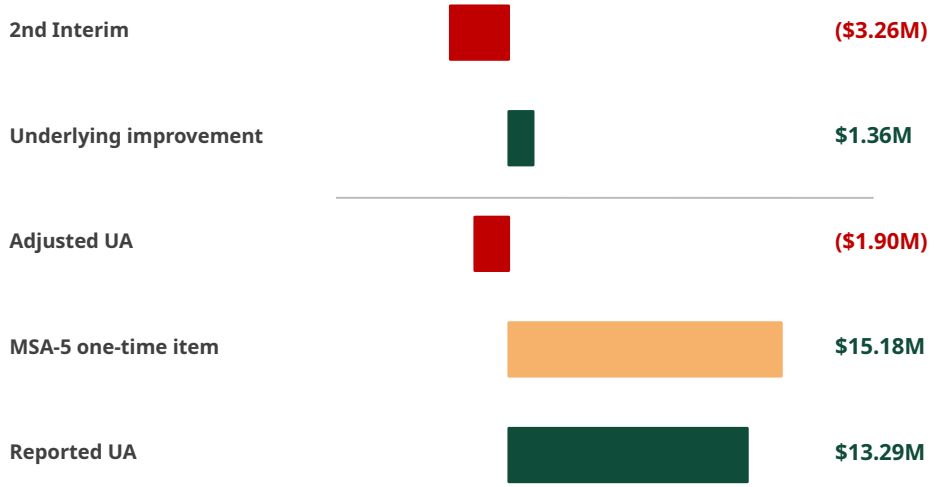
+$1.36M

Adjusted UA deficit improved from Second Interim projection.

Core message for the Board

- Reported UAR shows **$13.29M positive net revenue** versus a $3.26M deficit projected at Second Interim.
- The major driver is **MSA-5 CSFG/Prop 1D revenue recognition** of approximately $15.18M, which is facility/accounting related and not recurring operating cash.
- After removing the one-time item, adjusted results show a **$1.89M deficit**, still $1.36M better than Second Interim.
- Ongoing focus remains on enrollment/ADA, spending controls, MERF cash flow, and deficit sites.

Net Revenue Bridge ($M)



Note: Adjusted view excludes $15.18M MSA-5 CSFG/Prop 1D revenue recognition.

Adjusted Operating View by Site

Excludes $15.18M MSA-5 CSFG/Prop 1D one-time revenue recognition to show underlying performance.

Adjusted Total Revenue

$87.43M

Reported $102.61M less $15.18M one-time item.

Total Expenditures

$89.32M

Expenditures remained near UAR reported total.

Adjusted Net Revenue

($1.89M)

Underlying deficit excluding MSA-5 one-time recognition.

Reported Ending Fund Balance

$72.46M

Includes $44.66M net fixed assets.

Site Net Revenue Comparison ($000)

Site	2nd Interim	Adjusted UA	Change
MSA-1	$235	$309	+$73
MSA-2	($222)	($53)	+$169
MSA-3	($633)	($335)	+$298
MSA-4	($160)	($151)	+$9
MSA-5*	$90	($359)	($449)
MSA-6	$41	$2	($38)
MSA-7	($740)	($438)	+$302
MSA-8	($240)	$43	+$283
MSA-SA	($151)	$55	+$206
MSA-SD	$464	$551	+$87
MSA-OC	($899)	($1,082)	($183)
MERF	($1,044)	($439)	+$605
TOTAL	**($3,259)**	**($1,896)**	**+$1,363**

**MSA-5 adjusted UA excludes the one-time CSFG/Prop 1D recognition.*

Key Drivers & Follow-Up

Largest favorable change

MERF improved by ~$605K, primarily supported by higher CMO fee revenue as final LCFF/ADA results improved at certain sites.

Site improvements

MSA-7, MSA-3, MSA-8, MSA-SA, and MSA-2 all improved versus Second Interim.

Ongoing pressure points

MSA-OC deficit of ~$1.08M and MSA-5 adjusted deficit of ~$359K require continued monitoring.

Board focus

Continue monthly monitoring of enrollment/ADA, spending controls, CMO fee collections, and deficit-site action plans.

Recommended Board message: approve UAR as presented, while recognizing the adjusted operating deficit and continuing stabilization actions.

MAGNOLIA PUBLIC SCHOOLS

Unaudited Actuals

Fiscal Year 2025–26

September 14, 2026 Board Meeting

delta MANAGED SOLUTIONS

2025-26 Second Interim Budget - BY SITE

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MSA-OC	MERF	TOTAL
Enrollment	665	440	388	121	191	154	271	388	577	473	79		3,747.00
Attendance (P-2 ADA)	614.66	410.58	356.45	110.49	175.41	146.06	252.38	358.98	545.58	447.82	74.26		3,492.67
ADA %	92.43%	93.31%	91.87%	91.31%	91.84%	94.84%	93.13%	92.52%	94.55%	94.68%	94.00%		93.21%
Revenue													
LCFF Entitlement	9,839,675	6,474,321	5,092,663	1,839,169	2,823,868	2,157,165	3,928,683	5,074,524	8,448,984	5,067,572	1,119,158	-	51,865,782
Federal Revenue	547,996	540,993	214,090	279,096	338,121	435,755	182,299	257,428	456,089	402,614	318,960	-	3,973,440
Other State Revenues	4,171,548	2,084,897	1,387,859	514,631	1,557,293	455,641	1,898,132	1,043,072	2,349,301	2,108,035	317,506	-	17,887,916
Other Local Revenues	407,545	108,500	33,952	133,049	32,597	145,564	296,430	346,422	201,673	120,000	1,360,000	8,088,806	11,274,538
Total Revenue	14,966,764	9,208,711	6,728,564	2,765,945	4,751,880	3,194,125	6,305,544	6,721,445	11,456,047	7,698,221	3,115,624	8,088,806	85,001,676
Expenses													
Certificated Salaries	4,690,857	2,622,424	2,327,944	1,048,857	1,723,565	1,096,487	1,869,645	2,288,387	4,080,584	2,542,434	1,188,571	-	25,479,756
Classified Salaries	1,728,179	1,082,776	830,018	198,904	687,251	407,584	818,259	870,008	1,292,830	494,534	582,058	4,898,596	13,890,997
Benefits	2,447,891	1,329,023	1,282,713	475,099	967,922	552,837	1,055,497	1,278,437	2,166,043	1,155,392	561,989	1,540,735	14,813,579
Books and Supplies	526,468	434,348	248,267	95,241	232,728	160,143	190,515	366,269	387,903	434,785	438,400	167,681	3,682,749
Services and Operations	5,007,307	3,910,458	2,623,805	1,096,956	1,026,397	933,707	3,043,272	2,103,108	2,754,526	2,528,315	1,128,438	2,510,477	28,666,766
Depreciation / Cap Outlay	315,808	51,482	48,651	10,910	24,179	2,838	68,247	54,940	631,178	75,636	7,308	515	1,291,693
Other Outflows	15,000	-	-	-	-	-	-	-	293,654	3,180	108,000	15,000	434,834
Total Expenses	14,731,510	9,430,511	7,361,399	2,925,968	4,662,042	3,153,596	7,045,435	6,961,150	11,606,719	7,234,277	4,014,764	9,133,004	88,260,375
Net Revenue	235,254	(221,800)	(632,835)	(160,023)	89,837	40,529	(739,891)	(239,704)	(150,672)	463,944	(899,140)	(1,044,198)	(3,258,699)
Fund Balance													
Beginning Balance	12,369,602	5,793,009	3,079,166	1,061,838	12,620,393	2,565,702	3,447,230	7,406,149	8,606,891	1,778,183		441,370	59,169,533
Net Revenue	235,254	(221,800)	(632,835)	(160,023)	89,837	40,529	(739,891)	(239,704)	(150,672)	463,944	(899,140)	(1,044,198)	(3,258,699)
Projected Ending Balance	12,604,856	5,571,209	2,446,331	901,815	12,710,230	2,606,231	2,707,339	7,166,445	8,456,219	2,242,127	(899,140)	(602,828)	55,910,834
Ending Bal. as % of Exp.:	85.6%	59.1%	33.2%	30.8%	272.6%	82.6%	38.4%	102.9%	72.9%	31.0%	-22.4%	-6.6%	63.3%

2025-26 Unaudited Actuals - BY SITE

	MSA-1	MSA-2	MSA-3	MSA-4	MSA-5	MSA-6	MSA-7	MSA-8	MSA-SA	MSA-SD	MSA-OC	MERF	TOTAL
Enrollment (CALPADS)	665	440	388	121	191	154	271	388	577	473	79	-	3,747
Attendance (P-2 ADA)	638	423.53	355.06	112.63	183.92	148.78	256.24	369.50	555.89	454.87	73.41	-	3,572
ADA %	95.97%	96.26%	91.51%	93.08%	96.29%	96.61%	94.55%	95.23%	96.34%	96.17%	92.92%		95.33%
Revenue													
LCFF Entitlement	10,215,699	6,685,417	5,066,669	1,876,106	2,955,622	2,203,452	3,997,603	5,220,725	8,601,043	5,146,492	1,116,554	-	53,085,382
Federal Revenue	607,811	615,458	242,650	295,038	385,655	502,397	200,254	289,538	570,204	483,444	341,758	14,785	4,548,991
Other State Revenues	4,746,493	1,805,563	1,339,485	484,862	16,176,843	415,132	1,805,894	881,273	2,194,973	2,056,822	317,562	132,213	32,357,114
Other Local Revenues	401,617	87,924	49,782	143,734	64,717	157,236	290,288	582,279	322,633	168,520	1,272,624	9,078,605	12,619,959
Total Revenue	**15,971,620**	**9,194,362**	**6,698,586**	**2,799,740**	**19,582,836**	**3,278,217**	**6,294,039**	**6,973,815**	**11,688,852**	**7,855,279**	**3,048,497**	**9,225,603**	**102,611,446**
Expenses													
Certificated Salaries	4,638,642	2,520,222	2,271,281	1,012,609	1,719,140	1,067,495	1,850,370	2,261,217	4,010,813	2,496,465	1,414,425	-	25,262,678
Classified Salaries	1,716,705	1,007,445	754,826	194,541	687,048	404,560	777,214	861,382	1,390,381	481,242	432,638	5,374,693	14,082,674
Benefits	2,551,162	1,339,292	1,147,126	486,847	883,573	520,702	1,003,244	1,231,622	1,962,106	1,100,768	613,522	1,775,852	14,615,816
Books and Supplies	598,136	323,035	194,110	98,317	196,305	127,141	181,961	351,295	425,156	477,107	380,070	150,274	3,502,907
Services and Operations	5,803,342	4,052,178	2,654,483	1,140,585	1,023,319	914,630	2,861,290	2,214,885	2,942,059	2,667,740	1,135,617	2,304,458	29,714,585
Depreciation / Cap Outlay	355,105	4,768	11,696	17,678	3,417	241,434	57,731	10,515	609,741	78,694	6,652	516	1,397,946
Other Outflows	-	-	-	-	242,970	-	-	-	293,655	1,845	147,430	58,950	744,850
Total Expenses	**15,663,092**	**9,246,941**	**7,033,521**	**2,950,575**	**4,755,771**	**3,275,962**	**6,731,810**	**6,930,914**	**11,633,911**	**7,303,860**	**4,130,354**	**9,664,743**	**89,321,455**
Net Revenue	**308,528**	**(52,579)**	**(334,936)**	**(150,835)**	**14,827,065**	**2,254**	**(437,771)**	**42,901**	**54,942**	**551,419**	**(1,081,857)**	**(439,140)**	**13,289,991**
Fund Balance													
Beginning Balance	12,369,602	5,793,009	3,079,166	1,061,838	12,620,393	2,565,702	3,447,230	7,406,149	8,606,891	1,778,183	-	441,370	59,169,533
Net Revenue	308,528	(52,579)	(334,936)	(150,835)	14,827,065	2,254	(437,771)	42,901	54,942	551,419	(1,081,857)	(439,140)	13,289,991
Current Net Asset Balance	**12,678,130**	**5,740,430**	**2,744,230**	**911,003**	**27,447,458**	**2,567,956**	**3,009,459**	**7,449,050**	**8,661,833**	**2,329,602**	**(1,081,857)**	**2,230**	**72,459,523**

2025-26 Unaudited Actuals

CONSOLIDATED	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	3,493	3,572	79
SUMMARY			
Revenue			
LCFF Entitlement	51,865,782	53,085,382	1,219,600
Federal Revenue	3,973,440	4,548,991	575,551
Other State Revenues	17,887,916	32,357,114	14,469,198
Other Local Revenues	11,274,538	12,619,959	1,345,421
Total Revenue	**85,001,676**	**102,611,446**	**17,609,770**
Expenditures			
Certificated Salaries	25,479,756	25,262,678	(217,078)
Classified Salaries	13,890,997	14,082,674	191,677
Benefits	14,813,579	14,615,816	(197,764)
Books and Supplies	3,682,749	3,502,907	(179,842)
Services and Operating Exp.	28,666,766	29,714,585	1,047,818
Depreciation & Cap Outlay	1,291,693	1,397,946	106,253
Other Outflows	434,834	744,850	310,016
Total Expenditures	**88,260,375**	**89,321,455**	**1,061,081**
Net Revenues	**(3,258,699)**	**13,289,991**	**16,548,689**
Fund Balance			
Beginning Balance (Audited)		59,169,533	
Net Revenues		13,289,991	
Ending Fund Balance		**72,459,523**	
Components of Fund Bal.			
Available For Econ. Uncert.		26,982,687	30.2% of Expenditures
Restricted Balances (Est.)		814,676	0.9% of Expenditures
Net Fixed Assets		44,662,161	50.0% of Expenditures
Ending Fund Balance		**72,459,523**	**81.1% of Expenditures**

2025-26 Unaudited Actuals

CONSOLIDATED		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	30,476,420	29,127,594	(1,348,826)
8012	EPA Entitlement	6,676,506	8,131,941	1,455,435
8019	Prior Year Adjustments	-	20,292	20,292
8096	InLieuPropTaxes	14,712,856	15,805,555	1,092,699
	SUBTOTAL - LCFF Entitlement	**51,865,782**	**53,085,382**	**1,219,600**
Federal Revenue				
8181	SpEd - Revenue	437,490	463,170	25,680
8182	SpEd - Discretionary Grants	-	32,839	32,839
8285	SpEd - Revenue	223,772	230,198	6,426
8290	All Other Federal Revenue	3,312,178	3,822,784	510,606
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**3,973,440**	**4,548,991**	**575,551**
Other State Revenue				
8311	SpEd Revenue	2,750,170	2,592,477	(157,693)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	114,006	114,006	0
8560	StateLotteryRev	992,263	1,056,923	64,660
8590	AllOthStateRev	14,031,477	28,593,707	14,562,231
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**17,887,916**	**32,357,114**	**14,469,198**
Local Revenue				
8600	Other Local Rev	502,000	-	(502,000)
8634	StudentLunchFee	2,000	-	(2,000)
8650	Leases &Rentals	-	-	-
8660	Interest	12,000	277,262	265,262
8699	Other Revenue	2,116,988	2,882,067	765,079
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**10,009,023**	11,121,155	**1,112,132**

2025-26 Unaudited Actuals

CONSOLIDATED		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	1,002,500	1,065,723	63,223
8803	Fundraising	263,015	433,082	170,067
	SUBTOTAL - Fundraising & Grants	**1,265,515**	1,498,805	**233,290**
TOTAL REVENUE		**85,001,676**	102,611,446	**17,609,770**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	17,661,668	17,962,487	300,818
1200	Cert Aid	2,954,171	2,417,249	(536,922)
1300	Cert Adminis	4,863,917	4,882,943	19,026
	SUBTOTAL - Certificated Salaries	**25,479,756**	25,262,678	**(217,078)**
Classified Salaries				
2100	Instructional Aides	1,839,348	1,848,601	9,252
2200	Classified Support	3,527,590	4,204,616	677,026
2300	Classified Admin	-	-	-
2400	Clerical & Tech	8,518,819	8,020,933	(497,886)
2900	OtherClassStaff	5,240	8,525	3,284
	SUBTOTAL - Classified Salaries	**13,890,997**	14,082,674	**191,677**
Employee Benefits				
3101	STRS-Certified	3,779,973	4,316,106	536,133
3102	STRS-Classified	1,434,649	708,298	(726,352)
3201	PERS-Cert	989,193	121,665	(867,528)
3202	PERS-Classified	734,433	1,780,400	1,045,968
3301	OASDI/Med-Cert	581,348	406,859	(174,489)
3302	OASDI/Med-Class	498,719	839,003	340,285
3401	HlthWelfareCert	6,140,592	5,818,342	(322,249)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	168,654	33,896	(134,758)
3502	UI-Classified	-	12,848	12,848
3601	WorkersCmp-Cert	331,513	369,125	37,612
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	10,520	25	(10,495)
3902	OthBenes-Class	143,986	209,249	65,263
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**14,813,579**	14,615,816	**(197,764)**

2025-26 Unaudited Actuals

CONSOLIDATED		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	547,262	514,421	(32,841)
4200	BooksOthRefMats	95,429	62,715	(32,714)
4300	Ins Mats & Sups 2	61,105	37,397	(23,708)
4310	Ins Mats & Sups	137,268	117,779	(19,489)
4315	OthrSupplies	66,647	80,074	13,427
4320	Office Supplies	236,625	231,728	(4,897)
4325	ProfDevMat&Sups	6,317	676	(5,641)
4326	Arts&MusicSupps	101,889	28,392	(73,497)
4330	Staff Meals & Events	13,949	12,488	(1,461)
4335	PE Supplies	49,399	22,454	(26,945)
4340	Educat Software	448,235	409,229	(39,006)
4345	NonInstStdntSup	382,570	254,987	(127,583)
4346	TeacherSupplies	45,835	32,414	(13,421)
4350	Cust. Supplies	156,280	168,931	12,651
4351	Yearbook	8,218	7,591	(627)
4380	Marketing Materials	-	40,093	40,093
4381	Supplies- Homeless Education	-	30,929	30,929
4390	Uniforms	241,569	191,551	(50,018)
4400	NonCapEquip-Gen	92,469	56,924	(35,545)
4410	ClssrmFrnEqp<5k	21,458	-	(21,458)
4430	OffceFurnEqp<5k	197,135	163,039	(34,096)
4440	Computers <$5k	407,053	569,708	162,655
4450	FixedAssetsSuspense-Facilities	-	4,426	4,426
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	7,574	-	(7,574)
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	81,262	103,766	22,504
4720	Food:Other Food	277,201	361,195	83,994
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**3,682,749**	3,502,907	**(179,842)**

2025-26 Unaudited Actuals

CONSOLIDATED		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	6,565,215	7,106,200	540,985
5200	Travel	6,120	32,950	26,830
5205	Conference Fees	30,788	10,129	(20,659)
5210	MilesParkTolls	37,681	40,839	3,158
5215	TravConferences	-	5,366	5,366
5220	TraLodging	91,642	52,184	(39,458)
5300	DuesMemberships	283,687	278,979	(4,708)
5450	Other Insurance	905,182	970,117	64,935
5500	OpsHousekeeping	760,830	697,590	(63,240)
5510	Gas & Electric	889,542	823,735	(65,807)
5610	Rent & Leases	4,471,389	4,589,861	118,473
5611	Rent & Leases- Interest	2,302,792	2,421,461	118,669
5620	EquipmentLeases	293,951	285,822	(8,129)
5621	EquipmentLeases- Interest	5,250	10,144	4,894
5630	Reps&MaintBldng	301,591	207,772	(93,819)
5800	ProfessServices	1,328,920	1,207,561	(121,359)
5810	Legal	411,635	460,735	49,100
5813	SchPrgAftSchool	1,595,228	1,570,253	(24,975)
5814	SchPrgAcadComps	28,892	23,089	(5,803)
5819	SchlProgs-Other	431,238	440,303	9,065
5820	Audit & CPA	124,719	89,701	(35,018)
5825	DMSBusinessSvcs	692,000	513,294	(178,706)
5835	Field Trips	287,270	88,771	(198,499)
5836	FieldTrip Trans	437,644	565,467	127,823
5840	MarkngStdtRecrt	612,111	584,914	(27,197)
5850	Oversight Fees	547,110	530,673	(16,437)
5857	Payroll Fees	271,529	318,864	47,335
5860	Service Fees	54,025	31,305	(22,720)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	225,906	125,736	(100,170)
5864	Prof Dev-Other	157,233	183,904	26,671
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	1,539,289	2,275,002	735,713
5870	Livescan	16,522	10,900	(5,621)
5872	SPED Fees (incl Encroachment)	214,050	308,949	94,899
5875	Staff Recruiting	16,532	10,082	(6,450)
5884	Substitutes	1,600,356	1,841,582	241,226
5890	OthSvcsNon-Inst	-	118,015	118,015
5900	Communications	57,905	30,328	(27,577)
5910	Communications 2	7,000	18,628	11,628
5920	TelecomInternet	393,551	301,305	(92,246)
5930	PostageDelivery	65,480	45,946	(19,534)
5940	Technology	604,962	486,126	(118,836)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**28,666,766**	29,714,585	**1,047,818**

2025-26 Unaudited Actuals

CONSOLIDATED		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	1,291,693	1,397,946	106,253
	SUBTOTAL - Capital Outlay & Depreciation	**1,291,693**	1,397,946	**106,253**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	434,834	744,850	310,016
	SUBTOTAL - Other Outflows	**434,834**	744,850	**310,016**
TOTAL EXPENSES		**88,260,375**	89,321,455	**1,061,081**

2025-26 Unaudited Actuals

MSA 1	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	615	638	24
SUMMARY			
Revenue			
LCFF Entitlement	9,839,675	10,215,699	376,024
Federal Revenue	547,996	607,811	59,815
Other State Revenues	4,171,548	4,746,493	574,945
Other Local Revenues	407,545	401,617	(5,929)
Total Revenue	**14,966,764**	**15,971,620**	**1,004,856**
Expenditures			
Certificated Salaries	4,690,857	4,638,642	(52,215)
Classified Salaries	1,728,179	1,716,705	(11,474)
Benefits	2,447,891	2,551,162	103,271
Books and Supplies	526,468	598,136	71,667
Services and Operating Exp.	5,007,307	5,803,342	796,036
Depreciation & Cap Outlay	315,808	355,105	39,297
Other Outflows	15,000	-	(15,000)
Total Expenditures	**14,731,510**	**15,663,092**	**931,582**
Net Revenues	**235,254**	**308,528**	**73,274**
Fund Balance			
Beginning Balance (Audited)		12,369,602	
Net Revenues		308,528	
Ending Fund Balance		**12,678,130**	
Components of Fund Bal.			
Available For Econ. Uncert.		3,912,005	25.0% of Expenditures
Restricted Balances (Est.)		412,569	2.6% of Expenditures
Net Fixed Assets		8,353,556	53.3% of Expenditures
Ending Fund Balance		**12,678,130**	**80.9% of Expenditures**

2025-26 Unaudited Actuals

MSA 1		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	5,546,687	5,161,562	(385,125)
8012	EPA Entitlement	1,699,467	2,211,865	512,398
8019	Prior Year Adjustments	-	3,469	3,469
8096	InLieuPropTaxes	2,593,521	2,838,803	245,282
	SUBTOTAL - LCFF Entitlement	**9,839,675**	**10,215,699**	**376,024**
Federal Revenue				
8181	SpEd - Revenue	113,305	120,099	6,794
8182	SpEd - Discretionary Grants	-	8,380	8,380
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	434,691	479,332	44,641
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**547,996**	**607,811**	**59,815**
Other State Revenue				
8311	SpEd Revenue	667,641	626,272	(41,369)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	26,723	26,723	0
8560	StateLotteryRev	174,621	206,604	31,983
8590	AllOthStateRev	3,302,563	3,886,894	584,331
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**4,171,548**	**4,746,493**	**574,945**
Local Revenue				
8600	Other Local Rev	242,000	-	(242,000)
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	156,839	358,495	201,656
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**398,839**	**358,495**	**(40,344)**

2025-26 Unaudited Actuals

MSA 1		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	1,300	1,300
8803	Fundraising	8,706	41,821	33,115
	SUBTOTAL - Fundraising & Grants	**8,706**	**43,121**	**34,415**
TOTAL REVENUE		**14,966,764**	**15,971,620**	**1,004,856**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	3,447,150	3,403,824	(43,327)
1200	Cert Aid	489,131	470,874	(18,257)
1300	Cert Adminis	754,576	763,945	9,369
	SUBTOTAL - Certificated Salaries	**4,690,857**	**4,638,642**	**(52,215)**
Classified Salaries				
2100	Instructional Aides	509,941	474,974	(34,967)
2200	Classified Support	720,145	811,414	91,269
2300	Classified Admin	-	-	-
2400	Clerical & Tech	498,094	430,318	(67,776)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**1,728,179**	**1,716,705**	**(11,474)**
Employee Benefits				
3101	STRS-Certified	643,344	777,922	134,578
3102	STRS-Classified	208,611	41,760	(166,850)
3201	PERS-Cert	217,255	38,568	(178,687)
3202	PERS-Classified	99,531	369,469	269,939
3301	OASDI/Med-Cert	112,575	77,379	(35,197)
3302	OASDI/Med-Class	48,492	118,196	69,704
3401	HlthWelfareCert	1,047,920	1,066,666	18,746
3402	HlthWelfareClass	-	-	-
3501	UI-Certificated	28,210	3,689	(24,521)
3502	UI-Classified	-	979	979
3601	WorkersCmp-Cert	36,588	56,527	19,939
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,151	-	(1,151)
3902	OthBenes-Class	4,214	6	(4,208)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**2,447,891**	**2,551,162**	**103,271**

2025-26 Unaudited Actuals

MSA 1		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	57,000	57,959	959
4200	BooksOthRefMats	4,000	3,955	(45)
4300	Ins Mats & Sups 2	8,000	11,646	3,646
4310	Ins Mats & Sups	20,000	22,751	2,751
4315	OthrSupplies	10,000	11,298	1,298
4320	Office Supplies	20,000	28,728	8,728
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	5,000	3,266	(1,734)
4330	Staff Meals & Events	5,273	3,228	(2,045)
4335	PE Supplies	10,000	2,680	(7,320)
4340	Educat Software	70,222	72,008	1,786
4345	NonInstStdntSup	59,500	25,547	(33,953)
4346	TeacherSupplies	5,273	4,285	(988)
4350	Cust. Supplies	42,182	47,887	5,705
4351	Yearbook	4,218	3,770	(448)
4380	Marketing Materials	-	22,222	22,222
4381	Supplies- Homeless Education	-	2,693	2,693
4390	Uniforms	68,300	46,295	(22,005)
4400	NonCapEquip-Gen	15,000	18,593	3,593
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	20,000	23,869	3,869
4440	Computers <$5k	59,000	130,387	71,387
4450	FixedAssetsSuspense-Facilities	-	38	38
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	7,500	1,126	(6,374)
4720	Food:Other Food	36,000	53,904	17,904
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**526,468**	**598,136**	**71,667**

2025-26 Unaudited Actuals

MSA 1		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	1,254,184	1,532,355	278,171
5200	Travel - General	-	238	238
5205	Conference Fees	2,000	43	(1,957)
5210	MilesParkTolls	1,000	1,690	690
5215	TravConferences	-	571	571
5220	TraLodging	5,000	6,500	1,500
5300	DuesMemberships	52,727	50,335	(2,392)
5450	Other Insurance	201,036	193,201	(7,835)
5500	OpsHousekeeping	250,000	218,879	(31,121)
5510	Gas & Electric	220,000	203,285	(16,715)
5610	Rent & Leases	1,098,665	663,705	(434,960)
5611	Rent & Leases- Interest	470,337	968,369	498,032
5620	EquipmentLeases	94,909	90,858	(4,051)
5621	EquipmentLeases- Interest	3,000	781	(2,219)
5630	Reps&MaintBldng	100,000	56,361	(43,639)
5800	ProfessServices	105,176	95,034	(10,142)
5810	Legal	35,000	21,193	(13,807)
5813	SchPrgAftSchool	145,250	117,375	(27,875)
5814	SchPrgAcadComps	1,000	1,800	800
5819	SchlProgs-Other	72,342	62,696	(9,646)
5820	Audit & CPA	9,000	7,685	(1,315)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	50,000	7,677	(42,323)
5836	FieldTrip Trans	40,000	80,207	40,207
5840	MarkngStdtRecrt	40,000	38,503	(1,497)
5850	Oversight Fees	114,994	102,141	(12,853)
5857	Payroll Fees	31,636	53,007	21,371
5860	Service Fees	16,873	1,682	(15,191)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	35,000	32,309	(2,691)
5864	Prof Dev-Other	19,000	58,924	39,924
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	207,808	758,959	551,151
5870	Livescan	2,000	718	(1,282)
5872	SPED Fees (incl Encroachment)	10,000	22,460	12,460
5875	Staff Recruiting	-	-	-
5884	Substitutes	161,356	225,021	63,665
5890	OthSvcsNon-Inst	-	21,977	21,977
5900	Communications	10,545	5,787	(4,758)
5910	Communications 2	-	-	-
5920	TelecomInternet	50,000	35,650	(14,350)
5930	PostageDelivery	9,491	9,808	317
5940	Technology	87,978	55,560	(32,419)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**5,007,307**	**5,803,342**	**796,036**

2025-26 Unaudited Actuals

MSA 1		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	315,808	355,105	39,297
	SUBTOTAL - Capital Outlay & Depreciation	**315,808**	**355,105**	**39,297**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	15,000	-	(15,000)
	SUBTOTAL - Other Outflows	**15,000**	**-**	**(15,000)**
TOTAL EXPENSES		**14,731,510**	**15,663,092**	**931,582**

2025-26 Unaudited Actuals

MSA 2	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	411	424	13
SUMMARY			
Revenue			
LCFF Entitlement	6,474,321	6,685,417	211,096
Federal Revenue	540,993	615,458	74,465
Other State Revenues	2,084,897	1,805,563	(279,334)
Other Local Revenues	108,500	87,924	(20,576)
Total Revenue	**9,208,711**	**9,194,362**	**(14,349)**
Expenditures			
Certificated Salaries	2,622,424	2,520,222	(102,201)
Classified Salaries	1,082,776	1,007,445	(75,331)
Benefits	1,329,023	1,339,292	10,269
Books and Supplies	434,348	323,035	(111,313)
Services and Operating Exp.	3,910,458	4,052,178	141,720
Depreciation & Cap Outlay	51,482	4,768	(46,714)
Other Outflows	-	-	-
Total Expenditures	**9,430,511**	**9,246,941**	**(183,570)**
Net Revenues	**(221,800)**	**(52,579)**	**169,221**
Fund Balance			
Beginning Balance (Audited)		5,793,009	
Net Revenues		(52,579)	
Ending Fund Balance		**5,740,430**	
Components of Fund Bal.			
Available For Econ. Uncert.		3,604,750	39.0% of Expenditures
Restricted Balances (Est.)		147,180	1.6% of Expenditures
Net Fixed Assets		1,988,500	21.5% of Expenditures
Ending Fund Balance		**5,740,430**	**62.1% of Expenditures**

2025-26 Unaudited Actuals

MSA 2		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	3,631,911	3,408,032	(223,879)
8012	EPA Entitlement	1,109,993	1,393,435	283,442
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	1,732,417	1,883,950	151,533
	SUBTOTAL - LCFF Entitlement	**6,474,321**	**6,685,417**	**211,096**
Federal Revenue				
8181	SpEd - Revenue	78,558	82,749	4,191
8182	SpEd - Discretionary Grants	-	6,264	6,264
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	462,435	526,445	64,010
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**540,993**	**615,458**	**74,465**
Other State Revenue				
8311	SpEd Revenue	483,076	454,361	(28,715)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	16,942	16,942	-
8560	StateLotteryRev	116,642	135,008	18,366
8590	AllOthStateRev	1,468,237	1,199,252	(268,985)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**2,084,897**	**1,805,563**	**(279,334)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	78,500	37,040	(41,460)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**78,500**	**37,040**	**(41,460)**

2025-26 Unaudited Actuals

MSA 2		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	8,080	8,080
8803	Fundraising	30,000	42,804	12,804
	SUBTOTAL - Fundraising & Grants	**30,000**	**50,884**	**20,884**
TOTAL REVENUE		**9,208,711**	**9,194,362**	**(14,349)**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,779,077	1,763,922	(15,155)
1200	Cert Aid	358,439	297,928	(60,511)
1300	Cert Adminis	484,908	458,373	(26,534)
	SUBTOTAL - Certificated Salaries	**2,622,424**	**2,520,222**	**(102,201)**
Classified Salaries				
2100	Instructional Aides	153,812	138,452	(15,360)
2200	Classified Support	452,879	578,615	125,736
2300	Classified Admin	-	-	-
2400	Clerical & Tech	476,085	290,379	(185,707)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**1,082,776**	**1,007,445**	**(75,331)**
Employee Benefits				
3101	STRS-Certified	371,158	440,570	69,412
3102	STRS-Classified	108,773	20,529	(88,244)
3201	PERS-Cert	88,364	454	(87,910)
3202	PERS-Classified	77,334	207,969	130,635
3301	OASDI/Med-Cert	54,692	36,339	(18,353)
3302	OASDI/Med-Class	38,435	71,944	33,508
3401	HlthWelfareCert	531,211	510,311	(20,900)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	15,654	9,654	(6,000)
3502	UI-Classified	-	601	601
3601	WorkersCmp-Cert	33,526	34,467	941
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,063	-	(1,063)
3902	OthBenes-Class	8,812	6,452	(2,360)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,329,023**	**1,339,292**	**10,269**

2025-26 Unaudited Actuals

MSA 2		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	75,000	71,045	(3,955)
4200	BooksOthRefMats	2,000	351	(1,649)
4300	Ins Mats & Sups 2	1,000	478	(522)
4310	Ins Mats & Sups	7,000	7,348	348
4315	OthrSupplies	-	57	57
4320	Office Supplies	45,000	34,210	(10,790)
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	22,000	7,707	(14,293)
4330	Staff Meals & Events	-	1,065	1,065
4335	PE Supplies	7,500	6,473	(1,027)
4340	Educat Software	50,000	43,409	(6,590)
4345	NonInstStdntSup	41,900	10,818	(31,082)
4346	TeacherSupplies	3,076	383	(2,693)
4350	Cust. Supplies	20,506	17,078	(3,428)
4351	Yearbook	-	-	-
4380	Marketing Materials	-	-	-
4381	Supplies- Homeless Education	-	6,083	6,083
4390	Uniforms	22,557	18,567	(3,990)
4400	NonCapEquip-Gen	10,253	6,887	(3,366)
4410	ClssrmFrnEqp<5k	7,177	-	(7,177)
4430	OffceFurnEqp<5k	10,253	-	(10,253)
4440	Computers <$5k	82,000	64,470	(17,530)
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	5,126	1,281	(3,845)
4720	Food:Other Food	22,000	25,323	3,323
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**434,348**	**323,035**	**(111,313)**

2025-26 Unaudited Actuals

MSA 2		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	967,513	967,513	0
5200	Travel - General	1,000	-	(1,000)
5205	Conference Fees	3,076	-	(3,076)
5210	MilesParkTolls	2,051	1,773	(278)
5215	TravConferences	-	-	-
5220	TraLodging	2,000	449	(1,551)
5300	DuesMemberships	32,000	26,543	(5,457)
5450	Other Insurance	89,775	106,037	16,262
5500	OpsHousekeeping	30,000	40,027	10,027
5510	Gas & Electric	260,000	202,287	(57,713)
5610	Rent & Leases	474,840	861,322	386,482
5611	Rent & Leases- Interest	913,111	907,268	(5,843)
5620	EquipmentLeases	25,632	31,213	5,581
5621	EquipmentLeases- Interest	-	342	342
5630	Reps&MaintBldng	15,000	-	(15,000)
5800	ProfessServices	74,971	45,630	(29,341)
5810	Legal	20,506	3,152	(17,355)
5813	SchPrgAftSchool	204,000	193,309	(10,691)
5814	SchPrgAcadComps	4,101	-	(4,101)
5819	SchlProgs-Other	75,000	35,321	(39,679)
5820	Audit & CPA	12,816	7,685	(5,131)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	25,000	13,322	(11,678)
5836	FieldTrip Trans	61,644	58,838	(2,806)
5840	MarkngStdtRecrt	25,000	37,169	12,169
5850	Oversight Fees	65,305	66,856	1,551
5857	Payroll Fees	25,632	26,693	1,061
5860	Service Fees	4,101	550	(3,551)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	28,906	4,315	(24,591)
5864	Prof Dev-Other	26,145	-	(26,145)
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	120,000	66,173	(53,827)
5870	Livescan	769	246	(523)
5872	SPED Fees (incl Encroachment)	8,000	16,166	8,166
5875	Staff Recruiting	-	525	525
5884	Substitutes	224,000	231,585	7,585
5890	OthSvcsNon-Inst	-	14,642	14,642
5900	Communications	5,126	4,359	(767)
5910	Communications 2	2,000	1,408	(592)
5920	TelecomInternet	20,506	27,166	6,660
5930	PostageDelivery	5,126	3,156	(1,970)
5940	Technology	55,807	49,140	(6,666)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**3,910,458**	**4,052,178**	**141,720**

2025-26 Unaudited Actuals

MSA 2		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	51,482	4,768	(46,714)
	SUBTOTAL - Capital Outlay & Depreciation	**51,482**	**4,768**	**(46,714)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**9,430,511**	**9,246,941**	**(183,570)**

2025-26 Unaudited Actuals

MSA 3	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	356	355	(1)
SUMMARY			
Revenue			
LCFF Entitlement	5,092,663	5,066,669	(25,994)
Federal Revenue	214,090	242,650	28,560
Other State Revenues	1,387,859	1,339,485	(48,374)
Other Local Revenues	33,952	49,782	15,830
Total Revenue	**6,728,564**	**6,698,586**	**(29,979)**
Expenditures			
Certificated Salaries	2,327,944	2,271,281	(56,664)
Classified Salaries	830,018	754,826	(75,192)
Benefits	1,282,713	1,147,126	(135,587)
Books and Supplies	248,267	194,110	(54,157)
Services and Operating Exp.	2,623,805	2,654,483	30,678
Depreciation & Cap Outlay	48,651	11,696	(36,955)
Other Outflows	-	-	-
Total Expenditures	**7,361,399**	**7,033,521**	**(327,878)**
Net Revenues	**(632,835)**	**(334,936)**	**297,899**
Fund Balance			
Beginning Balance (Audited)		3,079,166	
Net Revenues		(334,936)	
Ending Fund Balance		**2,744,230**	
Components of Fund Bal.			
Available For Econ. Uncert.		2,671,562	38.0% of Expenditures
Restricted Balances (Est.)		7,445	0.1% of Expenditures
Net Fixed Assets		65,223	0.9% of Expenditures
Ending Fund Balance		**2,744,230**	**39.0% of Expenditures**

2025-26 Unaudited Actuals

MSA 3		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	2,631,524	2,338,103	(293,421)
8012	EPA Entitlement	957,078	1,149,340	192,262
8019	Prior Year Adjustments	-	(155)	(155)
8096	InLieuPropTaxes	1,504,061	1,579,381	75,320
	SUBTOTAL - LCFF Entitlement	**5,092,663**	**5,066,669**	**(25,994)**
Federal Revenue				
8181	SpEd - Revenue	62,284	66,167	3,883
8182	SpEd - Discretionary Grants	-	4,477	4,477
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	151,806	172,006	20,200
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**214,090**	**242,650**	**28,560**
Other State Revenue				
8311	SpEd Revenue	364,837	341,955	(22,882)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	15,730	15,730	-
8560	StateLotteryRev	101,267	115,246	13,979
8590	AllOthStateRev	906,025	866,554	(39,471)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**1,387,859**	**1,339,485**	**(48,374)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	20,000	3,802	(16,198)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**20,000**	**3,802**	**(16,198)**

2025-26 Unaudited Actuals

MSA 3		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	140	140
8803	Fundraising	13,952	45,839	31,887
	SUBTOTAL - Fundraising & Grants	**13,952**	**45,980**	**32,027**
TOTAL REVENUE		**6,728,564**	**6,698,586**	**(29,979)**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,569,522	1,525,941	(43,581)
1200	Cert Aid	274,994	279,160	4,166
1300	Cert Adminis	483,429	466,180	(17,249)
	SUBTOTAL - Certificated Salaries	**2,327,944**	**2,271,281**	**(56,664)**
Classified Salaries				
2100	Instructional Aides	179,269	153,197	(26,072)
2200	Classified Support	311,054	431,566	120,512
2300	Classified Admin	-	-	-
2400	Clerical & Tech	339,696	170,063	(169,633)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**830,018**	**754,826**	**(75,192)**
Employee Benefits				
3101	STRS-Certified	325,185	367,322	42,137
3102	STRS-Classified	90,019	3,671	(86,347)
3201	PERS-Cert	126,909	26,234	(100,675)
3202	PERS-Classified	97,258	185,820	88,561
3301	OASDI/Med-Cert	62,275	39,436	(22,838)
3302	OASDI/Med-Class	36,846	57,597	20,752
3401	HlthWelfareCert	499,721	426,372	(73,349)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	15,050	8,090	(6,960)
3502	UI-Classified	-	412	412
3601	WorkersCmp-Cert	25,599	32,170	6,571
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,453	-	(1,453)
3902	OthBenes-Class	2,399	1	(2,397)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,282,713**	**1,147,126**	**(135,587)**

2025-26 Unaudited Actuals

MSA 3		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	75,000	71,146	(3,854)
4200	BooksOthRefMats	5,000	-	(5,000)
4300	Ins Mats & Sups 2	-	(375)	(375)
4310	Ins Mats & Sups	15,986	11,345	(4,640)
4315	OthrSupplies	6,088	10,860	4,772
4320	Office Supplies	7,748	10,917	3,169
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	3,000	-	(3,000)
4330	Staff Meals & Events	-	242	242
4335	PE Supplies	2,214	3,388	1,174
4340	Educat Software	48,760	36,007	(12,754)
4345	NonInstStdntSup	41,747	15,141	(26,606)
4346	TeacherSupplies	3,321	2,994	(327)
4350	Cust. Supplies	1,107	-	(1,107)
4351	Yearbook	-	-	-
4380	Marketing Materials	-	-	-
4381	Supplies- Homeless Education	-	1,162	1,162
4390	Uniforms	18,000	15,528	(2,472)
4400	NonCapEquip-Gen	4,000	-	(4,000)
4410	ClssrmFrnEqp<5k	2,088	-	(2,088)
4430	OffceFurnEqp<5k	-	497	497
4440	Computers <$5k	2,088	-	(2,088)
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	-	-	-
4720	Food:Other Food	12,120	15,260	3,140
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**248,267**	**194,110**	**(54,157)**

2025-26 Unaudited Actuals

MSA 3		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5100	CMO Fees	-	-	-
5101	CMO Fees	716,676	716,676	-
5200	Travel - General	-	-	-
5205	Conference Fees	-	-	-
	MilesParkTolls	553	463	(90)
5215	TravConferences	-	-	-
5220	TraLodging	3,133	271	(2,862)
5300	DuesMemberships	25,000	19,422	(5,578)
5450	Other Insurance	75,500	97,029	21,529
5500	OpsHousekeeping	34,980	29,769	(5,211)
5510	Gas & Electric	-	-	-
5610	Rent & Leases	403,997	392,124	(11,873)
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	15,000	15,885	885
5621	EquipmentLeases- Interest	1,000	986	(14)
5630	Reps&MaintBldng	2,000	-	(2,000)
5800	ProfessServices	72,219	36,803	(35,415)
5810	Legal	55,000	17,694	(37,307)
5813	SchPrgAftSchool	158,980	120,320	(38,660)
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	32,892	45,373	12,481
5820	Audit & CPA	9,408	7,685	(1,723)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	14,000	16,933	2,933
5836	FieldTrip Trans	30,000	41,564	11,564
5840	MarkngStdtRecrt	15,000	28,587	13,587
5850	Oversight Fees	52,727	50,669	(2,058)
5857	Payroll Fees	22,137	23,517	1,380
5860	Service Fees	7,309	20	(7,289)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	8,000	7,606	(394)
5864	Prof Dev-Other	10,000	21,974	11,974
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	300,264	405,867	105,603
5870	Livescan	553	502	(51)
5872	SPED Fees (incl Encroachment)	-	12,285	12,285
5875	Staff Recruiting	-	-	-
5884	Substitutes	450,000	465,607	15,607
5890	OthSvcsNon-Inst	-	16,958	16,958
5900	Communications	5,534	2,849	(2,685)
5910	Communications 2	-	-	-
5920	TelecomInternet	50,434	23,702	(26,732)
5930	PostageDelivery	7,748	5,530	(2,218)
5940	Technology	43,761	29,814	(13,947)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**2,623,805**	**2,654,483**	**30,678**

2025-26 Unaudited Actuals

MSA 3		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	48,651	11,696	(36,955)
	SUBTOTAL - Capital Outlay & Depreciation	**48,651**	**11,696**	**(36,955)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**7,361,399**	**7,033,521**	**(327,878)**

2025-26 Unaudited Actuals

MSA 4	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	110	113	2
SUMMARY			
Revenue			
LCFF Entitlement	1,839,169	1,876,106	36,937
Federal Revenue	279,096	295,038	15,942
Other State Revenues	514,631	484,862	(29,769)
Other Local Revenues	133,049	143,734	10,685
Total Revenue	**2,765,945**	**2,799,740**	**33,795**
Expenditures			
Certificated Salaries	1,048,857	1,012,609	(36,249)
Classified Salaries	198,904	194,541	(4,364)
Benefits	475,099	486,847	11,747
Books and Supplies	95,241	98,317	3,076
Services and Operating Exp.	1,096,956	1,140,585	43,629
Depreciation & Cap Outlay	10,910	17,678	6,768
Other Outflows	-	-	-
Total Expenditures	**2,925,968**	**2,950,575**	**24,608**
Net Revenues	**(160,023)**	**(150,835)**	**9,188**
Fund Balance			
Beginning Balance (Audited)		1,061,838	
Net Revenues		(150,835)	
Ending Fund Balance		**911,003**	
Components of Fund Bal.			
Available For Econ. Uncert.		896,080	30.4% of Expenditures
Restricted Balances (Est.)		13,133	0.4% of Expenditures
Net Fixed Assets		1,790	0.1% of Expenditures
Ending Fund Balance		**911,003**	**30.9% of Expenditures**

2025-26 Unaudited Actuals

MSA 4		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	1,063,985	968,662	(95,323)
8012	EPA Entitlement	308,935	400,320	91,385
8019	Prior Year Adjustments	-	6,122	6,122
8096	InLieuPropTaxes	466,249	501,002	34,753
	SUBTOTAL - LCFF Entitlement	**1,839,169**	**1,876,106**	**36,937**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8182	SpEd - Discretionary Grants	-	-	-
8285	SpEd - Revenue	28,488	29,284	796
8290	All Other Federal Revenue	250,608	265,754	15,146
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**279,096**	**295,038**	**15,942**
Other State Revenue				
8311	SpEd Revenue	-	-	-
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	5,941	5,941	-
8560	StateLotteryRev	31,389	38,608	7,219
8590	AllOthStateRev	477,301	440,313	(36,988)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**514,631**	**484,862**	**(29,769)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	500	15,541	15,041
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**103,049**	**124,380**	**21,331**

2025-26 Unaudited Actuals

MSA 4		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	3,771	3,771
8803	Fundraising	30,000	15,582	(14,418)
	SUBTOTAL - Fundraising & Grants	**30,000**	**19,353**	**(10,647)**
TOTAL REVENUE		**2,765,945**	**2,799,740**	**33,795**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	605,161	637,130	31,969
1200	Cert Aid	187,030	122,307	(64,723)
1300	Cert Adminis	256,667	253,171	(3,495)
	SUBTOTAL - Certificated Salaries	**1,048,857**	**1,012,609**	**(36,249)**
Classified Salaries				
2100	Instructional Aides	76,370	98,351	21,980
2200	Classified Support	72,250	14,642	(57,608)
2300	Classified Admin	-	-	-
2400	Clerical & Tech	50,284	81,548	31,264
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**198,904**	**194,541**	**(4,364)**
Employee Benefits				
3101	STRS-Certified	153,846	151,787	(2,059)
3102	STRS-Classified	15,902	4,254	(11,648)
3201	PERS-Cert	37,923	23,437	(14,486)
3202	PERS-Classified	20,410	42,298	21,888
3301	OASDI/Med-Cert	22,356	25,083	2,727
3302	OASDI/Med-Class	7,841	13,837	5,996
3401	HlthWelfareCert	194,555	197,680	3,125
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	5,532	798	(4,733)
3502	UI-Classified	-	99	99
3601	WorkersCmp-Cert	16,129	27,574	11,445
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	-	-	-
3902	OthBenes-Class	606	-	(606)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**475,099**	**486,847**	**11,747**

2025-26 Unaudited Actuals

MSA 4		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	10,000	7,227	(2,773)
4200	BooksOthRefMats	2,000	410	(1,590)
4300	Ins Mats & Sups 2	1,000	3,358	2,358
4310	Ins Mats & Sups	10,000	9,679	(321)
4315	OthrSupplies	3,000	4,683	1,683
4320	Office Supplies	10,000	16,682	6,682
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	2,000	-	(2,000)
4330	Staff Meals & Events	-	-	-
4335	PE Supplies	1,000	-	(1,000)
4340	Educat Software	26,041	26,307	266
4345	NonInstStdntSup	10,000	2,909	(7,091)
4346	TeacherSupplies	1,000	548	(452)
4350	Cust. Supplies	-	1,800	1,800
4351	Yearbook	1,000	625	(375)
4380	Marketing Materials	-	427	427
4381	Supplies- Homeless Education	-	958	958
4390	Uniforms	6,000	5,373	(627)
4400	NonCapEquip-Gen	200	1,106	906
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	-	-	-
4440	Computers <$5k	7,000	11,053	4,053
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	2,000	1,124	(876)
4720	Food:Other Food	3,000	4,050	1,050
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**95,241**	**98,317**	**3,076**

2025-26 Unaudited Actuals

MSA 4		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	179,169	179,169	0
5200	Travel - General	-	-	-
5205	Conference Fees	-	-	-
5210	MilesParkTolls	500	1,238	738
5215	TravConferences	-	-	-
5220	TraLodging	500	203	(297)
5300	DuesMemberships	8,000	7,903	(97)
5450	Other Insurance	17,000	38,037	21,037
5500	OpsHousekeeping	75,000	63,817	(11,183)
5510	Gas & Electric	-	1,013	1,013
5610	Rent & Leases	280,121	267,992	(12,129)
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	10,000	6,879	(3,121)
5621	EquipmentLeases- Interest	500	266	(234)
5630	Reps&MaintBldng	3,558	-	(3,558)
5800	ProfessServices	25,000	13,314	(11,686)
5810	Legal	20,000	18,396	(1,604)
5813	SchPrgAftSchool	35,000	36,361	1,361
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	10,000	34,463	24,463
5820	Audit & CPA	9,150	7,685	(1,465)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	5,000	-	(5,000)
5836	FieldTrip Trans	75,000	75,536	536
5840	MarkngStdtRecrt	15,000	25,638	10,638
5850	Oversight Fees	18,665	18,700	35
5857	Payroll Fees	14,000	13,946	(54)
5860	Service Fees	3,050	20	(3,030)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	5,000	2,492	(2,508)
5864	Prof Dev-Other	5,131	-	(5,131)
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	120,000	136,409	16,409
5870	Livescan	300	-	(300)
5872	SPED Fees (incl Encroachment)	30,000	27,534	(2,466)
5875	Staff Recruiting	-	486	486
5884	Substitutes	80,000	114,705	34,705
5890	OthSvcsNon-Inst	-	8,205	8,205
5900	Communications	3,050	866	(2,184)
5910	Communications 2	-	-	-
5920	TelecomInternet	31,000	18,618	(12,382)
5930	PostageDelivery	1,200	745	(455)
5940	Technology	17,062	19,950	2,888
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**1,096,956**	**1,140,585**	**43,629**

2025-26 Unaudited Actuals

MSA 4		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	10,910	17,678	6,768
	SUBTOTAL - Capital Outlay & Depreciation	**10,910**	**17,678**	**6,768**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**2,925,968**	**2,950,575**	**24,608**

2025-26 Unaudited Actuals

MSA 5	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	175	184	9
SUMMARY			
Revenue			
LCFF Entitlement	2,823,868	2,955,622	131,754
Federal Revenue	338,121	385,655	47,534
Other State Revenues	1,557,293	16,176,843	14,619,550
Other Local Revenues	32,597	64,717	32,120
Total Revenue	**4,751,880**	**19,582,836**	**14,830,957**
Expenditures			
Certificated Salaries	1,723,565	1,719,140	(4,425)
Classified Salaries	687,251	687,048	(202)
Benefits	967,922	883,573	(84,349)
Books and Supplies	232,728	196,305	(36,423)
Services and Operating Exp.	1,026,397	1,023,319	(3,079)
Depreciation & Cap Outlay	24,179	3,417	(20,762)
Other Outflows	-	242,970	242,970
Total Expenditures	**4,662,042**	**4,755,771**	**93,729**
Net Revenues	**89,837**	**14,827,065**	**14,737,228**
Fund Balance			
Beginning Balance (Audited)		12,620,393	
Net Revenues		14,827,065	
Ending Fund Balance		**27,447,458**	
Components of Fund Bal.			
Available For Econ. Uncert.		2,945,194	61.9% of Expenditures
Restricted Balances (Est.)		-	0.0% of Expenditures
Net Fixed Assets		24,502,264	515.2% of Expenditures
Ending Fund Balance		**27,447,458**	**577.1% of Expenditures**

2025-26 Unaudited Actuals

MSA 5		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	1,613,780	1,545,186	(68,594)
8012	EPA Entitlement	469,956	592,320	122,364
8019	Prior Year Adjustments	-	1	1
8096	InLieuPropTaxes	740,132	818,115	77,983
	SUBTOTAL - LCFF Entitlement	**2,823,868**	**2,955,622**	**131,754**
Federal Revenue				
8181	SpEd - Revenue	33,136	35,096	1,960
8182	SpEd - Discretionary Grants	-	2,474	2,474
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	304,985	348,085	43,100
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**338,121**	**385,655**	**47,534**
Other State Revenue				
8311	SpEd Revenue	205,214	179,293	(25,921)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	7,989	7,989	-
8560	StateLotteryRev	49,833	54,872	5,039
8590	AllOthStateRev	1,294,257	15,934,689	14,640,432
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**1,557,293**	**16,176,843**	**14,619,550**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	25,000	64,182	39,182
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**25,000**	**64,182**	**39,182**

2025-26 Unaudited Actuals

MSA 5		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	442	442
8803	Fundraising	7,597	93	(7,504)
	SUBTOTAL - Fundraising & Grants	**7,597**	**535**	**(7,062)**
TOTAL REVENUE		**4,751,880**	**19,582,836**	**14,830,957**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,068,070	1,105,704	37,634
1200	Cert Aid	252,131	207,052	(45,079)
1300	Cert Adminis	403,364	406,384	3,020
	SUBTOTAL - Certificated Salaries	**1,723,565**	**1,719,140**	**(4,425)**
Classified Salaries				
2100	Instructional Aides	134,518	180,870	46,353
2200	Classified Support	166,536	262,181	95,645
2300	Classified Admin	-	-	-
2400	Clerical & Tech	386,197	243,997	(142,200)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**687,251**	**687,048**	**(202)**
Employee Benefits				
3101	STRS-Certified	281,066	295,486	14,420
3102	STRS-Classified	59,624	51,577	(8,047)
3201	PERS-Cert	54,152	454	(53,698)
3202	PERS-Classified	52,941	82,410	29,469
3301	OASDI/Med-Cert	38,308	24,555	(13,753)
3302	OASDI/Med-Class	26,026	35,762	9,735
3401	HlthWelfareCert	410,625	371,619	(39,006)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	10,916	3,328	(7,588)
3502	UI-Classified	-	441	441
3601	WorkersCmp-Cert	25,599	11,489	(14,110)
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,689	-	(1,689)
3902	OthBenes-Class	6,975	6,452	(523)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**967,922**	**883,573**	**(84,349)**

2025-26 Unaudited Actuals

MSA 5		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	36,865	35,184	(1,681)
4200	BooksOthRefMats	13,885	3,092	(10,793)
4300	Ins Mats & Sups 2	5,192	1,399	(3,793)
4310	Ins Mats & Sups	9,908	10,661	753
4315	OthrSupplies	3,115	2,769	(346)
4320	Office Supplies	12,000	10,052	(1,948)
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	10,385	19	(10,366)
4330	Staff Meals & Events	-	321	321
4335	PE Supplies	7,000	2,052	(4,948)
4340	Educat Software	41,379	44,303	2,924
4345	NonInstStdntSup	26,499	11,350	(15,149)
4346	TeacherSupplies	3,000	2,195	(805)
4350	Cust. Supplies	-	-	-
4351	Yearbook	3,000	1,477	(1,523)
4380	Marketing Materials	-	10,641	10,641
4381	Supplies- Homeless Education	-	-	-
4390	Uniforms	15,000	12,717	(2,283)
4400	NonCapEquip-Gen	5,000	2,195	(2,805)
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	500	1,186	686
4440	Computers <$5k	6,000	11,745	5,745
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	2,000	-	(2,000)
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	7,000	815	(6,185)
4720	Food:Other Food	25,000	32,133	7,133
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**232,728**	**196,305**	**(36,423)**

2025-26 Unaudited Actuals

MSA 5		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	215,003	215,003	-
5200	Travel - General	-	141	141
5205	Conference Fees	1,651	297	(1,355)
5210	MilesParkTolls	1,101	2,254	1,153
5215	TravConferences	-	-	-
5220	TraLodging	10,634	6,676	(3,958)
5300	DuesMemberships	15,162	17,100	1,938
5450	Other Insurance	45,143	28,789	(16,354)
5500	OpsHousekeeping	10,000	467	(9,533)
5510	Gas & Electric	3,115	1,947	(1,168)
5610	Rent & Leases	247,272	238,592	(8,680)
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	5,750	5,891	141
5621	EquipmentLeases- Interest	750	266	(484)
5630	Reps&MaintBldng	4,000	1,817	(2,183)
5800	ProfessServices	53,711	34,377	(19,334)
5810	Legal	5,000	9,592	4,592
5813	SchPrgAftSchool	-	-	-
5814	SchPrgAcadComps	-	641	641
5819	SchlProgs-Other	23,325	27,242	3,916
5820	Audit & CPA	9,907	7,685	(2,222)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	40,000	1,963	(38,037)
5836	FieldTrip Trans	15,000	39,903	24,903
5840	MarkngStdtRecrt	55,000	111,949	56,949
5850	Oversight Fees	33,382	29,557	(3,825)
5857	Payroll Fees	20,000	19,257	(743)
5860	Service Fees	1,101	5,441	4,340
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	13,000	20,682	7,682
5864	Prof Dev-Other	9,000	14,546	5,546
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	70,000	61,173	(8,827)
5870	Livescan	826	124	(702)
5872	SPED Fees (incl Encroachment)	-	6,453	6,453
5875	Staff Recruiting	-	-	-
5884	Substitutes	60,000	77,163	17,163
5890	OthSvcsNon-Inst	-	11,434	11,434
5900	Communications	3,302	1,484	(1,818)
5910	Communications 2	-	-	-
5920	TelecomInternet	22,015	1,630	(20,385)
5930	PostageDelivery	4,403	3,171	(1,232)
5940	Technology	27,844	18,614	(9,230)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**1,026,397**	**1,023,319**	**(3,079)**

2025-26 Unaudited Actuals

MSA 5		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	24,179	3,417	(20,762)
	SUBTOTAL - Capital Outlay & Depreciation	**24,179**	**3,417**	**(20,762)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	242,970	242,970
	SUBTOTAL - Other Outflows	**-**	**242,970**	**242,970**
TOTAL EXPENSES		**4,662,042**	**4,755,771**	**93,729**

2025-26 Unaudited Actuals

MSA 6	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	146	149	3
SUMMARY			
Revenue			
LCFF Entitlement	2,157,165	2,203,452	46,287
Federal Revenue	435,755	502,397	66,642
Other State Revenues	455,641	415,132	(40,509)
Other Local Revenues	145,564	157,236	11,672
Total Revenue	**3,194,125**	**3,278,217**	**84,092**
Expenditures			
Certificated Salaries	1,096,487	1,067,495	(28,992)
Classified Salaries	407,584	404,560	(3,024)
Benefits	552,837	520,702	(32,135)
Books and Supplies	160,143	127,141	(33,002)
Services and Operating Exp.	933,707	914,630	(19,077)
Depreciation & Cap Outlay	2,838	241,434	238,596
Other Outflows	-	-	-
Total Expenditures	**3,153,596**	**3,275,962**	**122,366**
Net Revenues	**40,529**	**2,254**	**(38,274)**
Fund Balance			
Beginning Balance (Audited)		2,565,702	
Net Revenues		2,254	
Ending Fund Balance		**2,567,956**	
Components of Fund Bal.			
Available For Econ. Uncert.		2,547,821	77.8% of Expenditures
Restricted Balances (Est.)		18,810	0.6% of Expenditures
Net Fixed Assets		1,326	0.0% of Expenditures
Ending Fund Balance		**2,567,956**	**78.4% of Expenditures**

2025-26 Unaudited Actuals

MSA 6		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	1,167,718	1,112,567	(55,151)
8012	EPA Entitlement	373,156	426,186	53,030
8019	Prior Year Adjustments	-	2,894	2,894
8096	InLieuPropTaxes	616,291	661,805	45,514
	SUBTOTAL - LCFF Entitlement	**2,157,165**	**2,203,452**	**46,287**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8182	SpEd - Discretionary Grants	-	-	-
8285	SpEd - Revenue	37,659	38,606	947
8290	All Other Federal Revenue	398,096	463,791	65,695
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**435,755**	**502,397**	**66,642**
Other State Revenue				
8311	SpEd Revenue	-	-	-
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	2,505	2,505	-
8560	StateLotteryRev	41,495	40,315	(1,180)
8590	AllOthStateRev	411,641	372,312	(39,329)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**455,641**	**415,132**	**(40,509)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	2,000	998	(1,002)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**137,564**	**144,497**	**6,933**

2025-26 Unaudited Actuals

MSA 6		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	1,779	1,779
8803	Fundraising	8,000	10,960	2,960
	SUBTOTAL - Fundraising & Grants	**8,000**	**12,739**	**4,739**
TOTAL REVENUE		**3,194,125**	**3,278,217**	**84,092**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	713,153	786,342	73,189
1200	Cert Aid	117,568	120,432	2,864
1300	Cert Adminis	265,765	160,721	(105,044)
	SUBTOTAL - Certificated Salaries	**1,096,487**	**1,067,495**	**(28,992)**
Classified Salaries				
2100	Instructional Aides	3,700	68,605	64,905
2200	Classified Support	239,957	178,625	(61,332)
2300	Classified Admin	-	-	-
2400	Clerical & Tech	163,927	157,331	(6,596)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**407,584**	**404,560**	**(3,024)**
Employee Benefits				
3101	STRS-Certified	171,041	189,720	18,679
3102	STRS-Classified	40,668	19,208	(21,460)
3201	PERS-Cert	38,061	-	(38,061)
3202	PERS-Classified	40,627	66,668	26,042
3301	OASDI/Med-Cert	25,032	15,428	(9,604)
3302	OASDI/Med-Class	17,043	24,441	7,398
3401	HlthWelfareCert	199,479	189,056	(10,423)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	7,010	532	(6,478)
3502	UI-Classified	-	220	220
3601	WorkersCmp-Cert	9,500	11,489	1,989
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,486	-	(1,486)
3902	OthBenes-Class	2,891	3,939	1,048
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**552,837**	**520,702**	**(32,135)**

2025-26 Unaudited Actuals

MSA 6		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	33,000	31,320	(1,680)
4200	BooksOthRefMats	544	37	(507)
4300	Ins Mats & Sups 2	1,632	156	(1,476)
4310	Ins Mats & Sups	2,306	1,546	(760)
4315	OthrSupplies	3,263	2,734	(529)
4320	Office Supplies	4,612	8,974	4,362
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	7,615	1,487	(6,128)
4330	Staff Meals & Events	-	-	-
4335	PE Supplies	1,153	615	(538)
4340	Educat Software	19,720	14,289	(5,431)
4345	NonInstStdntSup	21,756	947	(20,809)
4346	TeacherSupplies	1,500	1,856	356
4350	Cust. Supplies	1,088	349	(739)
4351	Yearbook	-	1,720	1,720
4380	Marketing Materials	-	-	-
4381	Supplies- Homeless Education	-	1,374	1,374
4390	Uniforms	4,612	4,733	121
4400	NonCapEquip-Gen	1,153	-	(1,153)
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	577	144	(433)
4440	Computers <$5k	50,000	44,425	(5,575)
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	1,000	1,970	970
4720	Food:Other Food	4,612	8,465	3,853
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**160,143**	**127,141**	**(33,002)**

2025-26 Unaudited Actuals

MSA 6		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	179,169	179,169	0
5200	Travel - General	-	-	-
5205	Conference Fees	577	691	114
5210	MilesParkTolls	577	740	163
5215	TravConferences	-	74	74
5220	TraLodging	577	1,086	509
5300	DuesMemberships	10,497	5,799	(4,698)
5450	Other Insurance	49,358	45,918	(3,440)
5500	OpsHousekeeping	45,000	34,658	(10,342)
5510	Gas & Electric	577	-	(577)
5610	Rent & Leases	153,210	142,497	(10,713)
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	6,272	8,969	2,697
5621	EquipmentLeases- Interest	-	266	266
5630	Reps&MaintBldng	2,306	103	(2,203)
5800	ProfessServices	22,866	23,044	178
5810	Legal	1,000	618	(382)
5813	SchPrgAftSchool	90,000	95,134	5,134
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	9,000	7,708	(1,292)
5820	Audit & CPA	10,378	7,685	(2,693)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	10,000	7,068	(2,932)
5836	FieldTrip Trans	75,000	73,677	(1,323)
5840	MarkngStdtRecrt	20,000	25,644	5,644
5850	Oversight Fees	21,600	22,006	406
5857	Payroll Fees	10,378	14,492	4,114
5860	Service Fees	1,730	-	(1,730)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	16,000	1,335	(14,665)
5864	Prof Dev-Other	6,000	18,000	12,000
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	71,000	76,807	5,807
5870	Livescan	2,000	750	(1,250)
5872	SPED Fees (incl Encroachment)	21,294	36,372	15,078
5875	Staff Recruiting	-	-	-
5884	Substitutes	55,000	43,144	(11,856)
5890	OthSvcsNon-Inst	-	9,074	9,074
5900	Communications	1,730	790	(940)
5910	Communications 2	-	-	-
5920	TelecomInternet	21,756	17,820	(3,936)
5930	PostageDelivery	1,153	247	(906)
5940	Technology	17,702	13,245	(4,457)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**933,707**	**914,630**	**(19,077)**

2025-26 Unaudited Actuals

MSA 6		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	2,838	241,434	238,596
	SUBTOTAL - Capital Outlay & Depreciation	**2,838**	**241,434**	**238,596**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**3,153,596**	**3,275,962**	**122,366**

2025-26 Unaudited Actuals

MSA 7	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	252	256	4
SUMMARY			
Revenue			
LCFF Entitlement	3,928,683	3,997,603	68,920
Federal Revenue	182,299	200,254	17,955
Other State Revenues	1,898,132	1,805,894	(92,238)
Other Local Revenues	296,430	290,288	(6,142)
Total Revenue	**6,305,544**	**6,294,039**	**(11,506)**
Expenditures			
Certificated Salaries	1,869,645	1,850,370	(19,274)
Classified Salaries	818,259	777,214	(41,046)
Benefits	1,055,497	1,003,244	(52,253)
Books and Supplies	190,515	181,961	(8,554)
Services and Operating Exp.	3,043,272	2,861,290	(181,982)
Depreciation & Cap Outlay	68,247	57,731	(10,517)
Other Outflows	-	-	-
Total Expenditures	**7,045,435**	**6,731,810**	**(313,626)**
Net Revenues	**(739,891)**	**(437,771)**	**302,120**
Fund Balance			
Beginning Balance (Audited)		3,447,230	
Net Revenues		(437,771)	
Ending Fund Balance		**3,009,459**	
Components of Fund Bal.			
Available For Econ. Uncert.		1,598,640	23.7% of Expenditures
Restricted Balances (Est.)		1,613	0.0% of Expenditures
Net Fixed Assets		1,409,206	20.9% of Expenditures
Ending Fund Balance		**3,009,459**	**44.7% of Expenditures**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	2,239,093	2,174,225	(64,868)
8012	EPA Entitlement	624,688	675,608	50,920
8019	Prior Year Adjustments	-	7,961	7,961
8096	InLieuPropTaxes	1,064,902	1,139,809	74,907
	SUBTOTAL - LCFF Entitlement	**3,928,683**	**3,997,603**	**68,920**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8182	SpEd - Discretionary Grants	-	-	-
8285	SpEd - Revenue	65,070	66,548	1,478
8290	All Other Federal Revenue	117,229	133,706	16,477
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**182,299**	**200,254**	**17,955**
Other State Revenue				
8311	SpEd Revenue	-	-	-
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	5,106	5,106	0
8560	StateLotteryRev	71,698	66,995	(4,703)
8590	AllOthStateRev	1,821,328	1,733,792	(87,536)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**1,898,132**	**1,805,894**	**(92,238)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	2,000	-	(2,000)
8650	Leases &Rentals	-	-	-
8660	Interest	-	-	-
8699	Other Revenue	55,599	31,396	(24,203)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**291,837**	**278,738**	**(13,099)**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	-	-
8803	Fundraising	4,593	11,550	6,957
	SUBTOTAL - Fundraising & Grants	**4,593**	**11,550**	**6,957**
TOTAL REVENUE		**6,305,544**	**6,294,039**	**(11,506)**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,353,172	1,307,458	(45,714)
1200	Cert Aid	130,544	153,403	22,858
1300	Cert Adminis	385,928	389,510	3,582
	SUBTOTAL - Certificated Salaries	**1,869,645**	**1,850,370**	**(19,274)**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Classified Salaries				
2100	Instructional Aides	311,565	281,002	(30,563)
2200	Classified Support	307,502	299,020	(8,482)
2300	Classified Admin	-	-	-
2400	Clerical & Tech	199,192	197,191	(2,000)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**818,259**	**777,214**	**(41,046)**
Employee Benefits				
3101	STRS-Certified	263,870	330,158	66,288
3102	STRS-Classified	83,686	4,540	(79,146)
3201	PERS-Cert	92,113	242	(91,870)
3202	PERS-Classified	81,426	174,884	93,458
3301	OASDI/Med-Cert	55,506	26,697	(28,809)
3302	OASDI/Med-Class	21,769	58,473	36,705
3401	HlthWelfareCert	420,836	383,990	(36,846)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	12,335	905	(11,430)
3502	UI-Classified	-	376	376
3601	WorkersCmp-Cert	22,746	22,978	232
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	338	-	(338)
3902	OthBenes-Class	872	-	(872)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,055,497**	**1,003,244**	**(52,253)**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	15,000	14,428	(572)
4200	BooksOthRefMats	5,000	2,450	(2,550)
4300	Ins Mats & Sups 2	5,000	-	(5,000)
4310	Ins Mats & Sups	15,000	14,317	(683)
4315	OthrSupplies	2,000	1,692	(308)
4320	Office Supplies	30,000	26,843	(3,157)
4325	ProfDevMat&Sups	1,000	676	(324)
4326	Arts&MusicSupps	1,000	-	(1,000)
4330	Staff Meals & Events	-	1,891	1,891
4335	PE Supplies	1,000	630	(370)
4340	Educat Software	22,014	24,140	2,126
4345	NonInstStdntSup	35,000	27,610	(7,390)
4346	TeacherSupplies	1,500	1,524	24
4350	Cust. Supplies	22,000	17,841	(4,159)
4351	Yearbook	-	-	-
4380	Marketing Materials	-	-	-
4381	Supplies- Homeless Education	-	-	-
4390	Uniforms	10,000	9,218	(782)
4400	NonCapEquip-Gen	3,000	2,095	(905)
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	-	66	66
4440	Computers <$5k	10,000	23,740	13,740
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	2,000	2,834	834
4720	Food:Other Food	10,000	9,964	(36)
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**190,515**	**181,961**	**(8,554)**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	537,507	537,507	0
5200	Travel - General	-	-	-
5205	Conference Fees	1,000	1,193	193
5210	MilesParkTolls	3,000	1,937	(1,063)
5215	TravConferences	-	-	-
5220	TraLodging	3,000	4,952	1,952
5300	DuesMemberships	12,000	10,726	(1,274)
5450	Other Insurance	87,264	85,015	(2,249)
5500	OpsHousekeeping	23,000	32,461	9,461
5510	Gas & Electric	75,000	94,858	19,858
5610	Rent & Leases	317,203	465,196	147,993
5611	Rent & Leases- Interest	714,357	202,649	(511,708)
5620	EquipmentLeases	10,000	10,014	14
5621	EquipmentLeases- Interest	-	266	266
5630	Reps&MaintBldng	40,000	22,898	(17,102)
5800	ProfessServices	49,671	53,925	4,253
5810	Legal	3,000	36	(2,964)
5813	SchPrgAftSchool	576,000	632,013	56,013
5814	SchPrgAcadComps	15,000	569	(14,431)
5819	SchlProgs-Other	40,000	45,075	5,075
5820	Audit & CPA	10,000	7,685	(2,315)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	30,000	3,010	(26,990)
5836	FieldTrip Trans	6,000	4,610	(1,390)
5840	MarkngStdtRecrt	30,000	43,288	13,288
5850	Oversight Fees	39,797	39,896	99
5857	Payroll Fees	18,000	22,739	4,739
5860	Service Fees	2,000	925	(1,075)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	15,000	6,030	(8,970)
5864	Prof Dev-Other	5,000	6,157	1,157
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	175,000	275,779	100,779
5870	Livescan	1,200	325	(875)
5872	SPED Fees (incl Encroachment)	61,000	62,642	1,642
5875	Staff Recruiting	-	-	-
5884	Substitutes	80,000	125,396	45,396
5890	OthSvcsNon-Inst	-	13,018	13,018
5900	Communications	2,200	4,888	2,688
5910	Communications 2	-	-	-
5920	TelecomInternet	26,000	19,965	(6,035)
5930	PostageDelivery	3,000	1,604	(1,396)
5940	Technology	32,072	22,045	(10,027)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**3,043,272**	**2,861,290**	**(181,982)**

2025-26 Unaudited Actuals

MSA 7		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	68,247	57,731	(10,517)
	SUBTOTAL - Capital Outlay & Depreciation	**68,247**	**57,731**	**(10,517)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**7,045,435**	**6,731,810**	**(313,626)**

2025-26 Unaudited Actuals

MSA 8	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	359	370	11
SUMMARY			
Revenue			
LCFF Entitlement	5,074,524	5,220,725	146,201
Federal Revenue	257,428	289,538	32,110
Other State Revenues	1,043,072	881,273	(161,799)
Other Local Revenues	346,422	582,279	235,858
Total Revenue	**6,721,445**	**6,973,815**	**252,370**
Expenditures			
Certificated Salaries	2,288,387	2,261,217	(27,170)
Classified Salaries	870,008	861,382	(8,626)
Benefits	1,278,437	1,231,622	(46,815)
Books and Supplies	366,269	351,295	(14,975)
Services and Operating Exp.	2,103,108	2,214,885	111,777
Depreciation & Cap Outlay	54,940	10,515	(44,426)
Other Outflows	-	-	-
Total Expenditures	**6,961,150**	**6,930,914**	**(30,236)**
Net Revenues	**(239,704)**	**42,901**	**282,605**
Fund Balance			
Beginning Balance (Audited)		7,406,149	
Net Revenues		42,901	
Ending Fund Balance		**7,449,050**	
Components of Fund Bal.			
Available For Econ. Uncert.		7,365,907	106.3% of Expenditures
Restricted Balances (Est.)		19,299	0.3% of Expenditures
Net Fixed Assets		63,844	0.9% of Expenditures
Ending Fund Balance		**7,449,050**	**107.5% of Expenditures**

2025-26 Unaudited Actuals

MSA 8		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	2,640,126	2,511,078	(129,048)
8012	EPA Entitlement	919,703	1,066,033	146,330
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	1,514,695	1,643,614	128,919
	SUBTOTAL - LCFF Entitlement	**5,074,524**	**5,220,725**	**146,201**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8182	SpEd - Discretionary Grants	-	-	-
8285	SpEd - Revenue	92,555	95,760	3,205
8290	All Other Federal Revenue	164,873	193,778	28,905
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**257,428**	**289,538**	**32,110**
Other State Revenue				
8311	SpEd Revenue	-	-	-
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	7,248	7,248	-
8560	StateLotteryRev	101,983	96,715	(5,268)
8590	AllOthStateRev	933,841	777,309	(156,531)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**1,043,072**	**881,273**	**(161,799)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	3,500	206,380	202,880
8699	Other Revenue	3,250	2,923	(327)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**339,928**	**565,249**	**225,321**

2025-26 Unaudited Actuals

MSA 8		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	-	-
8803	Fundraising	6,494	17,030	10,537
	SUBTOTAL - Fundraising & Grants	**6,494**	**17,030**	**10,537**
TOTAL REVENUE		**6,721,445**	**6,973,815**	**252,370**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,638,976	1,635,835	(3,142)
1200	Cert Aid	176,550	146,961	(29,589)
1300	Cert Adminis	472,861	478,421	5,560
	SUBTOTAL - Certificated Salaries	**2,288,387**	**2,261,217**	**(27,170)**
Classified Salaries				
2100	Instructional Aides	213,514	199,128	(14,386)
2200	Classified Support	385,590	474,968	89,379
2300	Classified Admin	-	-	-
2400	Clerical & Tech	270,904	187,285	(83,618)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**870,008**	**861,382**	**(8,626)**
Employee Benefits				
3101	STRS-Certified	329,848	387,482	57,634
3102	STRS-Classified	87,357	2,043	(85,314)
3201	PERS-Cert	99,949	11,297	(88,653)
3202	PERS-Classified	74,116	203,571	129,455
3301	OASDI/Med-Cert	53,897	38,209	(15,688)
3302	OASDI/Med-Class	29,479	64,320	34,841
3401	HlthWelfareCert	557,619	492,861	(64,757)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	14,168	2,465	(11,703)
3502	UI-Classified	-	420	420
3601	WorkersCmp-Cert	30,187	28,953	(1,234)
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	-	-	-
3902	OthBenes-Class	1,817	-	(1,817)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,278,437**	**1,231,622**	**(46,815)**

2025-26 Unaudited Actuals

MSA 8		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	84,000	83,398	(602)
4200	BooksOthRefMats	5,000	1,721	(3,279)
4300	Ins Mats & Sups 2	5,483	2,158	(3,325)
4310	Ins Mats & Sups	12,053	2,913	(9,140)
4315	OthrSupplies	20,000	26,737	6,737
4320	Office Supplies	21,930	21,956	26
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	15,000	4,819	(10,181)
4330	Staff Meals & Events	7,676	-	(7,676)
4335	PE Supplies	2,741	1,401	(1,340)
4340	Educat Software	51,171	43,113	(8,058)
4345	NonInstStdntSup	25,000	21,915	(3,085)
4346	TeacherSupplies	4,000	4,392	392
4350	Cust. Supplies	10,000	13,770	3,770
4351	Yearbook	-	-	-
4380	Marketing Materials	-	1,391	1,391
4381	Supplies- Homeless Education	-	3,644	3,644
4390	Uniforms	21,930	20,595	(1,335)
4400	NonCapEquip-Gen	2,193	2,384	191
4410	ClssrmFrnEqp<5k	2,193	-	(2,193)
4430	OffceFurnEqp<5k	2,741	-	(2,741)
4440	Computers <$5k	10,965	423	(10,542)
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	2,193	-	(2,193)
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	40,000	62,047	22,047
4720	Food:Other Food	20,000	32,519	12,519
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**366,269**	**351,295**	**(14,975)**

2025-26 Unaudited Actuals

MSA 8		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	716,676	716,676	-
5200	Travel - General	-	-	-
5205	Conference Fees	1,097	940	(157)
5210	MilesParkTolls	1,097	319	(778)
5215	TravConferences	-	1,370	1,370
5220	TraLodging	5,000	2,571	(2,429)
5300	DuesMemberships	19,737	13,825	(5,912)
5450	Other Insurance	75,580	85,902	10,322
5500	OpsHousekeeping	22,000	16,944	(5,056)
5510	Gas & Electric	-	-	-
5610	Rent & Leases	564,981	619,124	54,143
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	13,158	8,787	(4,371)
5621	EquipmentLeases- Interest	-	507	507
5630	Reps&MaintBldng	1,000	57,244	56,244
5800	ProfessServices	43,683	41,306	(2,377)
5810	Legal	10,965	2,670	(8,296)
5813	SchPrgAftSchool	30,000	7,350	(22,650)
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	27,413	4,613	(22,800)
5820	Audit & CPA	9,869	7,685	(2,184)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	38,185	17,855	(20,330)
5836	FieldTrip Trans	-	28,180	28,180
5840	MarkngStdtRecrt	21,930	30,151	8,221
5850	Oversight Fees	51,378	52,207	829
5857	Payroll Fees	25,000	25,167	167
5860	Service Fees	-	20	20
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	12,000	10,568	(1,432)
5864	Prof Dev-Other	12,000	24,600	12,600
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	77,693	71,160	(6,533)
5870	Livescan	1,316	227	(1,089)
5872	SPED Fees (incl Encroachment)	76,756	90,330	13,574
5875	Staff Recruiting	-	100	100
5884	Substitutes	160,000	190,550	30,550
5890	OthSvcsNon-Inst	-	16,436	16,436
5900	Communications	5,483	2,741	(2,742)
5910	Communications 2	-	-	-
5920	TelecomInternet	40,000	30,180	(9,820)
5930	PostageDelivery	7,676	6,363	(1,313)
5940	Technology	31,435	30,219	(1,215)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**2,103,108**	**2,214,885**	**111,777**

2025-26 Unaudited Actuals

MSA 8		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	54,940	10,515	(44,426)
	SUBTOTAL - Capital Outlay & Depreciation	**54,940**	**10,515**	**(44,426)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	-	-	-
	SUBTOTAL - Other Outflows	**-**	**-**	**-**
TOTAL EXPENSES		**6,961,150**	**6,930,914**	**(30,236)**

2025-26 Unaudited Actuals

MSA SA	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	546	555.89	10
SUMMARY			
Revenue			
LCFF Entitlement	8,448,984	8,601,043	152,059
Federal Revenue	456,089	570,204	114,115
Other State Revenues	2,349,301	2,194,973	(154,328)
Other Local Revenues	201,673	322,633	120,960
Total Revenue	**11,456,047**	**11,688,852**	**232,805**
Expenditures			
Certificated Salaries	4,080,584	4,010,813	(69,772)
Classified Salaries	1,292,830	1,390,381	97,551
Benefits	2,166,043	1,962,106	(203,937)
Books and Supplies	387,903	425,156	37,253
Services and Operating Exp.	2,754,526	2,942,059	187,532
Depreciation & Cap Outlay	631,178	609,741	(21,436)
Other Outflows	293,654	293,655	1
Total Expenditures	**11,606,719**	**11,633,911**	**27,192**
Net Revenues	**(150,672)**	**54,942**	**205,614**
Fund Balance			
Beginning Balance (Audited)		8,606,891	
Net Revenues		54,942	
Ending Fund Balance		**8,661,833**	
Components of Fund Bal.			
Available For Econ. Uncert.		1,150,400	9.9% of Expenditures
Restricted Balances (Est.)		194,627	1.7% of Expenditures
Net Fixed Assets		7,316,805	62.9% of Expenditures
Ending Fund Balance		**8,661,833**	**74.5% of Expenditures**

2025-26 Unaudited Actuals

MSA SA		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	8,273,979	8,425,151	151,172
8012	EPA Entitlement	109,116	111,178	2,062
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	65,889	64,714	(1,175)
	SUBTOTAL - LCFF Entitlement	**8,448,984**	**8,601,043**	**152,059**
Federal Revenue				
8181	SpEd - Revenue	79,722	84,359	4,637
8182	SpEd - Discretionary Grants	-	6,021	6,021
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	376,367	479,824	103,457
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**456,089**	**570,204**	**114,115**
Other State Revenue				
8311	SpEd Revenue	527,699	508,022	(19,677)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	16,879	16,879	-
8560	StateLotteryRev	154,996	149,296	(5,700)
8590	AllOthStateRev	1,649,727	1,520,776	(128,951)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**2,349,301**	**2,194,973**	**(154,328)**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	8,500	28,241	19,741
8699	Other Revenue	92,000	88,047	(3,953)
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**100,500**	**116,288**	**15,788**

2025-26 Unaudited Actuals

MSA SA		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	7,500	49,362	41,862
8803	Fundraising	93,673	156,983	63,311
	SUBTOTAL - Fundraising & Grants	**101,173**	**206,345**	**105,172**
TOTAL REVENUE		**11,456,047**	**11,688,852**	**232,805**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	3,089,995	3,208,435	118,440
1200	Cert Aid	470,494	298,622	(171,872)
1300	Cert Adminis	520,096	503,756	(16,340)
	SUBTOTAL - Certificated Salaries	**4,080,584**	**4,010,813**	**(69,772)**
Classified Salaries				
2100	Instructional Aides	109,401	116,014	6,614
2200	Classified Support	724,856	862,711	137,855
2300	Classified Admin	-	-	-
2400	Clerical & Tech	453,333	411,655	(41,678)
2900	OtherClassStaff	5,240	-	(5,240)
	SUBTOTAL - Classified Salaries	**1,292,830**	**1,390,381**	**97,551**
Employee Benefits				
3101	STRS-Certified	655,960	686,724	30,764
3102	STRS-Classified	134,330	73,222	(61,107)
3201	PERS-Cert	145,524	454	(145,070)
3202	PERS-Classified	70,028	199,067	129,039
3301	OASDI/Med-Cert	84,963	57,912	(27,052)
3302	OASDI/Med-Class	47,701	77,186	29,485
3401	HlthWelfareCert	959,482	814,782	(144,700)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	24,708	2,064	(22,644)
3502	UI-Classified	-	788	788
3601	WorkersCmp-Cert	33,526	45,957	12,431
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,337	7	(1,330)
3902	OthBenes-Class	8,483	3,943	(4,541)
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**2,166,043**	**1,962,106**	**(203,937)**

2025-26 Unaudited Actuals

MSA SA		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	60,000	58,672	(1,328)
4200	BooksOthRefMats	2,000	1,109	(891)
4300	Ins Mats & Sups 2	10,000	1,822	(8,178)
4310	Ins Mats & Sups	15,000	23,052	8,052
4315	OthrSupplies	1,000	6,186	5,186
4320	Office Supplies	13,844	21,625	7,781
4325	ProfDevMat&Sups	5,317	-	(5,317)
4326	Arts&MusicSupps	5,000	334	(4,666)
4330	Staff Meals & Events	-	-	-
4335	PE Supplies	10,000	838	(9,162)
4340	Educat Software	55,913	60,022	4,108
4345	NonInstStdntSup	60,572	73,374	12,802
4346	TeacherSupplies	10,633	7,032	(3,601)
4350	Cust. Supplies	20,000	31,954	11,954
4351	Yearbook	-	-	-
4380	Marketing Materials	-	321	321
4381	Supplies- Homeless Education	-	6,074	6,074
4390	Uniforms	43,000	41,801	(1,199)
4400	NonCapEquip-Gen	10,000	10,211	211
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	22,000	21,539	(461)
4440	Computers <$5k	5,000	-	(5,000)
4450	FixedAssetsSuspense-Facilities	-	4,251	4,251
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	3,381	-	(3,381)
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	5,636	-	(5,636)
4720	Food:Other Food	29,607	54,943	25,336
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**387,903**	**425,156**	**37,253**

2025-26 Unaudited Actuals

MSA SA		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	1,039,181	1,290,156	250,976
5200	Travel - General	1,000	27,978	26,978
5205	Conference Fees	2,254	342	(1,912)
5210	MilesParkTolls	1,127	3,313	2,186
5215	TravConferences	-	2,439	2,439
5220	TraLodging	9,000	5,893	(3,107)
5300	DuesMemberships	45,000	60,818	15,818
5450	Other Insurance	151,500	148,459	(3,041)
5500	OpsHousekeeping	40,000	30,708	(9,292)
5510	Gas & Electric	190,000	178,342	(11,658)
5610	Rent & Leases	-	-	-
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	25,924	23,924	(2,000)
5621	EquipmentLeases- Interest	-	266	266
5630	Reps&MaintBldng	60,000	39,819	(20,181)
5800	ProfessServices	40,000	68,422	28,422
5810	Legal	-	6,037	6,037
5813	SchPrgAftSchool	203,483	194,504	(8,979)
5814	SchPrgAcadComps	6,000	16,838	10,838
5819	SchlProgs-Other	116,000	58,501	(57,499)
5820	Audit & CPA	10,144	7,685	(2,459)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	55,085	17,386	(37,699)
5836	FieldTrip Trans	110,000	103,364	(6,636)
5840	MarkngStdtRecrt	75,000	56,098	(18,902)
5850	Oversight Fees	87,826	86,010	(1,816)
5857	Payroll Fees	40,000	41,346	1,346
5860	Service Fees	5,072	4,765	(307)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	10,000	5,934	(4,066)
5864	Prof Dev-Other	10,000	30,550	20,550
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	90,000	108,068	18,068
5870	Livescan	1,000	985	(16)
5872	SPED Fees (incl Encroachment)	7,000	17,832	10,832
5875	Staff Recruiting	1,000	2,017	1,017
5884	Substitutes	175,000	206,343	31,343
5890	OthSvcsNon-Inst	-	-	-
5900	Communications	5,636	3,054	(2,582)
5910	Communications 2	5,000	14,753	9,753
5920	TelecomInternet	70,000	41,417	(28,583)
5930	PostageDelivery	9,017	8,775	(242)
5940	Technology	57,277	28,918	(28,359)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**2,754,526**	**2,942,059**	**187,532**

2025-26 Unaudited Actuals

MSA SA		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	631,178	609,741	(21,436)
	SUBTOTAL - Capital Outlay & Depreciation	**631,178**	**609,741**	**(21,436)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	293,654	293,655	1
	SUBTOTAL - Other Outflows	**293,654**	**293,655**	**1**
TOTAL EXPENSES		**11,606,719**	**11,633,911**	**27,192**

2025-26 Unaudited Actuals

MSA SD	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	448	455	7
SUMMARY			
Revenue			
LCFF Entitlement	5,067,572	5,146,492	78,920
Federal Revenue	402,614	483,444	80,830
Other State Revenues	2,108,035	2,056,822	(51,213)
Other Local Revenues	120,000	168,520	48,520
Total Revenue	**7,698,221**	**7,855,279**	**157,057**
Expenditures			
Certificated Salaries	2,542,434	2,496,465	(45,970)
Classified Salaries	494,534	481,242	(13,293)
Benefits	1,155,392	1,100,768	(54,624)
Books and Supplies	434,785	477,107	42,321
Services and Operating Exp.	2,528,315	2,667,740	139,425
Depreciation & Cap Outlay	75,636	78,694	3,058
Other Outflows	3,180	1,845	(1,335)
Total Expenditures	**7,234,277**	**7,303,860**	**69,583**
Net Revenues	**463,944**	**551,419**	**87,474**
Fund Balance			
Beginning Balance (Audited)		1,778,183	
Net Revenues		551,419	
Ending Fund Balance		**2,329,602**	
Components of Fund Bal.			
Available For Econ. Uncert.		1,707,648	23.4% of Expenditure
Restricted Balances (Est.)			0.0% of Expenditures
Net Fixed Assets		621,954	8.5% of Expenditures
Ending Fund Balance		**2,329,602**	**31.9% of Expenditur**

2025-26 Unaudited Actuals

MSA SD		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	563,311	381,156	(182,155)
8012	EPA Entitlement	89,562	90,974	1,412
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	4,414,699	4,674,362	259,663
	SUBTOTAL - LCFF Entitlement	**5,067,572**	**5,146,492**	**78,920**
Federal Revenue				
8181	SpEd - Revenue	70,485	74,700	4,215
8182	SpEd - Discretionary Grants	-	5,223	5,223
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	332,129	403,521	71,392
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**402,614**	**483,444**	**80,830**
Other State Revenue				
8311	SpEd Revenue	435,545	415,638	(19,907)
8520	SchoolNutrState	-	-	-
8550	MandCstReimburs	8,943	8,943	-
8560	StateLotteryRev	127,222	131,558	4,336
8590	AllOthStateRev	1,536,325	1,500,683	(35,642)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**2,108,035**	**2,056,822**	**(51,213)**
Local Revenue				
8600	Other Local Rev	60,000	-	(60,000)
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	23,881	23,881
8699	Other Revenue	-	54,728	54,728
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**60,000**	**78,609**	**18,609**

2025-26 Unaudited Actuals

MSA SD		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	4,288	4,288
8803	Fundraising	60,000	85,623	25,623
	SUBTOTAL - Fundraising & Grants	**60,000**	**89,911**	**29,911**
TOTAL REVENUE		**7,698,221**	**7,855,279**	**157,057**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	1,740,368	1,893,243	152,874
1200	Cert Aid	419,690	236,225	(183,465)
1300	Cert Adminis	382,376	366,997	(15,379)
	SUBTOTAL - Certificated Salaries	**2,542,434**	**2,496,465**	**(45,970)**
Classified Salaries				
2100	Instructional Aides	91,025	65,231	(25,794)
2200	Classified Support	100,762	197,940	97,178
2300	Classified Admin	-	-	-
2400	Clerical & Tech	302,747	218,070	(84,677)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**494,534**	**481,242**	**(13,293)**
Employee Benefits				
3101	STRS-Certified	419,987	433,789	13,801
3102	STRS-Classified	73,595	34,875	(38,720)
3201	PERS-Cert	48,005	20,525	(27,480)
3202	PERS-Classified	17,509	60,047	42,539
3301	OASDI/Med-Cert	47,253	45,919	(1,334)
3302	OASDI/Med-Class	12,397	24,749	12,352
3401	HlthWelfareCert	488,407	447,811	(40,596)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	14,143	1,287	(12,856)
3502	UI-Classified	-	252	252
3601	WorkersCmp-Cert	30,326	27,575	(2,751)
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	1,597	-	(1,597)
3902	OthBenes-Class	2,174	3,939	1,765
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,155,392**	**1,100,768**	**(54,624)**

2025-26 Unaudited Actuals

MSA SD		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	60,397	44,809	(15,588)
4200	BooksOthRefMats	5,000	49	(4,951)
4300	Ins Mats & Sups 2	15,798	9,298	(6,500)
4310	Ins Mats & Sups	18,015	8,946	(9,069)
4315	OthrSupplies	5,000	3,839	(1,161)
4320	Office Supplies	33,491	24,663	(8,828)
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	29,489	10,760	(18,729)
4330	Staff Meals & Events	1,000	4,935	3,935
4335	PE Supplies	3,791	4,377	586
4340	Educat Software	43,013	26,548	(16,465)
4345	NonInstStdntSup	31,596	21,734	(9,862)
4346	TeacherSupplies	10,532	6,402	(4,130)
4350	Cust. Supplies	13,397	20,877	7,480
4351	Yearbook	-	-	-
4380	Marketing Materials	-	4,499	4,499
4381	Supplies- Homeless Education	-	6,981	6,981
4390	Uniforms	23,170	13,369	(9,801)
4400	NonCapEquip-Gen	23,170	1,256	(21,914)
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	21,064	11,874	(9,190)
4440	Computers <$5k	75,000	226,653	151,653
4460	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	4,000	8,690	4,690
4720	Food:Other Food	17,862	16,546	(1,316)
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**434,785**	**477,107**	**42,321**

2025-26 Unaudited Actuals

MSA SD		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	760,136	771,974	11,838
5200	Travel - General	2,120	943	(1,177)
5205	Conference Fees	2,233	5,029	2,796
5210	MilesParkTolls	1,675	6,948	5,273
5215	TravConferences	-	418	418
5220	TraLodging	15,798	3,513	(12,285)
5300	DuesMemberships	21,064	13,600	(7,464)
5450	Other Insurance	83,326	99,417	16,091
5500	OpsHousekeeping	115,850	122,271	6,421
5510	Gas & Electric	115,850	109,379	(6,471)
5610	Rent & Leases	336,271	479,975	143,704
5611	Rent & Leases- Interest	204,987	204,897	(90)
5620	EquipmentLeases	22,306	17,050	(5,256)
5621	EquipmentLeases- Interest	-	893	893
5630	Reps&MaintBldng	42,127	18,378	(23,749)
5800	ProfessServices	68,924	5,796	(63,128)
5810	Legal	11,164	1,216	(9,948)
5813	SchPrgAftSchool	112,515	173,887	61,372
5814	SchPrgAcadComps	2,791	3,242	451
5819	SchlProgs-Other	5,266	71,586	66,320
5820	Audit & CPA	10,047	8,284	(1,763)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	15,000	958	(14,043)
5836	FieldTrip Trans	20,000	37,152	17,152
5840	MarkngStdtRecrt	43,181	33,418	(9,763)
5850	Oversight Fees	51,185	51,465	280
5857	Payroll Fees	16,746	22,429	5,683
5860	Service Fees	9,489	3,557	(5,932)
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	14,000	4,660	(9,340)
5864	Prof Dev-Other	18,957	-	(18,957)
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	217,524	189,185	(28,339)
5870	Livescan	5,000	5,072	72
5872	SPED Fees (incl Encroachment)	-	14,761	14,761
5875	Staff Recruiting	10,532	1,850	(8,682)
5884	Substitutes	90,000	96,546	6,546
5890	OthSvcsNon-Inst	-	6,273	6,273
5900	Communications	3,349	3,476	127
5910	Communications 2	-	1,466	1,466
5920	TelecomInternet	36,840	38,162	1,322
5930	PostageDelivery	4,466	3,879	(587)
5940	Technology	37,596	34,737	(2,859)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**2,528,315**	**2,667,740**	**139,425**

2025-26 Unaudited Actuals

MSA SD		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	75,636	78,694	3,058
	SUBTOTAL - Capital Outlay & Depreciation	**75,636**	**78,694**	**3,058**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	3,180	1,845	(1,335)
	SUBTOTAL - Other Outflows	**3,180**	**1,845**	**(1,335)**
TOTAL EXPENSES		**7,234,277**	**7,303,860**	**69,583**

2025-26 Unaudited Actuals

MSA OC	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Projected Average Daily Attendance:	74	73	(1)
SUMMARY			
Revenue			
LCFF Entitlement	1,119,158	1,116,554	(2,604)
Federal Revenue	318,960	341,758	22,798
Other State Revenues	317,506	317,562	56
Other Local Revenues	1,360,000	1,272,624	(87,376)
Total Revenue	**3,115,624**	**3,048,497**	**(67,127)**
Expenditures			
Certificated Salaries	1,188,571	1,414,425	225,854
Classified Salaries	582,058	432,638	(149,420)
Benefits	561,989	613,522	51,533
Books and Supplies	438,400	380,070	(58,330)
Services and Operating Exp.	1,128,438	1,135,617	7,179
Depreciation & Cap Outlay	7,308	6,652	(656)
Other Outflows	108,000	147,430	39,430
Total Expenditures	**4,014,764**	**4,130,354**	**115,590**
Net Revenues	**(899,140)**	**(1,081,857)**	**(182,717)**
Fund Balance			
Beginning Balance (Audited)		-	
Net Revenues		(1,081,857)	
Ending Fund Balance		**(1,081,857)**	
Components of Fund Bal.			
Available For Econ. Uncert.		(1,407,570)	-34.1% of Expenditures
Restricted Balances (Est.)		-	0.0% of Expenditures
Net Fixed Assets		325,713	7.9% of Expenditures
Ending Fund Balance		**(1,081,857)**	**-26.2% of Expenditures**

2025-26 Unaudited Actuals

MSA OC		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	1,104,306	1,101,872	(2,434)
8012	EPA Entitlement	14,852	14,682	(170)
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	-	-	-
	SUBTOTAL - LCFF Entitlement	**1,119,158**	**1,116,554**	**(2,604)**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8220	SchLunchFederal	-	-	-
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	318,960	341,758	22,798
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**318,960**	**341,758**	**22,798**
Other State Revenue				
8311	SpEd Revenue	66,158	66,936	778
8182	SpEd - Discretionary Grants	-	-	-
8550	MandCstReimburs	-	-	-
8560	StateLotteryRev	21,117	21,706	589
8590	AllOthStateRev	230,231	228,920	(1,311)
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**317,506**	**317,562**	**56**
Local Revenue				
8600	Other Local Rev	200,000	-	(200,000)
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	9,253	9,253
8699	Other Revenue	165,000	263,356	98,356
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**365,000**	**272,610**	**(92,390)**

2025-26 Unaudited Actuals

MSA OC		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	995,000	996,545	1,545
8803	Fundraising	-	3,469	3,469
	SUBTOTAL - Fundraising & Grants	**995,000**	**1,000,015**	**5,015**
TOTAL REVENUE		**3,115,624**	**3,048,497**	**(67,127)**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	657,023	694,655	37,631
1200	Cert Aid	77,600	84,286	6,686
1300	Cert Adminis	453,948	635,485	181,537
	SUBTOTAL - Certificated Salaries	**1,188,571**	**1,414,425**	**225,854**
Classified Salaries				
2400	Clerical & Tech	479,764	266,927	(212,837)
2900	OtherClassStaff	-	-	-
	SUBTOTAL - Classified Salaries	**582,058**	**432,638**	**(149,420)**
Employee Benefits				
3101	STRS-Certified	164,667	255,146	90,479
3102	STRS-Classified	66,372	7,651	(58,721)
3201	PERS-Cert	40,937	-	(40,937)
3202	PERS-Classified	26,053	76,653	50,600
3301	OASDI/Med-Cert	24,492	19,902	(4,589)
3302	OASDI/Med-Class	12,484	29,915	17,430
3401	HlthWelfareCert	219,266	204,488	(14,779)
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	7,298	1,083	(6,215)
3502	UI-Classified	-	927	927
3601	WorkersCmp-Cert	-	14,798	14,798
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	405	18	(387)
3902	OthBenes-Class	15	2,941	2,926
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**561,989**	**613,522**	**51,533**

2025-26 Unaudited Actuals

MSA OC		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	40,000	39,234	(766)
4200	BooksOthRefMats	51,000	49,542	(1,458)
4300	Ins Mats & Sups 2	6,000	6,629	629
4310	Ins Mats & Sups	12,000	5,220	(6,780)
4315	OthrSupplies	9,000	8,134	(866)
4320	Office Supplies	18,000	16,858	(1,142)
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	1,400	-	(1,400)
4330	Staff Meals & Events	-	807	807
4335	PE Supplies	3,000	-	(3,000)
4340	Educat Software	20,000	18,304	(1,696)
4345	NonInstStdntSup	20,000	22,240	2,240
4346	TeacherSupplies	2,000	801	(1,199)
4350	Cust. Supplies	25,000	16,544	(8,456)
4351	Yearbook	-	-	-
4380	Marketing Materials	-	522	522
4381	Supplies- Homeless Education	-	1,960	1,960
4390	Uniforms	4,000	3,355	(645)
4400	NonCapEquip-Gen	8,000	9,945	1,945
4410	ClssrmFrnEqp<5k	10,000	-	(10,000)
4430	OffceFurnEqp<5k	120,000	103,864	(16,136)
4440	Computers <$5k	75,000	45,659	(29,341)
4450	FixedAssetsSuspense-Facilities	-	137	137
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	7,000	23,878	16,878
4720	Food:Other Food	7,000	6,437	(563)
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**438,400**	**380,070**	**(58,330)**

2025-26 Unaudited Actuals

MSA OC		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	-	-	-
5200	Travel - General	2,000	-	(2,000)
5205	Conference Fees	1,000	-	(1,000)
5210	MilesParkTolls	1,000	369	(631)
5215	TravConferences	-	-	-
5220	TraLodging	8,000	6,609	(1,391)
5300	DuesMemberships	1,500	1,636	136
5450	Other Insurance	7,200	32,054	24,854
5500	OpsHousekeeping	65,000	52,546	(12,454)
5510	Gas & Electric	25,000	32,624	7,624
5610	Rent & Leases	282,829	270,689	(12,140)
5611	Rent & Leases- Interest	-	138,277	138,277
5620	EquipmentLeases	40,000	59,317	19,317
5621	EquipmentLeases- Interest	-	5,304	5,304
5630	Reps&MaintBldng	31,600	11,150	(20,450)
5800	ProfessServices	40,000	25,291	(14,709)
5810	Legal	50,000	70,205	20,205
5813	SchPrgAftSchool	40,000	-	(40,000)
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	20,000	26,613	6,613
5820	Audit & CPA	12,000	6,864	(5,136)
5825	DMSBusinessSvcs	-	-	-
5835	Field Trips	5,000	2,601	(2,399)
5836	FieldTrip Trans	5,000	2,698	(2,302)
5840	MarkngStdtRecrt	230,000	108,792	(121,208)
5850	Oversight Fees	10,251	11,166	915
5857	Payroll Fees	27,000	28,450	1,450
5860	Service Fees	2,800	4,139	1,339
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	10,000	9,400	(600)
5864	Prof Dev-Other	4,000	-	(4,000)
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	90,000	125,421	35,421
5870	Livescan	1,058	1,603	546
5872	SPED Fees (incl Encroachment)	-	2,114	2,114
5875	Staff Recruiting	-	107	107
5884	Substitutes	65,000	65,521	521
5890	OthSvcsNon-Inst	-	-	-
5900	Communications	10,500	35	(10,465)
5910	Communications 2	-	175	175
5920	TelecomInternet	10,000	10,483	483
5930	PostageDelivery	700	135	(565)
5940	Technology	30,000	23,229	(6,771)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**1,128,438**	**1,135,617**	**7,179**

2025-26 Unaudited Actuals

MSA OC		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	7,308	6,652	(656)
	SUBTOTAL - Capital Outlay & Depreciation	**7,308**	**6,652**	**(656)**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	108,000	147,430	39,430
	SUBTOTAL - Other Outflows	**108,000**	**147,430**	**39,430**
TOTAL EXPENSES		**4,014,764**	**4,130,354**	**115,590**

2025-26 Unaudited Actuals

MERF	2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
SUMMARY			
Revenue			
LCFF Entitlement	-	-	-
Federal Revenue	-	14,785	14,785
Other State Revenues	-	132,213	132,213
Other Local Revenues	8,088,806	9,078,605	989,799
Total Revenue	**8,088,806**	**9,225,603**	**1,136,797**
Expenditures			
Certificated Salaries	-	-	-
Classified Salaries	4,898,596	5,374,693	476,097
Benefits	1,540,735	1,775,852	235,117
Books and Supplies	167,681	150,274	(17,407)
Services and Operating Exp.	2,510,477	2,304,458	(206,019)
Depreciation & Cap Outlay	515	516	1
Other Outflows	15,000	58,950	43,950
Total Expenditures	**9,133,004**	**9,664,743**	**531,739**
Net Revenues	**(1,044,198)**	**(439,140)**	**605,058**
Fund Balance			
Beginning Balance (Audited)		441,370	
Net Revenues		(439,140)	
Ending Fund Balance		**2,230**	
Components of Fund Bal.			
Available For Econ. Uncert.		(9,749)	-0.1% of Expenditures
Restricted Balances (Est.)		-	0.0% of Expenditures
Net Fixed Assets		11,979	0.1% of Expenditures
Ending Fund Balance		**2,230**	**0.0% of Expenditures**

2025-26 Unaudited Actuals

MERF		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
REVENUE DETAIL				
LCFF Entitlement				
8011	State Aid	-	-	-
8012	EPA Entitlement	-	-	-
8019	Prior Year Adjustments	-	-	-
8096	InLieuPropTaxes	-	-	-
	SUBTOTAL - LCFF Entitlement	**-**	**-**	**-**
Federal Revenue				
8181	SpEd - Revenue	-	-	-
8220	SchLunchFederal	-	-	-
8285	SpEd - Revenue	-	-	-
8290	All Other Federal Revenue	-	14,785	14,785
8295	Federal Revenue PY Adj	-	-	-
	SUBTOTAL - Federal Revenue	**-**	**14,785**	**14,785**
Other State Revenue				
8311	SpEd Revenue	-	-	-
8182	SpEd - Discretionary Grants	-	-	-
8550	MandCstReimburs	-	-	-
8560	StateLotteryRev	-	-	-
8590	AllOthStateRev	-	132,213	132,213
8595	State Rev PY Adj	-	-	-
	SUBTOTAL - Other State Revenue	**-**	**132,213**	**132,213**
Local Revenue				
8600	Other Local Rev	-	-	-
8634	StudentLunchFee	-	-	-
8650	Leases &Rentals	-	-	-
8660	Interest	-	9,506	9,506
8701	CMO Fee - MSA-1	1,254,184	1,532,355	278,171
8702	CMO Fee - MSA-2	967,513	967,513	0
8703	CMO Fee - MSA-3	716,676	716,676	-
8704	CMO Fee - MSA-4	179,169	179,169	0
8705	CMO Fee - MSA-5	215,003	215,003	-
8706	CMO Fee - MSA-6	179,169	179,169	0
8707	CMO Fee - MSA-7	537,507	537,507	0
8708	CMO Fee - MSA-8	716,676	716,676	0
8709	CMO Fee - MSA-SA	1,039,181	1,290,156	250,976
8712	CMO Fee - MSA-SD	765,427	771,974	6,547
8699	Other Revenue	1,518,300	1,961,558	443,258
8980	Misc Revenue (Suspense 2)	-	-	-
8999	Misc Revenue (Suspense)	-	-	-
	SUBTOTAL - Local Revenue	**8,088,806**	**9,077,264**	**988,458**

2025-26 Unaudited Actuals

MERF		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Fundraising & Grants				
8802	Donations - Private	-	15	15
8803	Fundraising	-	1,326	1,326
	SUBTOTAL - Fundraising & Grants	**-**	**1,341**	**1,341**
TOTAL REVENUE		**8,088,806**	**9,225,603**	**1,136,797**
EXPENSES DETAIL				
Certificated Salaries				
1100	TeacherSalaries	-	-	-
1200	Cert Aid	-	-	-
1300	Cert Adminis	-	-	-
	SUBTOTAL - Certificated Salaries	**-**	**-**	**-**
Classified Salaries				
2400	Clerical & Tech	4,898,596	5,366,168	467,572
2900	OtherClassStaff	-	8,525	8,525
	SUBTOTAL - Classified Salaries	**4,898,596**	**5,374,693**	**476,097**
Employee Benefits				
3101	STRS-Certified	-	-	-
3102	STRS-Classified	465,713	444,966	(20,747)
3201	PERS-Cert	-	-	-
3202	PERS-Classified	77,200	111,544	34,345
3301	OASDI/Med-Cert	-	-	-
3302	OASDI/Med-Class	200,205	262,583	62,378
3401	HlthWelfareCert	611,470	712,706	101,235
3402	HlthWelfareCert	-	-	-
3501	UI-Certificated	13,631	-	(13,631)
3502	UI-Classified	-	7,330	7,330
3601	WorkersCmp-Cert	67,788	55,148	(12,640)
3602	WorkersCmp-Class	-	-	-
3701	Other Retirement-Cert	-	-	-
3901	OthBenes-Cert	-	-	-
3902	OthBenes-Class	104,728	181,574	76,846
3990	PY Benefit Adjustments	-	-	-
	SUBTOTAL - Employee Benefits	**1,540,735**	**1,775,852**	**235,117**

2025-26 Unaudited Actuals

MERF		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Books & Supplies				
4100	Text&CoreCurric	1,000	-	(1,000)
4200	BooksOthRefMats	-	-	-
4300	Ins Mats & Sups 2	2,000	828	(1,172)
4310	Ins Mats & Sups	-	-	-
4315	OthrSupplies	4,181	1,086	(3,095)
4320	Office Supplies	20,000	10,220	(9,780)
4325	ProfDevMat&Sups	-	-	-
4326	Arts&MusicSupps	-	-	-
4330	Staff Meals & Events	-	-	-
4335	PE Supplies	-	-	-
4340	Educat Software	-	779	779
4345	NonInstStdntSup	9,000	21,403	12,403
4346	TeacherSupplies	-	-	-
4350	Cust. Supplies	1,000	831	(169)
4351	Yearbook	-	-	-
4380	Marketing Materials	-	70	70
4381	Supplies- Homeless Education	-	-	-
4390	Uniforms	5,000	-	(5,000)
4400	NonCapEquip-Gen	10,500	2,253	(8,247)
4410	ClssrmFrnEqp<5k	-	-	-
4430	OffceFurnEqp<5k	-	-	-
4440	Computers <$5k	25,000	11,153	(13,847)
4450	FixedAssetsSuspense-Facilities	-	-	-
4461	Fixed Asset Susp (Imp)	-	-	-
4464	Equipment (Pre-Cap)	-	-	-
4480	FixedAssets Suspense-Equipment	-	-	-
4710	Food	-	-	-
4720	Food:Other Food	90,000	101,651	11,651
4990	Prior Year Adj (Mat'ls)	-	-	-
4999	Misc Expenditure (Suspense)	-	-	-
	SUBTOTAL - Books and Supplies	**167,681**	**150,274**	**(17,407)**

2025-26 Unaudited Actuals

MERF		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Services & Other Operating Expenses				
5101	CMO Fees	-	-	-
5200	Travel - General	-	3,650	3,650
5205	Conference Fees	15,900	1,594	(14,306)
5210	MilesParkTolls	24,000	19,795	(4,205)
5215	TravConferences	-	495	495
5220	TraLodging	29,000	13,462	(15,538)
5300	DuesMemberships	41,000	51,274	10,274
5450	Other Insurance	22,500	10,259	(12,241)
5500	OpsHousekeeping	50,000	55,043	5,043
5510	Gas & Electric	-	-	-
5610	Rent & Leases	312,000	188,646	(123,354)
5611	Rent & Leases- Interest	-	-	-
5620	EquipmentLeases	25,000	7,037	(17,963)
5621	EquipmentLeases- Interest	-	-	-
5630	Reps&MaintBldng	-	-	-
5800	ProfessServices	732,700	764,620	31,920
5810	Legal	200,000	309,928	109,928
5813	SchPrgAftSchool	-	-	-
5814	SchPrgAcadComps	-	-	-
5819	SchlProgs-Other	-	21,113	21,113
5820	Audit & CPA	12,000	5,392	(6,608)
5825	DMSBusinessSvcs	692,000	513,294	(178,706)
5835	Field Trips	-	-	-
5836	FieldTrip Trans	-	19,740	19,740
5840	MarkngStdtRecrt	42,000	45,677	3,677
5850	Oversight Fees	-	-	-
5857	Payroll Fees	21,000	27,824	6,824
5860	Service Fees	500	10,185	9,685
5861	Prior Year Services	-	-	-
5863	Prof Developmnt	59,000	20,406	(38,594)
5864	Prof Dev-Other	32,000	9,153	(22,847)
5865	Prof Dev - LLM	-	-	-
5869	SpEd Ctrct Inst	-	-	-
5870	Livescan	500	349	(151)
5872	SPED Fees (incl Encroachment)	-	-	-
5875	Staff Recruiting	5,000	4,997	(3)
5884	Substitutes	-	-	-
5890	OthSvcsNon-Inst	-	-	-
5900	Communications	1,450	-	(1,450)
5910	Communications 2	-	827	827
5920	TelecomInternet	15,000	36,512	21,512
5930	PostageDelivery	11,500	2,533	(8,967)
5940	Technology	166,427	160,654	(5,773)
5990	Prior Year Adj (Services)	-	-	-
	SUBTOTAL - Services & Other Operating Exp.	**2,510,477**	**2,304,458**	**(206,019)**

2025-26 Unaudited Actuals

MERF		2nd Interim Budget	Unaudited Actuals	Variance From 2nd Interim
Capital Outlay & Depreciation				
6100	Site Improvement (Pre-Capitalization)	-	-	-
6400	EquipFixed	-	-	-
6900	Depreciation	515	516	1
	SUBTOTAL - Capital Outlay & Depreciation	**515**	**516**	**1**
Other Outflows				
7299	Other Outgo (not incl. SPED Encroachment)	-	-	-
7310	Indirect Costs	-	-	-
7438	InterestExpense	15,000	58,950	43,950
	SUBTOTAL - Other Outflows	**15,000**	**58,950**	**43,950**
TOTAL EXPENSES		**9,133,004**	**9,664,743**	**531,739**

Coversheet

Approval of Revised Preliminary, Non-Binding Stifel Engagement and Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2026C / 2026D Financing

Section: II. Recommended Action Items
Item: B. Approval of Revised Preliminary, Non-Binding Stifel Engagement and Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2026C / 2026D Financing
Purpose: Vote
Submitted by:
Related Material:
II. B.Recommended Action Item Approval of Revised Preliminary, Non-Binding Stifel Engagement a nd Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2 026C 2026D Financing.pdf

Agenda Item:	II.B. Recommended Action Item
Date:	September 14, 2026
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools ("MPS") Board of Directors (the "Board")
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Cafer Turan, Interim Chief Financial Officer
RE:	Approval of Revised Preliminary, Non-Binding Stifel Engagement and Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2026C / 2026D Financing

Action Proposed:

Staff recommends and moves that the Committee approve the preliminary, non-binding Stifel engagement and authorize/ratify submission of the related CSFA financing and credit enhancement applications for the proposed 2026C/2026D financing, substantially as presented. This action does not authorize final debt issuance. Furthermore, the Committee shall move that the Board adopt the same.

Purpose:

To preserve MPS's ability to evaluate a potential 2026 financing while keeping other financing alternatives available. This action allows preliminary application, diligence, rating, structuring, and market work only; final financing requires separate Board approval.

Background:

MPS is evaluating approximately $19.4 million of preliminary facility and refinancing needs for MSA-2, MSA-7 / the former Bank of America property, MSA-OC / Anaheim, and the MSA-5 Gym. The analysis also includes CLI-related obligations, the planned MSA-2 land sale, and the proposed MSA-7 property structure through MPM.

The $19.4 million represents current project-level uses, not proposed bond principal. The CSFA application requests a not-to-exceed ceiling of $22.5 million for flexibility and currently models approximately $20.46 million of bond par to fund project costs, financing costs, and original issue discount. The $22.5 million ceiling is not authorization to issue that amount.

Preliminary Financing Plan

Project / purpose	Gross need	Illustrative annual debt service*	Current planning consideration
MSA-2	$2,600,000	$199,101	Reimbursement of eligible project costs and CapEx; confirm final reimbursable amount and land-sale strategy.
MSA-7 / Sherman Way	$7,800,000	$597,304	Refinance prior facility loan; confirm payoff, appraisal, collateral capacity, ownership/lease structure, and use by MSA-1/MSA-7.
MSA-OC / Anaheim	$4,500,000	$344,598	Refinance existing acquisition-related IO loans: $3.7M from MSA-8 and $0.8M from MSA-6; confirm final payoff including accrued interest and transaction costs.
MSA-5 Gym	$4,500,000	$344,598	New financing to complete the gym project; confirm remaining project costs, available project funds, grants, and final financing need.
Total	**$19,400,000**	**$1,485,602**	**Preliminary gross need; not estimated bond principal.**

*Project-level debt-service amounts are illustrative 30-year estimates at 6.5%. The CSFA application separately estimates approximately $1.295 million of annual payment under a preliminary fixed-rate, level-debt-service structure of up to 40 years. Final debt service will depend on actual par, rates, amortization, tax mix, and market conditions.

Application Financial Framework

Metric	Current preliminary application / planning amount
Project-level uses	$19.400 million
Preliminary bond par	$20.460 million ($20.220M tax-exempt + $0.240M taxable)
CSFA application not-to-exceed	**$22.500 million ($22.000M tax-exempt + $0.500M taxable)**
Net original issue discount (preliminary)	$428,770

Estimated costs of issuance + underwriter discount	$627,026
CSFA Credit Enhancement / reserve funding	**$1,297,375 grant-funded debt service reserve**
Estimated annual payment in CSFA application	$1,295,000 (preliminary)
Preliminary structure	Obligated Group; fixed rate; level debt service; fully amortizing; up to 40 years; limited public offering

The preliminary application contemplates an Obligated Group structure, gross-revenue pledge, bond reserve fund, and State intercept mechanism, with an anticipated Baa3 rating. The offering is expected to be limited to Qualified Institutional Buyers and Accredited Investors. Final security, disclosure, and investor terms remain subject to final documents and Board approval.

Required Analysis Before Final Financing Approval

- Reconcile final sources and uses, including the $19.4 million project uses, approximately $20.46 million preliminary par, and $22.5 million CSFA ceiling, together with available funds, payoff amounts, financing costs, reserves, contingencies, and any capitalized interest.
- Confirm final project scope, tax-exempt/taxable allocation, and whether any project amount is reduced, separately financed, or deferred.
- Confirm updated appraisals and collateral capacity for MSA-7 and MSA-OC / Anaheim.
- Confirm the final payoff of the approximately $4.5 million MSA-OC acquisition-related IO loans funded by MSA-8 ($3.7 million) and MSA-6 ($0.8 million). The proposed $4.5 million financing is intended to refinance these loans, not create an additional $4.5 million obligation. Final sources and uses should include accrued interest and transaction costs.
- Prepare final debt-service, liquidity, coverage, covenant-compliance, and downside analyses, including applicable Master Indenture additional-debt/refunding tests.
- Confirm the final financing method, security, repayment sources, tax treatment, and transaction costs.

Stifel Engagement

The Stifel engagement is preliminary, non-binding, nonexclusive, and terminable by MPS without penalty for Stifel costs. Stifel would act as underwriter or placement agent, not as MPS's fiduciary municipal advisor.

Before execution, General Counsel should confirm that the final letter:

- supersedes the prior preliminary engagement / disclosure letter dated November 25, 2025 and executed January 28, 2026;
- limits promotional use of MPS's name or logo to MPS-approved communications; and
- permits disclosures to the Board, MPS professionals, and as required by law.

Preliminary Schedule

The dates below are preliminary and remain subject to CSFA confirmation, completion of diligence and disclosure, market conditions, and any applicable blackout periods.

Milestone	Current preliminary schedule / condition
CSFA applications	Executed / targeted submission August 27, 2026; any pre-Board submission should be ratified as advised by General Counsel.
Board financing package	Finalize during week of September 14, 2026.
Final MPS Board financing action	Target week of September 21, 2026; separate approval required for final financing and transaction documents.
CSFA approval	Target September 24, 2026.
Investor marketing / bond sale	Investor marketing week of October 19; preliminary sale date October 28, 2026.
Closing	Preliminary closing date November 11, 2026, subject to approvals, documentation, rating, market conditions, and schedule changes.

Impact:

- Preserves the option to pursue 2026C / 2026D financing without committing MPS to issue debt.
- Allows required application, diligence, rating, disclosure, and market work to continue.
- Maintains flexibility to pursue another underwriter, lender, or financing alternative.

Budget Implications:

- Immediate application costs: up to $2,500 in nonrefundable CSFA application fees ($1,500 conduit application and $1,000 credit enhancement application), subject to confirmation of amounts already paid or committed.
- The CSFA application estimates approximately $1.295 million of annual payment under its preliminary structure. As a separate benchmark, financing $19.4 million over 30 years at 6.5% is approximately $1.49 million annually. Neither amount is final.
- Preliminary financing costs are approximately $627,026, including about $477,026 of costs of issuance and a $150,000 underwriter discount.
- **Credit enhancement: Preliminary sources and uses assume approximately $1.297 million of CSFA Credit Enhancement Grant proceeds to fund the debt-service reserve. If awarded, this would reduce the need to fund that reserve from bond proceeds or MPS cash.**
- MSA-OC refinancing: The proposed $4.5 million financing is intended to refinance the existing IO acquisition loans from MSA-8 ($3.7 million) and MSA-6 ($0.8 million). No payments are required through June 30, 2027; quarterly repayment begins July 2027 and

matures June 30, 2032. Illustratively, the existing 5-year structure at 4.0% is about $997,000 annually versus about $341,000 annually over 30 years at 6.5%, or approximately $656,000 of annual cash-flow relief beginning FY2027-28. This is cash-flow relief, not lifetime interest savings, and actual results depend on final payoff, rate, term, and costs.

Recommendation:

Approve the preliminary engagement and CSFA application authority/ratification only, including the $22.5 million not-to-exceed application ceiling to preserve financing flexibility. Require final sources and uses, payoff amounts, appraisals, debt-capacity and coverage analyses, covenant compliance, final rates and amortization, security documents, and substantially final transaction documents to return to the Board before pricing, sale, issuance, or closing.

Exhibits:

- **Exhibit A -** Revised Preliminary Stifel Underwriter / Placement Agent Engagement Letter - August 21, 2026
- **Exhibit B -** CSFA Conduit Financing Application - executed August 27, 2026
- **Exhibit C -** CSFA Charter School Facilities Credit Enhancement Grant Application - executed August 27, 2026
- **Exhibit D -** Series 2026C / 2026D Preliminary Financing Schedule - August 19, 2026
- **Exhibit E -** Preliminary Limited Offering Memorandum (PLOM) - draft dated August 27, 2026
- **Exhibit F -** Bond Purchase Agreement (BPA) - draft dated August 27, 2026
- **Exhibit G -** Series 2026C / 2026D Financing Working Group Distribution List - August 19, 2026

STIFEL

August 21, 2026

Mr. Alfredo Rubalcava
Chief Executive Officer
Magnolia Public Schools
250 E. 1st Street, Suite 1500
Los Angeles, CA 90012

Re: Underwriter/Placement Agent Engagement Relating to Potential Municipal Securities Transaction for Magnolia Educational & Research Foundation

Dear Mr. Rubalcava:

Magnolia Educational & Research Foundation dba Magnolia Public Schools ("Obligor") and Stifel, Nicolaus & Company, Incorporated ("Stifel") hereby confirm they are engaged in discussions related to a potential issue of (or series of issuances of) municipal securities related to the 2026C / 2026D Bonds (the "Issue") and to formalize Stifel's role as underwriter or placement agent with respect to the Issue.

Engagement as Underwriter/Placement Agent

Obligor is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission ("SEC") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Obligor hereby designates Stifel as an underwriter or placement agent for the Issue. Obligor expects that Stifel will provide advice to Obligor on the structure, timing, terms and other matters concerning the Issue.

Limitation of Engagement

It is Obligor's intent that Stifel serve as an underwriter or placement agent for the Issue, subject to satisfying applicable procurement laws or policies, formal approval of the conduit issuer of the securities ("Issuer"), finalizing the structure of the Issue and executing a bond purchase agreement or placement agent agreement, as applicable. While Obligor presently engages Stifel as the underwriter or placement agent for the Issue, this engagement letter is preliminary, nonbinding and may be terminated at any time by Obligor, without penalty or liability for any costs incurred by Stifel. Furthermore, this engagement letter does not restrict Obligor from selecting an underwriter/placement agent for the Issue other than Stifel or selecting an underwriting syndicate that does not include Stifel.

Confidentiality

Under the SEC's "Municipal Advisor Rule," Obligor might be classified as an "Obligated Person" if bonds are issued through a municipal conduit issuer. It is very important that Obligor keep confidential any information shared by Stifel until Stifel confirms our role with the Issuer.

Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter or Placement Agent

The Obligor confirms and acknowledges the following disclosures, as required to be delivered to issuers by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019)[1]:

The following G-17 conflict of interest disclosures are broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

1. **Dealer-Specific Conflicts of Interest Disclosures**

Stifel has identified the following actual or potential[2] material conflicts of interest:

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Obligor and to persons and entities with relationships with the Obligor, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Obligor (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Obligor.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Obligor.

2. **Transaction-Specific Disclosures Concerning Complex Municipal Securities Financing:**

- Since we have not recommended a "complex municipal securities financing" to the Issuer or Obligor, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

3. **Standard Disclosures**

A. Disclosures Concerning the Underwriter's or the Placement Agent's Role:

- MSRB Rule G-17 requires an underwriter and a placement agent to deal fairly at all times with issuers, obligated persons, and investors.

[1] Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

[2] When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

- The underwriter's primary role is to purchase the Issue with a view to distribution in an arm's-length commercial transaction with the Issuer. The placement agent's primary role in the transaction is to facilitate the sale and purchase of the securities between the issuer and one or more investors for which the placement agent will receive compensation in an arm's-length commercial transaction with the issuer. The underwriter/placement agent has financial and other interests that differ from those of the Issuer.

- Unlike a municipal advisor, the underwriter or the placement agent does not have a fiduciary duty to the Issuer or to you under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer or you without regard to our own financial or other interests.

- The Issuer or you may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's or your interest in this transaction.

- The underwriter has a duty to purchase the Issue from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Issue to investors at prices that are fair and reasonable.

- The placement agent has a duty to use its commercially reasonable efforts to arrange the purchase of securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to arrange the sale of securities to investors at prices that are fair and reasonable.

- The underwriter or the placement agent will review the official statement for the securities, if any, in accordance with, and a part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[3]

B. Disclosures Concerning the Underwriter's or the Placement Agent's Compensation:

- The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. The placement agent will be compensated by a fee agreed upon with the Issuer in connection with the private placement of the Issue. Payment or receipt of the underwriting/placement agent fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Permitted Disclosures

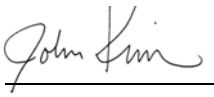
The Obligor and the Issuer each hereby consent to Stifel, following the successful closing of the financing, disclosing information regarding the transaction in Stifel's marketing and communications materials, including on its website, in press releases, and on social media channels, subject to the limitations set forth herein. Stifel may, without further approval (unless the Obligor or the Issuer has

[3] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter or placement agent is solely for purposes of satisfying the underwriter's or placement agent's obligations under the federal securities laws and such review should not be construed by you as a guarantee of the accuracy or completeness of the information in the official statement.

elected otherwise in writing), publish customary "tombstone"-style announcements limited to factual, high-level transaction information, such as: (i) general description of the Obligor; (ii) Issuer's name and logo; (iii) general description of the financing; (iv) principal amount; (v) general structure (e.g., fixed vs. variable rate, tax status); (vi) purpose of the financing; (vii) Stifel's role; and (viii) closing date. Such communications shall be limited to objective, factual statements and shall not include qualitative, comparative, or performance-related statements.

Sincerely,

Stifel, Nicolaus & Company, Incorporated

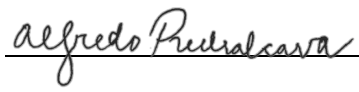
By: 

Name: John Kim

Title: Managing Director

Obligor accepts and acknowledges the foregoing.

Accepted and Executed:

By: 

Name: Alfredo Rubalcava

Title: Chief Executive Officer

Date: August 24, 2026

CALIFORNIA SCHOOL FINANCE AUTHORITY

Fiona Ma, CPA, Chair
California State Treasurer

Financing Program Application

FINANCING FOR CHARTER SCHOOLS, SCHOOL DISTRICTS, AND COMMUNITY COLLEGE DISTRICTS

300 South Spring Street, Suite 8500
Los Angeles, California 90013
Phone: (213) 620-4608
Fax: (213) 620-6309
kjohantgen@treasurer.ca.gov

CSFA Conduit Application

Please provide the following information about the applicant. For further information about eligibility and program fees please visit the CSFA at www.treasurer.ca.gov/csfa for further information.

Project Name:	Magnolia Educational & Research Foundation ("MERF") d/b/a Magnolia Public Schools ("MPS")
Applicant/Borrower/Owner:	**Borrower:** Magnolia Properties Management, Inc. **Lessors:** MPM 16600 Vanowen Street LLC, TBD MSA 7 LLC, MPM Carl Karcher Way LLC **School Lender:** MPM Santa Ana LLC
Sole Member of Borrower:	n/a
Project Description/Users:	Fund reimbursement of MSA-2 project costs, refinance MSA-7 loan, refinance MSA-OC acquisition loans, and finance remaining project costs of the MSA-5 gym project
Project Address:	**Magnolia Science Academy 2 ("MSA-2")** 17125 Victory Blvd., Van Nuys, CA 91406 **Magnolia Science Academy 5 ("MSA-5")** 7111 Winnetka Ave., Winnetka, CA 91335 **Magnolia Science Academy 7 ("MSA-7")** 18355 Roscoe Blvd., Northridge, CA 91325 **Magnolia Science Academy OC ("MSA-OC")** 412 West Carl Karcher Way, Anaheim, CA 92081
County:	Los Angeles
District in which Project is Located:	Los Angeles Unified School District
Charter Authorizer:	Los Angeles County Office of Education
Total Not-to-Exceed Amount:	$22,500,000
Tax-Exempt Not-to-Exceed Amount:	$22,000,000
Taxable Not-to-Exceed Amount:	$500,000
Expected Issuance Date:	10/31/26
Bond Type:	Charter School Revenue Bonds
Est. Annual Payment:	$1,295,000
Expected Rating Date:	9/21/26
Structure:	Obligated Group
Sale Method:	Limited Public Offering
Underwriter*:	Stifel, Nicolaus & Company, Incorporated
Bond Counsel*:	Orrick, Herrington & Sutcliffe LLP
Trustee*:	UMB Bank, National Association

***** *Financing team participants are subject to approval by the Authority and the State Treasurer's Office (STO). The Authority and the STO may require additional participants be added to the financing team.*

I. Use of Bond Proceeds/Project Information

The description should address how the projects are eligible under California Education Code, Section 17180.

Project Description

Under California Education Code ("EC"), Section 17180, the Authority is permitted to "make loans" to a "participating party" to "finance or refinance a project." Based on information provided by the Borrower, the Facilities proposed to be financed as set forth in this application is an "educational facility" under the definition of "project" under EC Section 17173(h) and the project set forth in the Application is eligible under EC Section 17180.

Magnolia Properties Management, Inc (the "Borrower") will borrow the loan proceeds from the Authority. MPM 16600 Vanowen Street LLC, the TBD MSA 7 LLC, and MPM Carl Karcher LLC (the "Lessors") will leases the Facilities to MERF for use and operation of the Schools. The School Lender will loan proceeds to MERF to fund project costs for the remaining portion of the MSA-5 gym project. The Borrower will be entering into the loan agreement with the Authority in conjunction with the Schools, as the "participating party" under paragraph 2 of the definition thereof as set forth in the California School Finance Authority Act.

Relevant statutory provisions are set forth below for reference.

17173(h) "Project" means the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, or equipping of an educational facility to be financed or refinanced pursuant to this chapter. "Project" may include any combination of the foregoing undertaken jointly by any participating district with one or more other participating parties.

17180(i) Pursuant to an agreement between the authority and the participating party, make, directly or through a lending institution, secured or unsecured loans to a participating party, or purchase secured or unsecured loans from a participating party, or purchase all or part of any participating party's rights to or possibilities regarding the state share of funding for school facilities approved by the State Allocation Board pursuant to Chapter 12.5 (commencing with Section 17070.10). The purchase of all or part of any rights to, or possibilities regarding, the state contribution for funding for school facilities approved by the State Allocation Board shall be limited to amounts approved and funded or amounts approved but not yet funded from proceeds of state bonds already authorized by the electors but not yet issued. Loans or purchases completed pursuant to this section may be used to finance or refinance a project or provide working capital. A loan to finance or refinance a project shall not exceed the total cost of the project, as determined by the participating party and approved by the authority.

17173(g) "Participating party" means:

(1) *A school district, charter school, county office of education, or community college district that undertakes, itself or through an agent, the financing or refinancing of a project or of working capital pursuant to this chapter.*

(2) *Any person, company, association, state or municipal government entity, partnership, firm, or other entity or group of entities that undertakes the financing or refinancing of a project pursuant to this chapter in conjunction with an entity described in paragraph (1).*

(3) *"Participating party" shall also be deemed to refer to the agent to the extent the agent is acting on behalf of the school district, charter school, county office of education, or community college district for any purpose of this chapter.*

(4) *For purposes of subdivision (d) of Section 17183, and Section 17193.5, subdivisions (a) and (b) of Section 17199.1, and Section 17199.4, "participating party" shall be deemed to refer to an entity described in paragraph in conjunction with which an entity described in paragraph (2), if any, applied for financing from the authority.*

Project Breakdown

School(s)	Lessor/School Lender	Project Location	Purpose	Amount
MSA-2	MPM 16600 Vanowen Street LLC *(a Lessor)*	16600 Vanowen Street, Van Nuys, CA	Reimbursement of project costs and CapEx	$2.6M
MSA-1, MSA-7	MPM 18120 Sherman Way LLC *(a Lessor)*	18120 Sherman Way, Reseda, CA	Refinancing of prior loan	$7.8M
MSA-OC	MPM Carl Karcher Way LLC *(a Lessor)*	412 West Carl Karcher Way, Anaheim, CA	Refinance acquisition loans	$4.5M
MSA-5	MPM Santa Ana LLC *(a School Lender)*	7111 Winnetka Ave., Winnetka, CA	Additional financing to complete gym project	$4.5M

II. Borrower, Sole Member, and School Information

Magnolia Education and Research Foundation d/b/a Magnolia Public Schools ("MPS") is a charter school management organization serving the communities in the Counties of Los Angeles, Orange, and San Diego. The network's mission is to provide a college preparatory educational program emphasizing science, technology, engineering, arts, and math in a safe environment that cultivates respect for self and others. MPS hopes that graduates are scientific thinkers who contribute to the global community as socially responsible and educated members of society. MPS currently serves approximately 3,800 students across eleven schools:

School	Grades Served	2025-26 Enrollment	1st School Year	Charter Expiration	# of Renewals	Charter Authorizer
Magnolia Science Academy 1	6-12	677	2002	6/30/2030	4	LACOE
Magnolia Science Academy 2	6-12	448	2007	6/30/2030	3	LACOE
Magnolia Science Academy 3	6-12	395	2008	6/30/2030	3	LACOE
Magnolia Science Academy 4	6-12	123	2008	6/30/2031	3	LAUSD
Magnolia Science Academy 5	9-12	194	2008	6/30/2031	3	LACOE
Magnolia Science Academy 6	6-8	157	2009	6/30/2027	2	LAUSD
Magnolia Science Academy 7	TK-5	276	2010	6/30/2027	2	LAUSD
Magnolia Science Academy 8	6-8	395	2010	6/30/2028	2	LAUSD
Magnolia Science Academy San Diego	6-8	481	2005	6/30/2028	3	SDUSD
Magnolia Science Academy Santa Ana	TK-12	586	2008*	6/30/2027	1	SBE
Magnolia Science Academy Orange County	TK-12	79	2025	6/30/2029	--	OCBE
Total Network		**3,794**				

* Opened as Pacific Technology School Santa Ana in 2008, name and CDS code change in 2014.

III. Financial Structure Information

- Level Debt Service
- Obligated Group Structure
- Up to 40 year term
- Fixed Interest Rate
- Fully amortizing

IV. Security and Sources of Payment Information

- Gross Revenue Pledge of the Members
- Leases/loans between the Members and MERF will be payable from all revenues of MERF
- Bond Reserve Fund
- State Intercept Payment Mechanism

V. Preliminary Sources and Uses/Costs of Issuance Information

Preliminary
Sources and Uses

Sources:	Series 2026C (Tax-Exempt)	Series 2026D (Taxable)	Program Award	Total
Bond Proceeds:				
Par Amount	$20,220,000.00	$240,000.00	--	$20,460,000.00
Net OID	($428,770.10)	--	--	($428,770.10)
CSFA Credit Enhancement	--	--	$1,297,375.00	$1,297,375.00
Total:	**$19,791,229.90**	**$240,000.00**	**$1,297,375.00**	**$21,328,604.90**

Uses:	Series 2026A (Tax-Exempt)	Series 2026B (Taxable)	Program Award	Total
Project Fund				
MSA-2 Project Reimbursements	$2,600,000.00	--	--	$2,600,000.00
MSA-5 Gym Project	$4,500,000.00	--	--	$4,500,000.00
MSA-7 Project	$7,800,000.00	--	--	$7,800,000.00
MSA-OC Project	$4,500,000.00	--	--	$4,500,000.00
	$19,400,000.00			**$19,400,000.00**
Other Fund Deposits:				
Debt Service Reserve Fund	--	--	$1,297,375.00	$1,297,375.00
			$1,297,375.00	**$1,297,375.00**
Delivery Date Expenses:				
Cost of Issuance	$297,329.75	$179,696.25	--	$477,026.00
Underwriter's Discount	$93,494.83	$56,505.17	--	$150,000
	$390,824.58	**$236,201.42**	--	**$627,026.00**
Other Uses of Funds:				
Additional Proceeds	$405.32	$3,798.58	--	$4,203.90
Total:	**$19,791,229.90**	**$240,000.00**	**$1,297,375.00**	**$21,328,604.90**

Preliminary Costs of Issuance

Expense	Amount
Bond Counsel	$80,000.00
Borrower's Counsel	$80,000.00
Underwriter's Counsel	$75,000.00
Financial Advisor	$58,000.00
CSFA Issuance Fee	$20,230.00
CSFA Issuer Fee - 1st Admin Fee	$3,069.00
Agent-for-Sale STO's PFD Fee	$6,500.00
Issuer's Counsel	$20,000.00
Master & Bond Trustee	$5,500.00
Title Fees & Charges, Endorsements	$22,727.00
Rating Agency Fee	$61,000.00
Printer & Roadshow	$5,000.00
Contingency	$35,000.00
Underwriter's Discount	$150,000.00
Total	**$627,026.00**

VI. Borrower Financial Data

Pursuant to Section 17183.5 of the CSFA Act, financing through the Authority is to be provided only to projects demonstrated by the participating party to be financially feasible. In demonstration feasibility, the participating party may take into account all of its funds, and may base future projections upon historical experience or reasonable expectations, or a combination thereof. Nothing in Section 17183.5 shall be construed to imply that any project is required to produce revenue in order to be financed under this chapter.

- Attach the borrower's consolidated audited financial statements for the three most recent fiscal years
- Attach the borrower's adopted budget for the current fiscal year
- Attach the borrower's 5-year budget projections
- Attach the project schools' 5-year enrollment projections

VII. Rating Information

Rated: ☒ **Unrated:** ☐

If rated, what is the anticipated rating: Baa3

VIII. Bond Sales Restrictions

The following sales restrictions are in place for all financings issued through CSFA. Please review the guidelines and check which guidelines you expect will apply to the financing depending on rating status. http://treasurer.ca.gov/csfa/financings/guidelines.pdf.

I. Debt Rated A-/A-/A3 or Better ☐	• Bonds may be publicly offered without transfer restrictions • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
II. Debt Rated a minimum BBB-/BBB-/Baa3 ☒	• Bonds will be in minimum denominations of $25,000 • Bonds may be publicly offered or privately placed • Bonds will be sold initially only to Qualified Institutional Buyers (QIBs) and Accredited Investors (AIs) • Subsequent transfers of bonds are limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code
III. Debt Rated less than BBB-/BBB-/Baa3, or unrated ☐	• Bonds will be in minimum denominations of $100,000 • Bonds will be privately placed or publicly offered initially to QIBs and AIs • Initial bond purchasers will be required to execute an Investor Letter • Subsequent transfers of bonds will be limited to QIBs and AIs • Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents • One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority: ☐ Traveling Investor Letter; or ☐ Higher minimum denominations of $250,000; or ☐ Physical Delivery; or ☐ Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or ☐ Other investor protection measures • Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

IV. For all Debt purchased on behalf of initial investors by a Bondholder Representative ☐	• The Bondholder Representative must be a QIB or registered investment advisor responsible for managing at least $1 billion in assets. • The Bondholder Representative must have discretionary authority over the investments of its clients who will be the holders of the bonds. • The clients who will be the holders of the bonds must meet the applicable purchase guidelines, as outlined above, including the required minimum denomination and any limitation to QIBs or AIs. • Any subsequent transfers by the Bondholder Representative out of the firm's clients or accounts must be limited as required by the sales restrictions applicable to the bonds. • The Bondholder Representative will be required to execute a Bondholder Representative Letter substantially similar to the Investor Letter that would otherwise be required by initial investors and representing that, among other things: ☐ The Bondholder Representative can satisfy all requirements contained in this section (IV). ☐ The Bondholder Representative is authorized to act on behalf of the initial investors it represents. ☐ All initial investors it represents are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.

IX. Fees Information

The Authority has proposed fees that would apply to all participating parties for stand-alone or pooled financings. The Authority's fees are as follows:

Note Financing		
Fee		**Amount**
Application Fee		$500
Issuance Fee*		0.075% of par amount
Annual Administration Fee		Not Applicable

Bond Financing		
Fee		**Amount**
Application Fee*		$1,500
*Initial Issuance Fee***		
0.15% of par amount of bonds issued up to $10,000,000 0.05% on amounts above $10,000,000 - Maximum Fee of $75,000 per transaction		
Annual Administration Fee		0.015% of outstanding principal, minimum $500

** The above-referenced application fee would be payable upon the submission of an application for financing through the Authority. The application fee is nonrefundable.*

***New Money and Refunding Debt.*

The applicant also shall reimburse the Authority for all reasonable and necessary out of pocket expenses which the Authority may incur at the applicant's request and all other expenses direct or indirect, properly allocable to the proposed financing. Unless paid out of the proceeds of the bonds issued, all fees for a particular proposed financing shall be paid by the applicant and deposited in the Authority Fund.

Application Certification: Please transfer the following certification language onto letterhead and have the appropriate official sign and date the certification. I, (name of signatory), as (name of position), an authorized officer of (name of applicant), certify that, to the best of my knowledge, the information contained in this application is true and accurate, and I further certify that no Event of Default currently exists under any prior loan agreement between (name of applicant) and the Authority.

By: Erdinc Acar Signature: DocuSigned by: 724F0EC38E614E4...

Title: Deputy Superintendent Date: 08/27/2026 | 4:18 PM PDT

Exhibit A

LEGAL STATUS QUESTIONNAIRE

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

   Response:

   None.

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

   Response:

   None.

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

Certifications on behalf of (enter school name): Magnolia Public Schools

I/We attest that we have provided full disclosure as indicated in response to the items #1 and #2 above.

Signed by:
Alfredo Rubalcava

Signature of Principal, CEO, or Lead Administrator Date 08/27/2026 | 6:21 PM CDT

Print or Type Name: Alfredo Rubalcava

DocuSigned by:
Mekan Muhammedov

Signature of President or Chair of Governing Board Date 08/27/2026 | 4:25 PM PDT

Print or Type Name: Mekan Muhammedov

Exhibit B

APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to assist applicants in ensuring that a complete Application Package is filed with the Authority.

The following items, at a minimum, should be provided to the Authority and counsel no later than the Application Deadline for the board meeting at which the Financing Applicant is seeking board approval. Application deadlines are approximately five weeks prior to each scheduled board meeting and can be found here: http://www.treasurer.ca.gov/csfa/meeting_schedule.asp

In certain circumstances, upon a showing of urgency, Authority staff may consider Applications that are missing one or more items from this list by the Application Deadline. **All items on this list are Mandatory.**

Original	Applicable Items
☐	Completed Application and Fee
☐	Distribution List
☐	Draft TEFRA notice
☐	Preliminary Title Report (and Completed EIR for new construction)
☐	Authority Resolution
☐	Draft Indenture, Loan Agreement, with Lease or Supplement where an intermediary Borrower is involved
☐	Draft Preliminary Official Statement or Preliminary Limited Offering Memorandum
☐	A description and timing of all required local approvals and demonstration that approvals will be in place prior to the bonds pricing.
☐	If the Applicant is seeking a rating, evidence that the rating has been applied for, that the rating process has begun, and the anticipated date a rating is expected.
☐	Term Sheet from Underwriter/Placement Agent/Direct Purchaser
☐	Borrower's Articles of Incorporation
☐	Historical and Projected Enrollment with Coverage Ratios

CALIFORNIA SCHOOL FINANCE AUTHORITY

APPLICATION FOR CHARTER SCHOOL FACILITIES CREDIT ENHANCEMENT GRANT PROGRAM (CFDA #84.354A)

The Charter School Facilities Credit Enhancement Grant Program (Program) was developed by the United States Department of Education to assist charter schools in overcoming financial challenges that can limit their access to facilities financing.

The Program is intended to absorb some of the risks of issuing debt on behalf of charter schools for their facility needs. For additional information about credit enhancement eligibility please visit our website at https://www.treasurer.ca.gov/csfa/enhancement/index.asp. Please complete and submit the following application with all Required Information and attachments by mail or hand delivery to the California School Finance Authority (Authority):

California School Finance Authority
300 South Spring Street, Suite 8500
Los Angeles, CA 90013
Attention: Katrina Johantgen

Please note that Program funds will be used to enhance financings issued by and through the Authority. Therefore, a separate financing application should be submitted in conjunction with this application.

A financing application can be found at https://www.treasurer.ca.gov/csfa/financings/application.pdf

Contact Information:

Legal Name of Applicant:	Magnolia Public Schools
County-District-School (CDS) Code:	MSA 1: MSA 2:19101990115212; MSA 5: 19101990137679; MSA OC: 30103060165217
Name of Project/Campus/School to be Financed:	Magnolia Science Academy 1 Magnolia Science Academy 2 Magnolia Science Academy 5 Magnolia Science Academy Orange County
Street Address:	18238 Sherman Way 17125 Victory Blvd. 7111 Winnetka Ave. 412 W. Carl Karcher Way

City, State & Zip Code: Reseda, CA 91335 Van Nuys, CA 91406 Winnetka, CA 91335 Anaheim, CA 92081	**County:** Los Angeles Los Angeles Los Angeles Orange
Applicant Contact Person Name: Erdinc Acar	**Title:** Deputy Superintendent
Telephone Number: 213-628-3634	**E-mail Address:** eracar@magnoliapublicschools.org
Location of campuses for which financing is sought: Magnolia Science Academy 1 Magnolia Science Academy 2 Magnolia Science Academy 5 Magnolia Science Academy Orange County	
Name of Chartering Authorizer:	LACOE: MSA 1 / MSA 2 / MSA 5 OCDE: MSA OC
Authorizer Contact Person Name: LACOE: Cheli Nye OCDE: Aracely Chastain	**Title:** LACOE: Coordinator II OCDE: Executive Director
Telephone Number: LACOE: 562-922-8806 OCDE: 714-966-4377	**E-mail Address:** LACOE: nye_michelle@lacoe.edu OCDE:

Financing Team Member Information*: Please provide the information below regarding the school's financing team members.

Name of Firm	Firm Contact	Telephone Number	E-mail Address:
Stifel, Nicolaus & Company	John Kim	415-999-4779	jkim@stifel.com
Buck Financial Advisors	John Buck	303-520-7942	john@buckfinancial.net
Musick, Peeler & Garrett	Brian Holman	213-629-7711	b.holman@musickpeeler.com
Orrick, Herrington & Sutcliffe	Marc Bauer	213-612-2325	mbauer@orrick.com

*Financing team participants are subject to approval by the Authority and the State Treasurer's Office (STO). The Authority and the STO may require additional participants be added to the financing team.

Required Information:

1. Copy of the applicant's current charter and verification of the charter term.
2. Description of the Project and how the Program funds will be used, including documentation that applicant holds title or other interest in the financed facility, including right of access.

3. Evidence the charter school is organized under Section 501(c)(3) of the Internal Revenue code or is a nonprofit public benefit corporation under California Corporations Code section 5110 et seq.; and the charter school is established pursuant to Education Code section 47600 et seq., and also meets the federal definition of charter school as defined in section 5210(1) of the Elementary and Secondary Education Act of 1965 (20 USCA section 7221(i)), as amended by the No Child Left Behind Act of 2001.
4. Three years of audited financial statements (if applicable), an adopted budget for the current year, and projected budgets for the next three years.
5. Information regarding student performance, attendance, enrollment and retention rates.
6. Most recent free and/or reduced price meal data (as published by the California Department of Education) for the applicant school.
7. Documented evidence of a commitment of substantial equity toward the project being financed, and award of additional tax-advantaged financing instruments, if applicable.
8. A completed questionnaire of the applicant's legal status
9. The Authority may request additional information that the Authority deems necessary to evaluate the application.

Application Fee: $1,000 per Financing as defined in Program Regulations Section 10193

Application Certification: The applicant hereby submits an application to the Authority for the purpose of determining whether the applicant is eligible for the Charter School Facilities Credit Enhancement Grant Program.

The applicant understands that the charter school must be in good standing with its authorizer and be in compliance with the terms of its charter at the time of application submission. The Authority will rely on information from the chartering authority regarding the charter school's good standing and compliance with the terms of its charter.

The applicant understands that all project and financial records are subject to audit and inspection by the Authority and the Bureau of State Audits.

If the application is approved, the applicant agrees to notify the Authority in writing at the time of project completion with evidence of completion included.

The applicant agrees to provide all documents and information required by law and to meet all necessary requirements and deadlines.

The applicant agrees to immediately notify the Authority of any material change to the charter school's or applicant's enrollment, student performance, charter status, legal status or financial condition that occurs between the time of application, and if a grant is awarded throughout the term of the grant period.

The applicant understands that the Authority may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the application. The applicant acknowledges that the information submitted to the Authority in this application or supplemental thereto may be subject to the Public Records Act or other disclosure. The applicant understands that the Authority may make such information public. In carrying out the development and operation of the proposed project, the applicant agrees to comply with all applicable federal and state laws, and will abide by all the Authority's program requirements. The applicant agrees to hold the Authority, its members, officers, agent, and employees harmless from any matters arising out of or related to the applicant's project.

By applying for a reservation of funds under the Charter School Facilities Credit Enhancement Grant Program, the applicant represents that it has read and understands California Code of Regulations, title 4, sections 10192 through 10199. The applicant acknowledges that all materials and requirements are subject to change by enactment of state or federal legislation or revisions to regulations promulgated by the Authority or the U.S. Department of Education.

The undersigned declares under penalty of perjury that the information contained in the application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of his/her knowledge and belief. The applicant understands that misrepresentation may result in the rejection of the application and other actions, which the Authority is authorized to take.

I, the undersigned, in my capacity as an authorized officer of the applicant, certify that, to the best of my knowledge, the information contained in this application package is true and accurate, and I further certify that no Event of Default currently exists under any prior loan agreement between the applicant and the Authority or the State of California.

DocuSigned by:
724F0EC38E614E4...

08/27/2026 | 4:37 PM PDT

Signature | **Date**

Erdinc Acar | Deputy Superintendent

Printed Name | **Title**

$22,000,000
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS, SERIES 2026CD
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED)

PRELIMINARY FINANCING SCHEDULE

Date	Activity	Responsible Party	Complete
Week of 8/17	▪ Distribute Distribution List, Financing Schedule, and Agenda for Kick-Off Call	U	
	▪ Financing Review	U, B	
Week of 8/24	▪ Kick-off Call	ALL	
	▪ Circulate first draft Bond Documents	BC	
	▪ Circulate first draft of issuer's resolution and borrower's resolution	BRC	
	▪ Circulate first draft of PLOM and Appendix A	UC	
	▪ Initiate TEFRA process	BC, I	
	▪ Initiate Rating Process	I, BC	
	▪ **Submit CSFA Application 8/27**	All	
Week of 8/31	▪ First documents review call	ALL	
Week of 9/7	▪ Circulate second draft Bond Documents	BC	
	▪ Circulate second draft of PLOM and Appendix A	UC	
	▪ Hold Rating Call	B, FA, U	
	▪ Publish TEFRA Notice	I, BC	
Week of 9/14	▪ Second documents review call	ALL	
	▪ Finalize Magnolia board approval package*	B, BRC, U, UC	
	▪ TEFRA Hearing	I, BC	
Week of 9/21	▪ Magnolia board resolution to approve financing and associated documents*	B, BRC, U, UC	
	▪ Circulate final drafts of transaction documents	UC, BC, BRC	
	▪ Sign-off on all transaction documents	BC, UC, BRC	
	▪ Disclosure review call	B, BRC, BC, U, UC	
	▪ **CSFA Approval (9/24)**	I	
	▪ Credit and commitment committee	U	
Week of 9/28	▪ Pring/Mail PLOM	U, UC	
	▪ Bond marketing / investor call(s)	B	
	▪ Credit and commitment committee approval	U	
Week of 10/19	▪ Investor Marketing	U	

*Sample dates, subject to refinement.

Date	Activity	Responsible Party	Complete
Week of 10/26	▪ **Wednesday, 10/28 – Sell Bonds**	U	
Week of 11/1	▪ Pre-closing	ALL	
Week of 11/8	▪ **Wednesday, 11/11 – Close Bonds** ▪ Investment of bond proceeds	ALL IA	

Series 2026 Bond Working Group

Institution	Role	Key
California School Finance Authority	Issuer	I
Magnolia Public Schools	Borrower	B
Buck Financial Advisors	Financial Advisor	FA
Orrick, Herrington & Sutcliffe	Bond Counsel	BC
Musick, Peeler & Garrett	Borrower's Counsel	BRC
Stifel	Underwriter	U
Stradling Yocca Carlson & Rauth	Underwriter's Counsel	UC
UMB Bank National Association	Bond Trustee	T
Stifel Capital Management	Investment Advisor	IA

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED OCTOBER __, 2026

NEW ISSUES—FULL BOOK-ENTRY

Rating: MOODY'S: "Baa3"
See "RATING" herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

MAGNOLIA PUBLIC SCHOOLS

$_____* CALIFORNIA SCHOOL FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS (MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP), SERIES 2026C

$_____* CALIFORNIA SCHOOL FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS (MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP), SERIES 2026D (TAXABLE)

Dated: Date of Delivery **Due: July 1 as shown on inside cover**

This cover page contains information for general reference only. It is not intended as a summary of these issues. Investors must read the entire Limited Offering Memorandum to obtain information essential to making an informed investment decision.

The California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026C, in the aggregate principal amount of $_____* (the "Series 2026C Bonds" or the "Tax-Exempt Bonds") and the California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026D (Taxable), in the aggregate principal amount of $_____* (the "Series 2026D Bonds" or the "Taxable Bonds" and, together with the Series 2026C Bonds, the "Bonds") will be issued by the California School Finance Authority (the "Authority") pursuant to an Indenture, dated as of November 1, 2026 (the "Bond Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). The Authority will loan the proceeds of the Bonds to Magnolia Properties Management, Inc., a California nonprofit public benefit corporation (the "Borrower"), pursuant to a Loan Agreement, dated as of November 1, 2026 (the "Loan Agreement"), by and between the Authority and the Borrower and accepted by MPM Santa Ana, LLC, a California limited liability company the sole member of which is the Borrower. The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 3 relating to the Bonds ("Obligation No. 3") issued by the Borrower in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of April 1, 2025 (the "Master Indenture"), as supplemented, including by a Supplemental Master Indenture for Obligation No. 3, dated as of November 1, 2026 (the "Third Supplemental Master Indenture"), by and between the Borrower, as representative of the Obligated Group, and UMB Bank, National Association, as master trustee thereunder (the "Master Trustee").

The proceeds of the Bonds will be used to: (i) finance and/or refinance a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain public charter school facilities (as further defined herein, the "Series 2026CD Facilities"); and (ii) pay the costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "THE PROJECT" herein. A deposit to a debt service reserve account for the Bonds in an amount of $_____* is expected to be funded by proceeds of a grant pursuant to the Authority's Charter School Facilities Credit Enhancement Program. Such deposit to the debt service reserve account will be equal to the maximum annual debt service on the Bonds.* In connection with the issuance of the Bonds, Magnolia Educational & Research Foundation ("MERF" or the "Lessee"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), will enter into certain Lease Agreements, each dated as of November 1, 2025 (the "Series 2026CD Leases"), pursuant to which certain charter school facilities will be leased to MERF. In addition, MERF will enter into that certain Amended and Restated Loan Agreement, dated as of November 1, 2026 (the "MSA-5 School Loan Agreement"), pursuant to which proceeds of the Bonds will be loaned to MERF for purposes of the MSA-5 Gymnasium Project (as defined herein).

The Bonds are limited obligations of the Authority payable from Payments received under the Bond Indenture (including amounts payable under the Series 2026CD Leases and the MSA-5 School Loan Agreement) and other amounts held in the funds established by the Bond Indenture (except the Rebate Fund) and payments to be made pursuant to Obligation No. 3. The obligations of the Borrower under the Loan Agreement are payable from the Gross Revenues (as defined herein) of the Obligated Group, or from any other legally available funds of the Borrower, required to be deposited with the Trustee pursuant to the Loan Agreement.

Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2027.* The Bonds are being issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form (without physical certificates) in initial minimum denominations of $25,000 and any integral multiple of $5,000 in excess thereof. For so long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, (i) payments of the principal of and premium, if any, and interest on such Bonds will be made directly to Cede & Co. for payment to DTC participants for subsequent disbursement to the beneficial owners, and (ii) all notices, including any notice of redemption will be mailed only to Cede & Co. See "APPENDIX G – BOOK-ENTRY SYSTEM" herein.

The Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described under "THE BONDS – Redemption" herein.

THE PURCHASE AND HOLDING OF THE BONDS INVOLVE RISKS THAT MAY NOT BE APPROPRIATE FOR CERTAIN INVESTORS. THE BONDS ARE TO BE OFFERED AND SOLD (INCLUDING IN SECONDARY MARKET TRANSACTIONS) ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" OR "ACCREDITED INVESTORS" (EACH AS DEFINED HEREIN). See "NOTICE TO INVESTORS" and "TRANSFER RESTRICTIONS" herein.

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA (THE "STATE") OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICES (DEFINED HEREIN) OR TO MAKE FUNDS AVAILABLE TO THE SERIES 2026 SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

The Authority furnished only the information contained under the captions "THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION – The Authority." The Authority also confirmed the data in the table under the caption "STATE FUNDING OF EDUCATION – Allocation of State Funding to Charter Schools – Charter School Facility Grant Program Funding" and, except for such information, makes no representation as to the adequacy, completeness or accuracy of this Limited Offering Memorandum or the information contained herein. None of the Authority, the State or any of their respective independent contractors have furnished, reviewed, investigated or verified any other information contained in this Limited Offering Memorandum. The Authority does not, and will not in the future, monitor the financial condition of the Borrower or the Lessee.

The Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to prior sale, modification or withdrawal of the offer without notice, and subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, the approval of certain matters for the Authority by the Honorable Rob Bonta, Attorney General of the State of California, the approval of certain matters for the Underwriter by Stradling Yocca Carlson & Rauth LLP, as Underwriter's Counsel and the approval of certain matters for the Borrower and relating to the Series 2026 Schools by Musick, Peeler & Garrett LLP, Los Angeles, California. It is expected that the Bonds in definitive form will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about November __, 2026.*

Honorable Fiona Ma
Treasurer of the State of California
as Agent for Sale

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time of formal award by the issuer. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

[Stifel logo]

Dated: October __, 2026

_____

* Preliminary, subject to change.

MATURITY SCHEDULE*

$_____*
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP),
SERIES 2026C

$_____ _____% Term Bonds Priced to Yield _____%† due July 1, 20__ CUSIP _____ (1)

$_____* _____% Term Bonds Priced to Yield _____% due July 1, 20__ CUSIP _____ (1)

$_____*
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP),
SERIES 2026D (TAXABLE)

$_____* _____% Term Bonds Priced to Yield _____% due July 1, 20__ CUSIP _____ (1)

* Preliminary, subject to change.
† Yield to call at par on August 1, 20__.
(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP Services. None of the Authority, the Borrower, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

This Limited Offering Memorandum does not constitute an offer to sell the Bonds or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon.

The Authority furnished only the information contained under the captions "THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION – The Authority." The Authority also confirmed the data in the table under the caption "STATE FUNDING OF EDUCATION – Allocation of State Funding to Charter Schools – Charter School Facility Grant Program Funding" and, except for such information, makes no representation as to the adequacy, completeness or accuracy of this Limited Offering Memorandum or the information contained herein. None of the Authority, the State or any of their respective independent contractors have furnished, reviewed, investigated or verified any other information contained in this Limited Offering Memorandum. The Authority does not, and will not in the future, monitor the financial condition of the Borrower or the Lessee.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the Authority, The Depository Trust Company or the Borrower since the date hereof.

Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision, and should give particular attention to the material under the caption "CERTAIN RISK FACTORS." No one factor should be considered more or less important than any other by reason of its position in this Limited Offering Memorandum. Where statutes, ordinances, reports or other documents are referred to in this Limited Offering Memorandum, reference should be made to those documents for more complete information regarding their subject matter.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of these transactions, but the Underwriter does not guarantee the accuracy or completeness of this information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements." Such statements generally are identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the headings "CERTAIN RISK FACTORS," "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" in this Limited Offering Memorandum. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Borrower nor MERF plans to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

NOTICE TO INVESTORS

The Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors (each as defined herein). The Bond Indenture under which the Bonds will be issued contains provisions limiting transfers of the Bonds and beneficial ownership interests in the Bonds only to Qualified Institutional Buyers or Accredited Investors. In addition, the face of each Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture.

Each purchaser of any Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Trustee as follows:

1. That the Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement from amounts received by the Trustee pursuant to the Intercepts (as defined herein), and from certain funds and accounts established and maintained pursuant to the Bond Indenture;

2. That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act") or other applicable securities laws;

3. That the Bonds (a) have not been registered under the Securities Act and are not registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;

4. That none of the Authority or any of its Board members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information appearing anywhere in this Limited Offering Memorandum, other than the information under the headings "THE AUTHORITY," and "ABSENCE OF MATERIAL LITIGATION – The Authority" (collectively, the "Authority's Portion" of the Limited Offering Memorandum) and that none of such parties have participated in the preparation of this Limited Offering Memorandum;

5. That the Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

6. That the Authority, the Borrower, MERF, the Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Subsequent transferees of the Bonds are limited only to "Qualified Institutional Buyers" or "Accredited Investors." Each subsequent transferee of the Bonds will be deemed to have represented and warranted that it (i) is a Qualified Institutional Buyer or Accredited Investor, as applicable, and (ii) is acquiring such Bond for its own account or for the account of Qualified Institutional Buyer or an Accredited Investor, as the case may be, and not with a view to the further distribution thereof, though it may expressly reserve the right to re-sell such Bond.

See "TRANSFER RESTRICTIONS" herein.

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**$_____*
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP),
SERIES 2026C**

**$_____*
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP),
SERIES 2026D (TAXABLE)**

INTRODUCTION

General

This Limited Offering Memorandum, including the cover page, the inside cover page, and Appendices hereto (the "Limited Offering Memorandum"), is provided to furnish information with respect to the sale and delivery of the California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026C, in the aggregate principal amount of $_____* (the "Series 2026C Bonds" or the "Tax-Exempt Bonds") and the California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026D (Taxable), in the aggregate principal amount of $_____* (the "Series 2026D Bonds" or the "Taxable Bonds" and, together with the Series 2026C Bonds, the "Bonds") issued by the California School Finance Authority (the "Authority").

Background

Magnolia Educational & Research Foundation ("MERF") is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). MERF holds the charters for eleven public charter schools in southern California, including Magnolia Science Academy 5, a public charter school operated by MERF ("MSA-5"). Proceeds of the Bonds will be used to finance a portion of the costs of certain charter school facilities for the use of MSA-5.

Key Defined Terms

The following table presents selected terms used and defined herein.

Defined Term	Meaning
"Authority"	California School Finance Authority.
"MERF"	Magnolia Educational & Research Foundation ("MERF") is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code.
"Borrower"	Magnolia Properties Management, Inc., a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code.
"Bond Indenture"	The Indenture, dated as of November 1, 2026, by and between the Authority and the Trustee pursuant to which the Bonds are issued.
"Facilities"	The Series 2026CD Facilities and each of the Prior Facilities, as described herein.
"Trustee"	UMB Bank, National Association, Los Angeles, California, as trustee under the Note Indenture.
"Loan Agreement"	The Loan Agreement, dated as of November 1, 2026, by and between the Authority and the Borrower, relating to the loan of the proceeds of the Bonds to the Borrower.

* Preliminary, subject to change.

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Defined Term	Meaning
"Member"	Each of MPM Sherman Way LLC ("MPM Sherman Way"), MPM Sherman Way II LLC, ("MPM Sherman Way II"), MPM San Diego LLC ("MPM San Diego"), MPM Santa Ana LLC ("MPM Santa Ana"), and MPM Carl Karcher Way LLC ("MPM Anaheim") as Members of the Obligated Group.
"Series 2026CD Facilities"	Each of the MSA-5 Gymnasium, the MSA-7 Facility, and the MSA-Anaheim Facility, each as more particularly described herein.
"Series 2026CD Leases"	Each of the MSA-7 Lease and the MSA-Anaheim Lease, each as more particularly described herein.
"MSA-5 School Loan Agreement"	The Amended and Restated Loan Agreement, dated as of November 1, 2026, by and between MPM Santa Ana, as lender, and MERF, as borrower, relating to the MSA-5 Facility and the MSA-5 Gymnasium.
"Prior Facilities"	Each of the MSA-1 Facilities, the MSA-SD Facilities, the MSA-SA Facilities, and the MSA-5 Facility, each as more particularly described herein.
"Prior Leases"	Each of (i) the Lease Agreement, dated April 1, 2025, by and between MPM Sherman Way and MERF with respect to the MSA-1 Facilities, and (ii) the Lease Agreement, dated April 1, 2025, by and between MPM San Diego and MERF with respect to the MSA-SD Facilities.
"Prior School Loan Agreement"	The Loan Agreement, dated as of April 1, 2025, by and between MPM Santa Ana, as lender, and MERF, as borrower.
"Series 2026CD Schools"	The following public charter schools operated by MERF: Magnolia Science Academy 1; Magnolia Science Academy San Diego; Magnolia Science Academy Santa Ana; Magnolia Science Academy 5, Magnolia Science Academy 7, and Magnolia Science Academy Anaheim.
"Magnolia Schools"	All of the public charter schools operated by MERF, which currently number eleven.

The Bonds

The Bonds will be issued pursuant to Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Act") and a Bond Indenture, dated as of November 1, 2026 (the "Bond Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2027* (each such date, an "Interest Payment Date"). The Bonds will be subject to optional, mandatory and extraordinary redemption prior to maturity as described under the heading "THE BONDS – Redemption" herein. The proceeds of the Bonds will be loaned to Magnolia Properties Management, Inc., a California nonprofit public benefit corporation (the "Borrower"), pursuant to a Loan Agreement, dated as of November 1, 2026 (the "Loan Agreement"), by and between the Authority and the Borrower and accepted and acknowledged by MPM Santa Ana LLC ("MPM Santa Ana").

The Borrower was formed as a supporting organization for MERF, and the members of the Borrower's board of directors are appointed by the directors of MERF. Each of MPM Sherman Way, MPM San Diego and MPM Santa Ana is a California limited liability company, the sole member of which is the Borrower. For information regarding the MERF and the Borrower generally, see "APPENDIX A – CERTAIN

* Preliminary, subject to change.

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INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 3 relating to the Bonds ("Obligation No. 3") issued by the Borrower in an amount equal to the aggregate principal amount of the Bonds pursuant to a Master Indenture of Trust, dated as of April 1, 2025 (the "Master Indenture"), as supplemented by a Supplemental Master Indenture for Obligation No. 1, dated as of April 1, 2025 (the "First Supplemental Master Indenture"), a Supplemental Master Indenture for Obligation No. 2, dated as of March 1, 2026 (the "Second Supplemental Master Indenture"), and a Supplemental Master Indenture for Obligation No. 3, dated as of November 1, 2026 (the "Third Supplemental Master Indenture"), each by and between the Borrower, as representative of the Obligated Group, UMB Bank, National Association, as master trustee thereunder (the "Master Trustee"). The Members of the Obligated Group (each, a "Member") are MPM Sherman Way, MPM San Diego, MPM Santa Ana, MPM Anaheim, and MPM Sherman Way II. See "THE BONDS" herein.

The facilities financed or refinanced with proceeds of the Bonds will be used by Magnolia Educational & Research Foundation ("MERF" or the "Lessee"), a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") for the operation of public charter schools. MERF will make payments to or at the direction of the applicable Members pursuant to the Series 2026CD Leases and the MSA-5 School Loan Agreement (defined herein). For information regarding MERF generally, see "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto. For information regarding the facilities to be refinanced with proceeds of the Bonds, see "THE PROJECT" herein.

The Bonds will be issued in initial minimum denominations of $25,000 and any integral multiple of $5,000 in excess thereof, in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Beneficial ownership interests in the Bonds are to be sold (including secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. Pursuant to the Bond Indenture, "Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act. Pursuant to the Bond Indenture, Accredited Investor means an "accredited investor" as defined in Regulation D promulgated under the Securities Act. The Bond Indenture and the Bonds contain provisions limiting transfers of the Bonds and beneficial ownership interests in the Bonds to Qualified Institutional Buyers or Accredited Investors. The face of each Bond will contain a legend indicating that such Bond is subject to the transfer restrictions set forth in the Bond Indenture. See "TRANSFER RESTRICTIONS" and "CERTAIN RISK FACTORS – Purchases and Transfers of Bonds Restricted to Qualified Institutional Buyers and Accredited Investors" herein.

Authority for Issuance

The Bonds will be issued by the Authority pursuant to the Act, a resolution of the Authority, and the Bond Indenture. See "THE AUTHORITY."

Use of Proceeds

The proceeds of the Bonds will be used to (i) finance and/or refinance a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain public charter school facilities (a) located or to be located at 7111 Winnetka Avenue, in Winnetka, California 91306 (the "MSA-5 Gymnasium"), (b) located at 18120 Sherman Way, Reseda, California 91335 (the "MSA-7 Facility"), and (c) located at 412 W. Carl Karcher Way, Anaheim, California 92801; and (ii) pay the costs of issuance of the Bonds. A deposit in an amount of $_____* to the debt service reserve account for the

* Preliminary, subject to change.

Bonds is expected to be funded by proceeds of a grant pursuant to the Authority's Charter School Facilities Credit Enhancement Program. Such deposit to the debt service reserve account will be equal to the maximum annual debt service on the Bonds.* See "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Bond Indenture – Revenue Fund – Reserve Account" and "THE PROJECT" herein. [A portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the MSA-5 Facility is being financed through grants and loans obtained through the State's Charter School Facilities Program, and through proceeds of the Authority's Charter School Grant Anticipation Notes (Magnolia Public Schools) Series 2025. See "INTRODUCTION – Grant Anticipation Note Financing."]

The MSA-5 Gymnasium and the MSA-5 Facility are to be used by MERF for the operation of Magnolia Science Academy 5 ("MSA-5"). The MSA-7 Facility is to be used by MERF for the operation of Magnolia Science Academy 7 ("MSA-7"). The MSA-Anaheim Facility is to be used by MERF for the operation of Magnolia Science Academy Anaheim ("MSA-Anaheim" and, together with MSA-5 and MSA-7, the "Series 2026CD Schools").

Security for the Bonds

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement, the Intercepts (as defined below), and Obligation No. 3 issued by the Borrower in an amount equal to the aggregate principal amount of the Bonds pursuant to the Master Indenture, as supplemented by the Third Supplemental Master Indenture, each by and between the Borrower, as representative of the Obligated Group, the Members and the Master Trustee.

Pursuant to and to the extent described in the Bond Indenture, the Authority assigns to the Trustee certain of the Authority's rights under the Loan Agreement, including the right to receive payments thereunder, but excluding any deposits to the Rebate Fund. Pursuant to the Loan Agreement, the Borrower certifies that it will instruct or cause MPM Santa Ana to cause MERF to make loan repayments under the MSA-5 School Loan Agreement directly to the Master Trustee for deposit in the Gross Revenue Fund, except to the extent the applicable loan repayments are paid through an Intercept.

Payment of management fees to third parties by MERF will be subordinated to the obligation to pay (i) Rent under the Leases and (ii) loan repayments under School Loan Agreements. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "THE LEASES AND SCHOOL LOAN AGREEMENTS – Payment of Rent Under Leases" herein. In addition, pursuant to the Mortgage (as defined herein), MPM Sherman Way grants to the Master Trustee a first priority lien on its fee interest on the MSA-1 Facilities. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. Pursuant to a Security Agreement by and between MPM San Diego and the Master Trustee, MPM San Diego has granted the Master Trustee a security interest in the modular buildings that constitute the MSA-SD Facilities and in its interest in the MSA-SD Lease. Pursuant to a Security Agreement by and between MPM Santa Ana and the Master Trustee, MPM Santa Ana has granted the Master Trustee a security interest in its interest in the Prior School Loan Agreement.

Parity Obligations; Prior Bonds. Obligation No. 3 is payable on parity with Obligation No. 1 previously issued pursuant to the Master Indenture in the aggregate principal amount of $27,960,000 issued pursuant to the Master Indenture, as supplemented by the First Supplemental Master Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Master Indenture – Joint and Several Obligations of the Obligated Group but not MERF."

Obligation No. 1 was issued in connection with the California School Finance Authority Charter School Revenue Refunding Bonds (Magnolia Public Schools – Obligated Group) Series 2025A and Series 2025B (Taxable) (collectively, the "Prior Bonds"), of which an aggregate principal amount of $27,960,000 is currently outstanding, issued by the Authority pursuant to an Indenture, dated as of April 1, 2025 (the "Series 2025 Indenture"), by and between the Authority and UMB Bank, National Association, as trustee thereunder.

Proceeds of the Prior Bonds were loaned to the Borrower pursuant to a Loan Agreement, dated as of April 1, 2025 (the "Series 2025 Loan Agreement"), by and between the Authority and the Borrower, and acknowledged by MPM Sherman Way, MPM San Diego and MPM Santa Ana.

A portion of the proceeds of the Prior Bonds were used to (i) refinance a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain public charter school facilities (a) located at 18220, 18224, and 18238 Sherman Way in Reseda, California 91335 (the "MSA-1 Main Campus"), (b) located at 6525 Estrella Avenue, San Diego, California 92120 (the "MSA-SD Facilities"), (c) located at 2840 West 1st Street, Santa Ana, California 92703 (the "MSA-SA Facilities"), and (d) located at 18242-18244 Sherman Way, Reseda, California 91335 (the "MSA-1 Gym" and, together with the MSA-1 Main Campus, the "MSA-1 Facilities"); (ii) refinance all or a portion of a loan issued in connection with the MSA-1 Gym.

MPM Sherman Way leases the MSA-1 Facilities to MERF pursuant to a Lease Agreement, dated April 1, 2025 (the "MSA-1 Facilities Lease"). MPM San Diego leases the MSA-SD Facilities to MERF pursuant to a Lease Agreement, dated April 1, 2025 (the "MSA-SD Facilities Lease" and, collectively with the MSA-1 Facilities Lease, the "Series 2025 Leases"). MPM Santa Ana has loaned certain proceeds of the Bonds to MERF pursuant to a Loan Agreement, dated April 1, 2025 (the "Prior School Loan Agreement" and, together with the MSA-5 School Loan Agreement, the "School Loan Agreements").

The MSA-1 Facilities are used by MERF for the operation of Magnolia Science Academy 1 ("MSA-1"). The MSA-SD Facilities are used by MERF for the operation of Magnolia Science Academy – San Diego ("MSA-SD"). The MSA-SA Facilities are used by MERF for the operation of Magnolia Science Academy – Santa Ana ("MSA-SA" and, together with MSA-1 MSA-SD and MSA-5, the "Series 2026 Schools").

The MSA-1 Facilities, the MSA-SD Facilities, and the MSA-SA Facilities are referred to herein as the "Prior Facilities" and, together with the MSA-5 Facility, the "Facilities."

State Intercept Program. As additional security for the Bonds, in connection with the issuance of the Bonds, MERF will provide instructions to the State Controller's Office (the "State Controller") to make apportionments (an "Intercept") to the Trustee with respect to MSA-5, in amounts and on dates provided in a written notice (the "Intercept Notice") which amounts are expected to be sufficient in the aggregate to repay the Bonds and pay necessary and incidental costs. Funds received by the Trustee pursuant to the Intercept will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Bond Indenture, including if necessary, the payment of debt service on the Bonds. Under the laws of the State of California (the "State"), no party, including MERF, the Borrower or any of their respective creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller pursuant to the Intercepts. Similar Intercepts with respect to each of MSA-1, MSA-SD, and MSA-SA were made in connection with the Prior Bonds. However, the Intercepts relating to MSA-5, MSA-SD and MSA-SA are effectively subordinate to similar intercepts previously implemented and related to the State's Charter School Facilities Program. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "CERTAIN RISK FACTORS – Charter School Facilities Program Intercepts" herein See also "CERTAIN RISK FACTORS – Bankruptcy" herein.

Limited Obligations. The Bonds are limited obligations of the Authority. The Authority is not obligated to advance any moneys derived from any source other than Payments (as defined below) and other assets pledged under the Bond Indenture, whether for the payment of the principal or redemption price of or interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

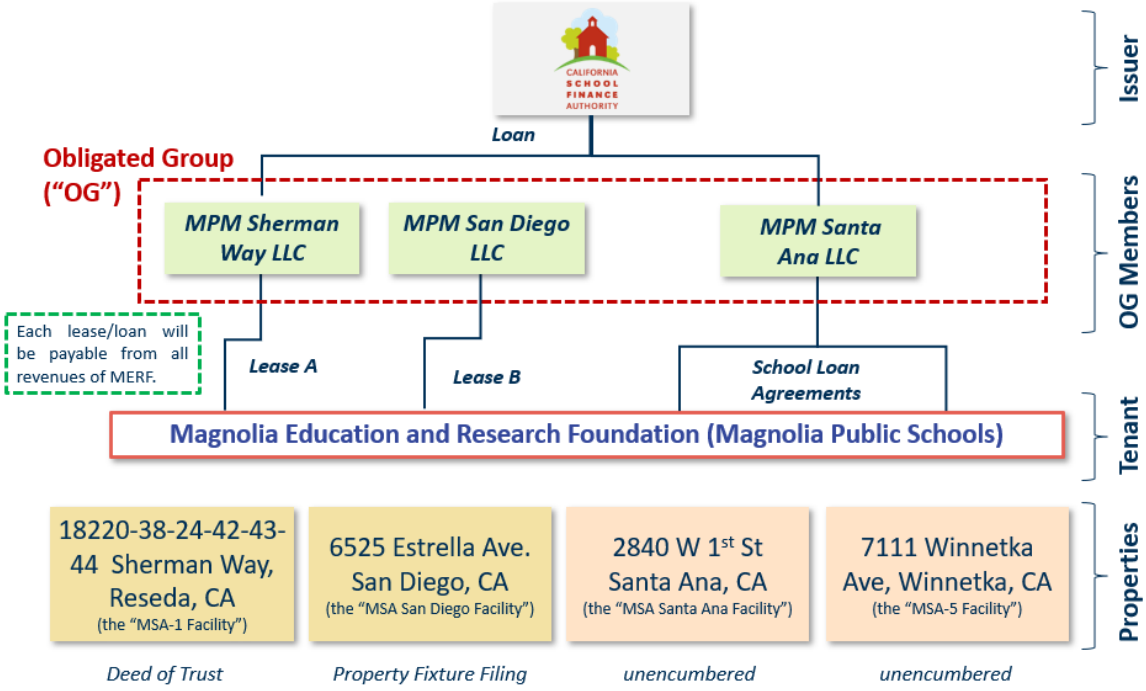
For information regarding the Borrower, see APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP attached hereto.

Obligated Group and Related Parties. As noted above, the Borrower was formed as a support organization for MERF. The Borrower is the sole member of each Member of the Obligated Group, and it is the Representative of the Obligated Group, but the Borrower is not itself a Member of the Obligated Group. As of the date of issuance of the Bonds, the only Members of the Obligated Group are MPM Sherman Way, MPM San Diego, and MPM Santa Ana.

The consolidated audited financial statements of MERF and its affiliates for the Fiscal Year ended June 30, 2025, are attached hereto as Appendix B, and they reflect the operations and finances of MERF, the Borrower, and their respective affiliates, including the Members of the Obligated Group, on a consolidated basis.

The following diagram indicates the relationships between the Authority, the Members of the Obligated Group, MERF and the Facilities.

[To be updated]



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The following table provides an overview of the Series 2026 Schools, the location of the Facilities occupied or to be occupied by each Series 2026 School, and the related Members of the Obligated Group.

[To be updated]

School	*Member*	*Facilities*
MSA-5 (Magnolia Science Academy 5)	MPM Santa Ana	MSA-5 Facility at 7111 Winnetka Avenue in Winnetka, CA 91306[(1)]
MSA-1 (Magnolia Science Academy)	MPM Sherman Way	MSA-1 Main Campus at 18220, 18224, and 18238 Sherman Way in Reseda, CA 91335
MSA-SD (Magnolia Science Academy – San Diego)	MPM San Diego	MSA-SD Facilities at 6525 Estrella Avenue, San Diego, CA 92120
MSA-SA (Magnolia Science Academy – Santa Ana)	MPM Santa Ana	MSA-SA Facilities at 2840 West 1st Street, Santa Ana, CA 92703[(2)]
MSA-1 (Magnolia Science Academy)	MPM Sherman Way	MSA-1 Gym at 18242-18244 Sherman Way, Reseda, CA 91335

(1) The MSA-5 Facility will be owned by MERF and largely financed with State funding received under the Charter School Facilities Program. The MSA-5 Facility does not secure MPM Santa Ana's obligations under the Master Indenture and the Obligations issued pursuant thereto. See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities."

(2) The MSA-SA Facilities are owned by MERF and were financed with State funding received under the Charter School Facilities Program. The MSA-SA Facilities do not secure MPM Santa Ana's obligations under the Master Indenture and the Obligations issued pursuant thereto. See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities."

See " – Facilities" below and "THE PROJECT" herein for more information on the Facilities, and APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP attached hereto for more information on the Schools.

Flow of Funds

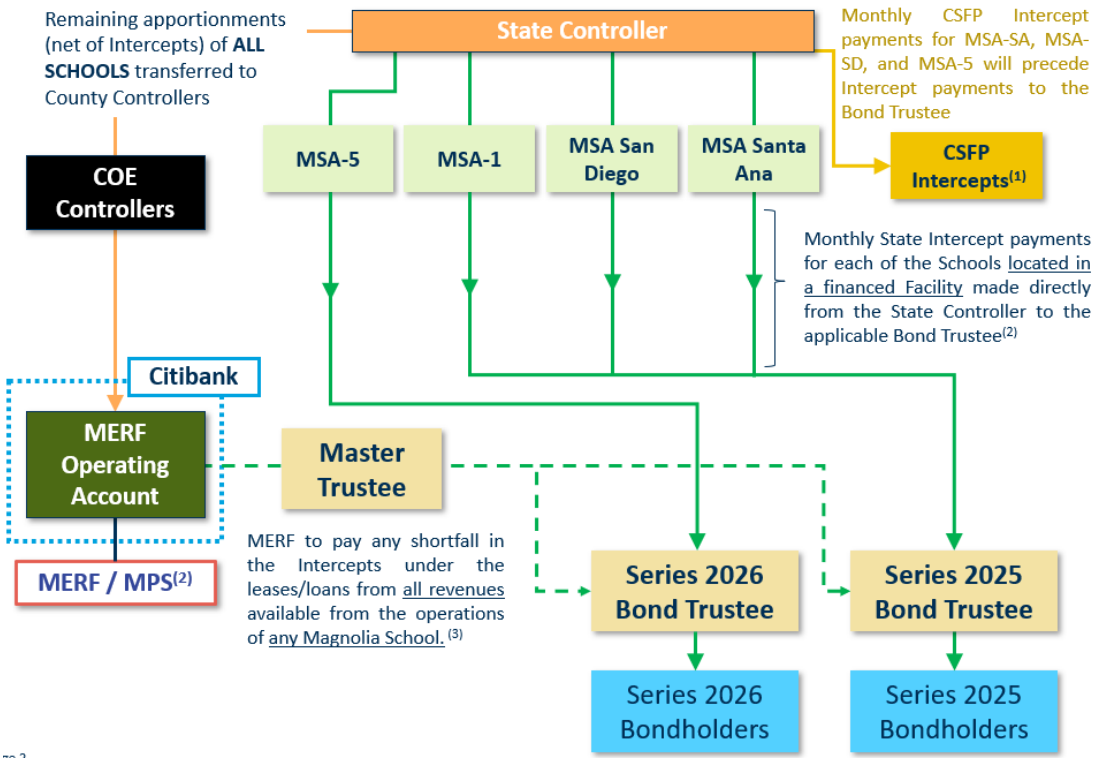
The following figure summarizes the sources of payment of Rent and loan repayments, respectively, under the Series 2025 Leases and the School Loan Agreements, and the sources of payment of Loan Repayments

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due under the Loan Agreement and the Series 2025 Loan Agreement, each representing the source of payment of debt service on the Bonds.

[To be updated]

FLOW OF FUNDS



(1) Intercepts for repayment to the State of funding received under the Charter School Facilities Program have been established for both MSA-SA and MSA-SD and will be established for MSA-5. See "CERTAIN RISK FACTORS – Charter School Facilities Program Intercepts" herein.

(2) MERF holds the charters for each of the Series 2026 Schools and serves as the tenant under each Series 2025 Lease and the borrower under each School Loan Agreement. Rent under each Series 2025 Lease, and loan repayments under the School Loan Agreements, are payable from the revenues of MERF, generally. See "THE LEASES AND SCHOOL LOAN AGREEMENTS" herein.

(3) To the extent amounts received by the Trustee pursuant to the Intercepts are insufficient to satisfy MERF's scheduled obligations under (a) the Series 2025 Leases and the Prior School Loan Agreement (which will cover debt service on the Prior Bonds), or (b) the MSA-5 School Loan Agreement (which will cover debt service on the Bonds), MERF will pay any shortfall from all revenues available from the operations of any Magnolia School.

(4) See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Master Indenture" and "THE LEASES AND SCHOOL LOAN AGREEMENTS" herein.

Facilities

The following table summarizes the Facilities. Note that the fee interest of MPM Sherman Way in the MSA-1 Facilities secures its obligations under the Master Indenture pursuant to a mortgage executed and delivered in connection with the Prior Bonds, while the obligations of MPM San Diego and MPM Santa Ana under the Master Indenture are also secured by security agreements executed and delivered in connection with

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the Prior Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Mortgages and Security Agreements."

[To be updated]

THE FACILITIES

	Location of Facility	*Description of Facility*[1]
MSA-5 Facility	7111 Winnetka Avenue in Winnetka, California 91306	Grades 6-12 campus comprising an academic building of approximately 42,000 square feet and a gymnasium of approximately 7,850 square feet. Includes 17 standard DSA classrooms, seminar and breakout space and a robotics laboratory together with related facilities expected to accommodate enrollment of up to 453 students.
MSA-1 Facilities	18220, 18224, 18238 and 18242-18244 Sherman Way, Reseda, California 91335	Grades 6-12 campus comprising an academic building of approximately 57,000 square feet and a gymnasium of approximately 7,500 square feet. Includes 41 classrooms together with related facilities and can accommodate enrollment of up to 925 students.
MSA-SD Facilities[2]	6525 Estrella Avenue, San Diego, California 92120	Grades 6-8 campus comprising approximately 20,500 square feet of building space consisting of modular buildings. Includes 18 classrooms and can accommodate enrollment of up to 450 students.
MSA-SA Facilities[3]	2840 West 1st Street, Santa Ana, California 92703	Transitional Kindergarten through grade 12 campus comprising a total of approximately 57,000 square feet of building space consisting of an academic building and separate gymnasium. Includes 35 classrooms and can accommodate enrollment of up to 750 students.

(1) For more detailed descriptions of the MSA-5 Facility, see "THE PROJECT" herein. MPM Santa Ana does not hold title to land underlying the MSA-5 Facility. MERF holds fee title to such land.

(2) MPM San Diego does not hold title to land underlying the MSA-SD Facilities. MERF has use of such land pursuant to a shared use agreement between MERF and the San Diego Unified School District.

(3) MPM Santa Ana does not hold title to land underlying the MSA-SA Facilities. MERF holds fee title to such land.

Source: The Borrower.

Grant Anticipation Note Financing

On April 17, 2025, the Authority issued its Charter School Grant Anticipation Notes (Magnolia Public Schools) Series 2025 (the "Grant Anticipation Notes"), in the principal amount of $29,500,000 pursuant to that certain Indenture, dated as of April 1, 2025 (the "Note Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Notes Trustee"). The proceeds of the sale of the Grant Anticipation Notes were loaned to the Borrower pursuant to that certain Loan Agreement, dated as of April 1, 2025 (the "Note Loan Agreement"), by and between the Authority and the Borrower, and such proceeds were loaned by the Borrower to MERF pursuant to a loan agreement, dated as of April 1, 2025 (the "Grant Anticipation Note Loan Agreement", in order to finance a portion of the costs of construction of the MSA-5 Facility.

The State Allocation Board previously approved a preliminary apportionment for MERF in the amount of $50,832,322 from the State's Charter School Facility Program, for the purpose of financing a portion of the acquisition and construction of the MSA-5 Facility. The original amount of the preliminary apportionment was based in part on an assumed escalation factor for project costs, which has since been revised downward by the State. MERF now expects that the total apportionment to be received for the Project under the Charter School Facility Grant Program will be $49,878,660. To date, MERF has received the amount of $13,832,733 in the form of an advance apportionment. Upon satisfaction of the applicable requirements of the Charter School Facility Program, the Lessee expects to receive an additional amount of the preliminary apportionment equal to $36,045,927 (the "CSFP Award"). Of the total $49,878,660 expected to be received in respect of the Project, 50% will be in the form of a grant, and the remaining 50% will be in the form of a loan to be repaid to the State over a period of thirty years through the State Intercept Program. See "CERTAIN RISK FACTORS – Charter

School Facilities Program Intercepts" and " – Additional Indebtedness and Additional School Indebtedness" herein.

The Grant Anticipation Notes and the interest thereon are payable solely out of certain revenues and income received by the Authority or the trustee for such Grant Anticipation Notes pursuant to the Note Loan Agreement. The Borrower's obligations under the Note Loan Agreement are payable only from certain revenues it receives from MERF under the Grant Anticipation Note Loan Agreement, which consist solely of the CSFP Award. The CSFP Award is not a source of revenue for payment of the Bonds, the Borrower's obligations under the Loan Agreement, nor for the obligations of the Members under the Master Indenture or the Obligations issued pursuant thereto. See "APPENDIX E – CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING." No lien on the MSA-5 Facility secures MERF's obligations under the Grant Anticipation Note Loan Agreement or the MSA-5 School Loan Agreement, or the Borrower's obligations under the Note Loan Agreement or the Loan Agreement. See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities."

Redemption

The Bonds will be subject to extraordinary optional redemption, optional redemption, extraordinary mandatory redemption, and mandatory sinking fund redemption as described below under "THE BONDS – Redemption" herein.

Certain Risk Factors

The Bonds may not be a suitable investment for all investors. Prospective purchasers of the Bonds should read this entire Limited Offering Memorandum, including the appendices and the information under the section "CERTAIN RISK FACTORS" before making an investment in the Bonds.

Limited Offering of Bonds

The Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The Bond Indenture under which the Bonds will be issued contains provisions limiting transfers of the Bonds and beneficial ownership interests in the Bonds only to Qualified Institutional Buyers or Accredited Investors. In addition, the face of each Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture.

Each purchaser of any Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Authority, the Borrower, the Underwriter and the Trustee as follows:

1. That the Bonds are payable solely from certain revenues derived by the Authority under the Loan Agreement from amounts received by the Trustee pursuant to the Intercepts, and from certain funds and accounts established and maintained pursuant to the Bond Indenture;

2. That it is a Qualified Institutional Buyer or an Accredited Investor and that it is purchasing the Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act or other applicable securities laws;

3. That the Bonds (a) have not been registered under the Securities Act and are not registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) may not be readily marketable;

4. That none of the Authority or any of its Board members, officers or employees takes any responsibility for, and the purchaser is not relying upon any such parties with respect to the information

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appearing anywhere in this Limited Offering Memorandum, other than the information under the headings "THE AUTHORITY," and "ABSENCE OF MATERIAL LITIGATION – The Authority," and that none of such parties have participated in the preparation of this Limited Offering Memorandum;

5. That the Bonds and beneficial ownership interests therein may only be transferred to Qualified Institutional Buyers or Accredited Investors; and

6. That the Authority, the Borrower, MERF, the Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Subsequent transferees of the Bonds are limited only to "Qualified Institutional Buyers" or "Accredited Investors." Each subsequent transferee of the Bonds will be deemed to have represented and warranted that it (i) is a Qualified Institutional Buyer or Accredited Investor, as applicable, and (ii) is acquiring such Bond for its own account or for the account of Qualified Institutional Buyer or an Accredited Investor, as the case may be, and not with a view to the further distribution thereof, though it may expressly reserve the right to re-sell such Bond.

See "TRANSFER RESTRICTIONS" herein.

Miscellaneous

This Limited Offering Memorandum contains brief descriptions of, among other things, the Bonds, the Bond Indenture, the Loan Agreement, the Series 2025 Leases, the School Loan Agreements, the Master Indenture, the Third Supplemental Master Indenture, Obligation No. 3, the Borrower, the Members and the Schools. All references in this Limited Offering Memorandum to documents are qualified in their entirety by reference to such documents, and references to the Bonds are qualified in their entirety by reference to the form of the Bonds included in the Bond Indenture. MERF maintains a website and social media accounts providing additional information about itself and its operations. The information on such website and such social media accounts is not included as part of, or incorporated by any reference in, this Limited Offering Memorandum. Any capitalized terms in this Limited Offering Memorandum that are not defined herein will have such meaning as given to them in the Bond Indenture.

THE AUTHORITY

The Authority is a public instrumentality of the State of California created pursuant to provisions of the Act. The Authority is authorized to issue the Bonds under the Act and to make the loan contemplated by the Loan Agreement and to secure the Bonds by a pledge of the Payments and certain other funds and accounts as provided in the Bond Indenture.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds for the complete text thereof and to the Bond Indenture for all of the provisions relating to the Bonds. The discussion herein is qualified by such reference.

General

The Bonds are being issued pursuant to the Bond Indenture in the aggregate principal amount set forth on the cover of this Limited Offering Memorandum. The Bonds will initially be delivered as registered Bonds in minimum denominations of $25,000 and any integral multiple of $5,000 in excess thereof ("Authorized Denominations"), and will be transferable and exchangeable only as set forth in the Bond Indenture and as described herein. See "TRANSFER RESTRICTIONS" herein. The Bonds will be dated the date of issuance and will bear interest at the rates set forth on the inside cover page hereof from their dated date. Interest on the

Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable in arrears on each Interest Payment Date. The Bonds will mature in the amounts and in each of the years as set forth on the inside cover page hereof.

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC, and will be evidenced by one Bond for each maturity of a series in the total aggregate principal amount of the Bonds of such maturity. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in the Bond Indenture. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders, holders or registered owners will mean Cede & Co. as aforesaid and will not mean the "beneficial owners" of the Bonds.

The principal and redemption price of and interest on the Bonds will be payable in lawful money of the United States of America upon surrender at the principal corporate trust office of the Trustee. The interest on any Bond will be payable to the person whose name appears on the registration books of the Trustee as the registered owner thereof as of the close of business on the fifteenth day of the calendar month immediately preceding the Interest Payment Date (the "Record Date"), such interest to be paid by check mailed by first class mail, postage prepaid, on the Interest Payment Date, to the registered owner at his or her address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of $1,000,000 or more in an aggregate principal amount of the Bonds will be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such Holder will designate in writing to the Trustee by the applicable Record Date for such payment. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable in same day funds by the Trustee to Cede & Co., as nominee for DTC.

Any interest not punctually paid or duly provided for will thereafter cease to be payable to the Bondholder on such Record Date and will be paid to the person in whose name the Bond is registered at the close of business on the date established by the Trustee pursuant to the Bond Indenture as a record date for the payment of defaulted interest on the Bonds (the "Special Record Date"). The Special Record Date will be fixed by the Trustee, notice thereof being given to the Bondholders not less than 10 days prior to such Special Record Date.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities without coupons in Authorized Denominations. The Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of a Series of Bonds set forth on the inside cover of this Limited Offering Memorandum, and will be deposited with DTC. For additional information regarding DTC and its book-entry only system, see "APPENDIX G – BOOK-ENTRY SYSTEM" herein.

Transfer of Bonds

Beneficial ownership interests in the Bonds may not be purchased by, or transferred to, any person except a Qualified Institutional Buyer or an Accredited Investor. The registration of any Bond may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee will require the Holder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The Trustee will not be required to register the transfer of any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in the Bond Indenture or during the period established by the

Trustee for selection of Bonds for redemption. The Bonds are subject to certain transfer restrictions under the Bond Indenture, as described herein under "TRANSFER RESTRICTIONS."

Exchange of Bonds

Bonds may be exchanged at the principal corporate trust office of the Trustee for a like series and aggregate principal amount of the Bonds of the same maturity of other Authorized Denominations. The Trustee will require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there will be no other charge to any Holder for any such exchange. No exchange of Bonds will be required to be made during the period established by the Trustee for selection of Bonds for redemption and after a Bond has been selected for redemption.

Redemption[*]

Optional Redemption. The Series 2026C Bonds maturing on or after July 1, 20__ are subject to redemption prior to their respective stated maturities, at the option of the Borrower, from any amounts in the Redemption Fund, in whole or in part on any date on or after July 1, 20__, at a redemption price equal to 100% of the principal amount of Series 2026C Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium. The Series 2026D Bonds are not subject to optional redemption prior to their respective stated maturities.

Extraordinary Optional Redemption from Insurance and Condemnation Proceeds. The Bonds are subject to redemption prior to their stated maturity, at the option of the Borrower, in whole or in part, on any date from moneys required to be transferred from the Insurance and Condemnation Proceeds Fund to the Special Redemption Account at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis.

Extraordinary Optional Redemption Relating to Revocation or Non-Renewal of School Charter. The Bonds are subject to redemption in part prior to their stated maturity, on any date, at the option of the Borrower, in the event the charter of any Series 2026 School is revoked or not renewed by its authorizer and such Series 2026 School has no further appeal rights, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis.

Extraordinary Mandatory Redemption Due to Prohibited Use. The Bonds are subject to redemption prior to their stated maturity, as a whole or in part, on any date from Loan prepayments made by the Borrower in the event the Project is used or operated in any manner that violates the provisions of the Act, at a redemption price equal to the principal amount thereof together with interest accrued thereon to the date fixed for redemption, plus an amount equal to the unamortized portion of the net original issue premium thereon interpolated on a straight-line basis, on the earliest date for which notice of redemption can reasonably be given in accordance with the Bond Indenture.

Mandatory Sinking Fund Redemption. The Bonds are subject to redemption prior to their respective stated maturities in part, by lot, from Mandatory Sinking Account Payments pursuant to the Bond Indenture. Subject to the terms and conditions set forth in the Bond Indenture, the Term Bonds will be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments in the following amounts and on the following dates:

[*] Preliminary, subject to change.

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The Series 2025A Term Bonds maturing July 1, 20__, that are issued in an initial principal amount of $_____[*]:

Series 2026C Term Bonds Maturing
July 1, 20__

Mandatory Redemption Date	***Principal Amount***
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__ [†]	

[†] Maturity Date.

The Series 2026C Term Bonds maturing July 1, 20__, that are issued in an initial principal amount of $_____[*]:

Series 2026C Term Bonds Maturing
July 1, 20__

Mandatory Redemption Date	***Principal Amount***
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__ [†]	

[†] Final Maturity Date.

[*] Preliminary, subject to change.

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The Series 2026D Term Bonds maturing July 1, 20__ that are issued in an initial principal amount of $_____[*]:

Series 2026D Term Bonds Maturing
July 1, 20__

Mandatory Redemption Date	***Principal Amount***
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__	
July 1, 20__ [†]	

[†] Maturity Date.

Notice of Redemption. In connection with the redemption of Bonds (other than mandatory sinking fund redemption) the Borrower will give written notice of redemption to the Trustee (with a copy to the Authority) not less than 35 days prior to the redemption date (or such shorter notice as the Trustee may approve in writing). Notice of redemption of any Bonds will be given by the Trustee upon such written request of the Borrower. Notice of any redemption of Bonds will be mailed postage prepaid, by the Trustee not less than 30 nor more than 60 days prior to the redemption date by first class mail to the respective Holders thereof at the addresses appearing on the Bond registration books described in the Bond Indenture. Each notice of redemption will contain all of the following information: (a) the date of such notice; (b) the name of the Bonds and the date of issue of the Bonds; (c) the redemption date; (d) the redemption price; (e) the dates of maturity of the Bonds to be redeemed; (f) if less than all of the Bonds of any maturity are to be redeemed, the distinctive numbers of the Bonds of each maturity to be redeemed; (g) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (h) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (i) a statement that such Bonds must be surrendered by the Holders at the principal corporate trust office of the Trustee, or at such other place or places designated by the Trustee; (j) a statement that such redemption is conditioned upon the receipt by the Trustee, on or prior to the redemption date, of moneys sufficient to pay the redemption price or upon the happening of such other event as shall be specified therein, and if such moneys are not so received said notice will be rescinded and the redemption will be cancelled; (k) a statement that any such redemption notice can be rescinded as provided in the Bond Indenture; and (l) notice that further interest on such Bonds, if any, will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Bonds. If money is not received or if such other event has occurred or failed to occur (as the case may be) as described in clause (j) above, the Trustee, within a reasonable time after the date on which such redemption was to occur, is required to give notice to the persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of the Bonds pursuant to the notice of redemption. Failure of the Trustee to give such notice of redemption or any defect therein will not in any way impair or affect the validity of the proceedings for redemption.

Effect of Notice. A certificate of the Trustee or the Borrower that notice of call and redemption has been given to Holders and as may be further required in the Continuing Disclosure Agreement as provided in the Bond Indenture will be conclusive as against all parties. The actual receipt by the Holder of any Bond or any other party of notice of redemption will not be a condition precedent to redemption, and failure to receive such

[*] Preliminary, subject to change.

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notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest, if any, on the date fixed for redemption.

When notice of redemption has been given as provided for in the Bond Indenture, and when the redemption price of the Bonds called for redemption is on deposit or otherwise available to the Trustee, the Bonds designated for redemption will become due and payable on the specified redemption date and interest, if any, will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Holders of such Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the redemption premium thereon, if any, only to the fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Trustee and will not be reissued.

Right to Rescind Notice. Upon written notice from the Borrower that the Borrower has cured the conditions that caused the Bonds to be subject to extraordinary redemption, the Borrower may rescind any extraordinary redemption and notice thereof on any date prior to the date fixed for redemption by causing the Trustee to send written notice of the rescission to the Holders of the Bonds so called for redemption. Notice of rescission of redemption is required to be given in the same manner in which notice of redemption was originally given. The actual receipt by the Holder of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Funds for Redemption. Prior to or on the redemption date of any Bonds there are required to be available in the Redemption Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as provided in the Bond Indenture, the Bonds designated in said notice of redemption. Such monies so set aside in the Redemption Fund or in the escrow fund established for such purpose are required to be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the Redemption Fund are required to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is required to be paid from the Redemption Fund, unless otherwise provided for to be paid from an escrow fund established for such purpose. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Redemption Fund or otherwise held in trust for the payment of redemption price of the Bonds, said monies are required to be held in or returned or transferred to the Redemption Fund for payment of any outstanding Bonds of the Borrower payable from said fund; provided, however, that if said monies are part of the proceeds of refunding Bonds of the Borrower, said monies are required to be transferred to the fund created for the payment of principal of and interest on such Bonds. If no such refunding Bonds of the Borrower are at such time outstanding, said monies are required to be transferred to the Borrower as provided and permitted by law.

Selection of Bonds for Redemption. When any redemption is made pursuant to any of the provisions of the Bond Indenture and less than all of the Outstanding Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from the Outstanding Bonds not previously called for redemption, by lot within a maturity and, if from more than one maturity, in inverse order of maturity or in such other order of maturity as shall be specified in a request of the Borrower.

In no event shall Bonds be redeemed in amounts other than whole multiples of Authorized Denominations. For purposes of redeeming Bonds in denominations greater than minimum Authorized Denominations, the Trustee shall assign to such Bonds a distinctive number for each such principal amount and, in selecting Bonds for redemption by lot, shall treat such amounts as separate Bonds. The Trustee shall promptly notify the Authority and the Borrower in writing of the numbers of the Bonds selected for redemption.

"Outstanding" under the Bond Indenture means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Bond Indenture except (a) Bonds theretofore canceled by the Trustee or

surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the Bond Indenture; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Bond Indenture.

Defeasance

Discharge of Bond Indenture. Bonds may be paid or caused to be paid in any of the following ways, provided that any other sums payable under the Bond Indenture have also been paid or caused to be paid: (a) by paying or causing to be paid the principal of and interest on the Bonds Outstanding as and when the same become due and payable; (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount to pay or redeem Bonds Outstanding; or (c) by delivering to the Trustee, for cancellation by it, all Bonds Outstanding.

If all Bonds then Outstanding are paid or caused to be paid as provided above and all other sums payable under the Bond Indenture shall also be paid or caused to be paid, and if the Borrower has paid all Additional Payments and any indemnification owed to the Authority and any other fees and expenses payable to the Authority pursuant to the Loan Agreement, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Trustee, signifying the intention to discharge all such indebtedness and the Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Bond Indenture and the pledge of Payments made under the Bond Indenture and all covenants, agreements and other obligations of the Authority under the Bond Indenture will cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Bond Indenture. In such event, upon request of the Borrower, the Trustee is required to cause an accounting for such period or periods as may be requested by the Borrower to be prepared and filed with the Borrower and shall execute and deliver to the Borrower all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee is required to pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to the Bond Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment and which are not required for the payment of fees and expenses of the Trustee.

Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount to pay any Outstanding Bond, whether upon or prior to its maturity, then all liability of the Authority in respect of such Bond will cease, terminate and be completely discharged, except only that thereafter the Holder thereof will be entitled to payment of the principal of and interest on such Bond, but only out of the money or securities deposited with the Trustee as aforesaid for its payment; provided further, however, that the provisions of " – Payment of Bonds after Discharge of Bond Indenture" hereinafter will apply in all events.

The Bonds may at any time be surrendered to the Trustee for cancellation by the Authority or the Borrower, which may have been acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, will be deemed to be paid and retired.

Deposit of Money or Securities with Trustee. Whenever in the Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the amount necessary to pay any Bonds, such amount (which may include money or securities held by the Trustee in the funds established pursuant to the Bond Indenture) will be equal (taking into account income which will accrue from the investment thereof on the date of deposit of such funds but without taking into account any income from the subsequent reinvestment thereof) to the principal amount of such Bonds and all unpaid interest thereon to maturity, and will be: (a) lawful money of the United States of America; or (b) noncallable bonds, bills and bonds issued by the Department of the Treasury (including without limitation (1) obligations issued or held in book-entry form on the books of the Department of the Treasury and (2) the interest component of Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book-entry form), United States Treasury Obligations State and Local

Government Series and Zero Coupon United States Treasury Bonds; provided, in each case, that the Trustee will have been irrevocably instructed in writing (by the terms of the Bond Indenture or by request of the Borrower or the Authority) to apply such money to the payment of such principal of and interest on such Bonds and provided, further, that the Authority and the Trustee will have received (i) an Opinion of Bond Counsel to the effect that such deposit will not cause interest on the Tax Exempt Bonds to be included in the gross income of the holder thereof for federal income tax purposes and that the Bonds to be discharged are no longer Outstanding; and (ii) a verification report of a firm of certified public accountants or other financial services firm acceptable to the Trustee verifying that the money or securities so deposited or held together with earnings thereon will be sufficient to make all payments of principal of and interest on the Bonds to be discharged to and including their maturity date.

Payment of Bonds after Discharge of Bond Indenture. Notwithstanding any provision of the Bond Indenture, and subject to applicable escheat laws, any moneys held by the Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or by declaration as provided in the Bond Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, will be repaid to the Borrower free from the trusts created by the Bond Indenture, and all liability of the Trustee with respect to such moneys will thereupon cease; provided, however, that before the repayment of such moneys to the Borrower as aforesaid, the Trustee may (at the expense of the Borrower) first mail to the holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Borrower of the moneys held for the payment thereof.

TRANSFER RESTRICTIONS

The Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The foregoing limitation will cease to apply (without notice to or consent of any Bondholder) upon and after receipt by the Trustee from the Borrower of a rating letter by Fitch, S&P or Moody's indicating that the Bonds are rated "A-" or "A3," as applicable, or better. The Trustee will as soon as practicable, but in no event more than ten calendar days after receipt by the Trustee of such information, notify each Bondholder that (i) the restrictions set forth in the Bond Indenture requiring that the Beneficial Owners of the Bonds be Qualified Institutional Buyers or Accredited Investors will be of no further force or effect and (ii) the Authorized Denominations of the Bonds will be $5,000 and any multiple in excess thereof. Pursuant to the Bond Indenture, "Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act. Pursuant to the Bond Indenture, "Accredited Investor" means an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

In addition, the face of each Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Bond Indenture. See "CERTAIN RISK FACTORS – Purchases and Transfers of Bonds Restricted to Qualified Institutional Buyers and Accredited Investors" herein.

ESTIMATED SOURCES AND USES OF FUNDS*

The following table sets forth the estimated sources and uses of funds related to the Bonds.

	Series 2026C	*Series 2026D*	*CSFA Grant*	*Total*
Sources:				
Bond Principal				
Original Issue [Premium/Discount]				
Grant Proceeds[(1)]				
Total Sources:				
Uses:				
Project Costs[(2)]				
Deposit to Reserve Account[(3)]				
Costs of Issuance[(4)]				
Total Uses				

(1) Grant pursuant to the Authority's Charter School Facilities Credit Enhancement Program, for deposit in the Grant-Funded Reserve Subaccount. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Bond Indenture – Revenue Fund – Reserve Account" herein.
(2) See "THE PROJECT" below.
(3) Equal to the maximum annual debt service on the Bonds.*
(4) Includes legal, printing, underwriting discount and other professional fees and other miscellaneous costs of issuance.

THE PROJECT

The proceeds of the Bonds will be used to (i) finance and/or refinance a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of the Series 2026CD Facilities; and (ii) pay the costs of issuance of the Bonds.

See "ESTIMATED SOURCES AND USES OF FUNDS" herein. A deposit of $_____* to a debt service reserve account for the Bonds is expected to be funded by proceeds of a grant pursuant to the Authority's Charter School Facilities Credit Enhancement Program. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Bond Indenture – Revenue Fund – Reserve Account" herein.

General

[To come.]

Construction Agreements

[To come.]

Appraisal

[To come.]

* Preliminary, subject to change.

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DEBT SERVICE SCHEDULE

The annual debt service payment requirements of the Bonds are set forth in the table below.*

Period Ending July 1	*Series 2026C Bonds*		*Series 2026D Bonds*		*Total Bonds Debt Service*
	Principal	*Interest*	*Principal*	*Interest*	
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
Totals					

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations of the Authority

The Bonds and interest thereon constitute special, limited obligations of the Authority and are payable solely from certain revenues received under the Bond Indenture and from certain funds and accounts established and maintained under the Bond Indenture. The Authority is not obligated to advance any moneys derived from any source other than the Payments (as defined below) and other assets pledged under the Bond Indenture, whether for the payment of the principal or redemption price or interest with respect to the Bonds.

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE

* Preliminary, subject to change.

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BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICE OR TO MAKE FUNDS AVAILABLE TO THE SERIES 2026 SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

Bond Indenture

Pledge of Payments and Other Amounts. The Authority has executed and delivered the Bond Indenture and, subject only to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, has pledged to secure the payment of the principal of and interest on the Bonds, in accordance with their terms and the provisions of the Bond Indenture, all of the Payments (except Payments described in clause (i) of the definition thereof) and any other amounts (excluding proceeds of the sale of Bonds) held in any fund or account (other than the Rebate Fund) established pursuant to the Bond Indenture. Said pledge will constitute a lien on and security interest in such assets and will attach and be valid and binding from and after delivery of the Bonds, without any physical delivery thereof or further act.

"Payments," under the Bond Indenture, means (i) all moneys (except any money received to be used for the payment of Administrative Fees and Expenses) received by the Trustee with respect to the Intercept, (ii) all moneys, if any, received by the Trustee directly from, or on behalf of, the Borrower, pursuant to the Loan Agreement (excluding Additional Payments not directed to be deposited into any fund or account created and held under the Bond Indenture) or Obligation No. 3, and (iii) all income derived from the investment of any money in any fund or account established pursuant to the Bond Indenture. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – BOND INDENTURE" herein.

State Intercept Program. As additional security for the Bonds, in connection with the issuance of the Bonds, MERF will provide instructions to the State Controller to make the Intercepts to the Trustee with respect to MSA-5 in amounts and on the dates provided in the Intercept Notice, which amounts are expected to be sufficient in the aggregate to repay the Bonds and pay necessary and incidental costs. Funds received by the Trustee pursuant to the Intercept will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Bond Indenture, including the payment of debt service on the Bonds. Under the laws of the State, no party, including MERF, the Borrower or any of their respective creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller pursuant to the Intercepts. Notwithstanding the foregoing, the Intercept for MSA-5 is effectively subordinate to a similar intercept to be implemented and related to the State's Charter School Facilities Program. Similarly, the Intercepts for MSA-SD and MSA-SA, executed and delivered in connection with the Prior Bonds, are effectively subordinate to intercepts previously implemented and related to the State's Charter School Facilities Program. See "CERTAIN Risk Factors – Charter School Facilities Program Intercepts" herein with respect to such CSFP Intercepts.

Assignment of Payments and Other Amounts and Loan Agreement. The Authority assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, (i) all of the Payments (except Payments described in clause (i) of the definition thereof) and other amounts pledged under " – Pledge of Payments and Other Amounts" above and (ii) all of the right, title and interest of the Authority in, to and under the Loan Agreement (except for the right to receive any Administrative Fees and Expenses and any Additional Payments, any right to be indemnified, held harmless or defended and rights to inspection and to receive information, reports, notices, certificates and opinions, express rights to give approvals, consents, or waivers under the Bond Indenture or the Loan Agreement, and the obligation of the Borrower to make deposits pursuant to the Tax Certificate). Obligation No. 3 will be registered in the name of the Trustee.

The Trustee will be entitled to and will receive all of such assigned Payments, and any such Payments collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will forthwith be paid by the Authority to the Trustee. The Trustee also will be entitled to and will (subject to the provisions of the Bond Indenture) take all steps, actions and proceedings following any event of default under the Loan Agreement reasonably necessary in its judgment, or as directed by the Holder, to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Trustee and all of the obligations of the Borrower under the Loan Agreement.

The Borrower will take all actions necessary for the Trustee to collect directly from the State Controller the amounts set forth in the Intercept Notice on the dates set forth in the Intercept Notices.

Revenue Fund. The Trustee will establish, maintain and hold in trust a special fund designated as the "Revenue Fund." All Payments will be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund, and will be held in trust for the benefit of the Holders from time to time of the Bonds but will nevertheless be disbursed, allocated and applied solely for the uses and purposes set forth in the Bond Indenture. The Trustee will establish within the Revenue Fund an Interest Account, a Principal Account, and a Reserve Account for the payment of debt service on the Bonds.

Interest Account. All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Bond Indenture).

Principal Account. All amounts in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal or Mandatory Sinking Account Payments of the Bonds, as provided in the Bond Indenture with respect to Bonds

The Trustee will establish and maintain within the Principal Account a separate subaccount for the Bonds, designated as the "____ Sinking Account," inserting therein the series and maturity (if more than one such account is established) for each Term Bond. On or before July 1 in each year, the Trustee will transfer the amount deposited in the Principal Account on that date pursuant to the Bond Indenture, as described in " – Allocation of Revenues" below, from the Principal Account to the Sinking Account for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month). With respect to the Sinking Account, on each Mandatory Sinking Account Payment date established for the Sinking Account, the Trustee will transfer the amount deposited in the Principal Account pursuant to the Bond Indenture for the purpose of applying the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Bonds, upon the notice and in the manner provided in the Bond Indenture; provided that, at any time prior to giving such notice of such redemption, the Trustee will apply such moneys to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Borrower may direct, in writing, except that the purchase price (excluding accrued interest) will not exceed the par amount of such Bonds. If, during the twelve-month period immediately preceding said Mandatory Sinking Account Payment date, the Trustee has purchased Bonds with moneys in the Sinking Account, or, during said period and prior to giving said notice of redemption, the Borrower has deposited Bonds with the Trustee, or Bonds were at any time purchased or redeemed by the Trustee from the Redemption Fund and allocable to said Mandatory Sinking Account Payment, such Bonds so purchased or deposited or redeemed will be applied, to the extent of the full principal amount thereof, to reduce said Mandatory Sinking Account Payment. All Bonds purchased or deposited pursuant to the provisions of the Bond Indenture summarized in this paragraph will be delivered to the Trustee and cancelled. Any amounts remaining in the Sinking Account when all of the Bonds are no longer Outstanding will be withdrawn by the Trustee and transferred to the Revenue Fund. All Bonds purchased from the Sinking Account or deposited by the Borrower with the Trustee will be allocated first to the next succeeding Mandatory Sinking Account Payment, then to the remaining Mandatory Sinking Account Payments as the Borrower directs in writing along with a revised sinking fund schedule giving effect to the purchase so completed.

The Term Bonds, which are Bonds payable on or before their specified maturity dates from Mandatory Sinking Account Payments, will be redeemed (or paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments as set forth in "THE BONDS – Redemption – Mandatory Sinking Fund Redemption."

Reserve Account. Under the Bond Indenture, the Trustee will establish and maintain a reserve account (the "Reserve Account") within the Revenue Fund, and within the Reserve Account, the Bond Reserve Subaccount and the Grant-Funded Reserve Subaccount. All amounts in the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making up any deficiency in the Revenue Fund, Interest Account or Principal Account that exists on the date when monies on deposit in the Revenue Fund, Interest Account or Principal Account are required to be applied, as provided in the Bond Indenture, or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding; provided, however, that monies and securities held by the Trustee in the Grant-Funded Reserve Subaccount shall not be used for the redemption of all Bonds then Outstanding pursuant to Bond Indenture. The Borrower shall have no right, title, or interest in any amounts on deposit in the Grant-Funded Reserve Subaccount, and the Trustee shall hold such amounts exclusively for the benefit of the Authority and the Bondholders. The Trustee will draw from the Bond Reserve Subaccount until exhausted prior to drawing from the Grant-Funded Reserve Subaccount. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Amounts on deposit in the Reserve Account will be valued by the Trustee at their fair market value each January 1 and July 1, and the Trustee will notify the Borrower of the results of such valuation. If the amount on deposit in the Reserve Account on the first Business Day following such valuation is less than one-hundred percent (100%) of the Reserve Account Requirement (as defined below), the Borrower has agreed in the Loan Agreement to make the deposits to the Reserve Account required by the Bond Indenture. If the amount on deposit in the Reserve Account on the first Business Day following such valuation is greater than the Reserve Account Requirement, then (x) the amount of money on deposit in the Grant-Funded Reserve Subaccount greater than $_____* shall be paid to the Authority free and clear of the lien of the Bond Indenture and (y) any additional excess shall be withdrawn from the Bond Reserve Subaccount of the Reserve Account and transferred to, with respect to the valuations completed pursuant to the first sentence of this paragraph, the Revenue Fund. See "CERTAIN RISK FACTORS" herein. "Reserve Account Requirement" means as of any date of calculation, an amount which will be equal to the least of (i) 10% of the original principal amount of the Bonds, (ii) maximum annual debt service on the Bonds Outstanding, (iii) 125% of average annual debt service with respect to the Bonds Outstanding, or (iv) for the last Bond Year only, the total debt service with respect to the Bonds Outstanding, net of amounts in the Reserve Account. Maximum annual debt service and average annual debt service will be calculated on the basis of twelve-month periods ending on July 1* of any year in which Bonds are Outstanding.

On the date of issuance of the Bonds, $_____*, constituting the Reserve Account Requirement for the Bonds, will be deposited in the Reserve Account. Such deposit is expected to be fully funded by proceeds of a $_____* grant pursuant to the Authority's Charter School Facilities Credit Enhancement Program deposited into the Grant-Funded Reserve Subaccount. The Reserve Account Requirement is anticipated to be sized at maximum annual debt service.*

See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – BOND INDENTURE" attached hereto.

Allocation of Revenues. Promptly upon receipt, the Trustee will deposit the Payments to the Revenue Fund. On or before June 25 and December 25 of each year, commencing June 25, 2026*, the Trustee will transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee will establish and maintain within the Revenue Fund) and then to the Rebate Fund, the following amounts, in the following order of priority, the requirements of each such account or fund (including the making up of any

* Preliminary, subject to change.

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deficiencies in any such account resulting from lack of Payments sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account or fund subsequent in priority; provided, however, no moneys deposited in the Revenue Fund pursuant to the Intercept shall be deposited to the Rebate Fund:

(1) To the Interest Account, the aggregate amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding, until the balance in said account is equal to said aggregate amount of interest;

(2) To the Principal Account, one-half of the aggregate amount of principal becoming due to and payable on the next succeeding Principal Payment Date, until the balance in said Principal Account is equal to said aggregate amount of such principal and Mandatory Sinking Account Payments; provided that from the date of delivery of the Bonds until the first Principal Payment Date with respect to the Bonds (if less than twelve months), transfers to the Principal Account shall be sufficient on a pro rata basis to pay the principal and Mandatory Sinking Account Payments becoming due and payable on said Principal Payment Date;

(3) To the Grant-Funded Reserve Subaccount of the Reserve Account, (A) the greater of (i) the amount designated for deposit to the Grant-Funded Reserve Subaccount of the Reserve Account in a written direction of the Borrower, and (ii) the aggregate amount of each prior withdrawal from the Grant-Funded Reserve Subaccount of the Reserve Account for the purpose of making up a deficiency in the Interest Account or the Principal Account (until deposits on account of such withdrawal are sufficient to fully restore the amount withdrawn), and (B) in the event the balance in said subaccount shall be less than the amount deposited in such subaccount pursuant to the Bond Indenture due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture, the amount necessary to increase the balance in said account to an amount at least equal to the amount deposited in such subaccount pursuant to the Bond Indenture (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(4) To the Bond Reserve Subaccount of the Reserve Account, (a) the greater of (i) the amount designated for deposit to the Bond Reserve Subaccount of the Reserve Account in a written direction of the Borrower, and (ii) one-half of the aggregate amount of each prior withdrawal from the Reserve Account for the purpose of making up a deficiency in the Interest Account or Principal Account (until deposits on account of such withdrawal are sufficient to fully restore the amount withdrawn), provided that no deposit need be made into the Bond Reserve Subaccount if the balance in the Reserve Account is at least equal to the Reserve Account Requirement, and (b) in the event the balance in said account shall be less than the Reserve Account Requirement due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount);

(5) On June 25, 2026, $_____, and beginning December 25, 2026, to the Repair and Replacement Fund, (a) the greatest of (i) the amount designated for deposit in the Repair and Replacement Fund in a written direction of the Borrower, (ii) $_____*, and (iii) one-third of the aggregate amount of each prior withdrawal from the Repair and Replacement Fund, provided that no deposit need be made into the Repair and Replacement Fund (x) in excess of one-fourth of the Repair and Replacement Fund Requirement or (y) if the balance in said account is at least equal to the Repair and Replacement Fund Requirement, and (b) in the event the balance in said account shall be less than the Repair and Replacement Fund Requirement due to valuation of the Eligible Securities deposited therein in accordance with the Bond Indenture, the amount necessary to increase the balance in said account to an amount at least equal to the Repair and Replacement Fund Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said account to said amount); and

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(6) To the Rebate Fund, such amounts as are required to be deposited therein by written instruction from the Borrower given in accordance with the Bond Indenture (including the Tax Certificate).

Moneys remaining in the Revenue Fund after the foregoing transfers will be transferred on January 1 and July 1 of each year, commencing January 1, 2027, by the Trustee to the Borrower, free and clear of the lien of the Bond Indenture.

See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – BOND INDENTURE" and "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" attached hereto.

For more information on the Project, the Schools, the Borrower and the Members of the Obligated Group, see "THE PROJECT" herein and "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

Project Fund. The Trustee will establish, maintain and hold in trust a separate fund designated as the "Project Fund." The moneys in the Project Fund will be disbursed pursuant to a requisitions of the Borrower, The Trustee will accept moneys from the Borrower, or on behalf of the Borrower, for deposit in the Project Fund from time to time. Upon completion of the Project, the Borrower will deliver a completion certificate to the Trustee and make the final requisition of funds from the Project Fund. Any amounts thereafter remaining in such Project Fund will be transferred by the Trustee, at the direction of the Borrower (i) to the Revenue Fund for payment of principal of and/or interest on the Bonds, or (ii) to the Borrower upon delivery to the Trustee of (A) a written request of the Borrower and (B) if any amounts deposited into the Project Fund were proceeds of the Tax-Exempt Bonds, delivery of an Opinion of Bond Counsel to the effect that such transfer would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds. Upon such transfer, the Project Fund will be closed.

Repair and Replacement Fund. The Trustee will establish, maintain and hold in trust a separate fund designated as the "Repair and Replacement Fund," which shall be used solely for the purposes set forth in the Bond Indenture. Moneys in the Repair and Replacement Fund shall be withdrawn by the Trustee to pay for capital items not budgeted as ordinary maintenance and repair costs related to the Facilities.* Moneys in the Repair and Replacement Fund shall be disbursed upon receipt of a requisition of the Borrower, and the Trustee shall issue its checks or a wire transfer for each such disbursement upon receipt of such a requisition.

Amounts on deposit in the Repair and Replacement Fund will be valued by the Trustee at their fair market value each January 1 and July 1, and the Trustee will notify the Borrower of the results of such valuation in the form of its regular periodic statement. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is less than one hundred percent (100%) of the Repair and Replacement Fund Requirement, the Borrower has agreed in the Loan Agreement to make the deposits to the Repair and Replacement Fund required by the Bond Indenture. If the amount on deposit in the Repair and Replacement Fund on the first (1st) Business Day following such valuation is greater than the Repair and Replacement Fund Requirement, then any additional excess will be withdrawn from the Repair and Replacement Fund and transferred to the Revenue Fund.

"Repair and Replacement Fund Requirement" means $_____*; provided that each such Repair and Replacement Requirement will initially be zero and will increase in equal semiannual amounts of $_____*, respectively, on each January 1 and July 1, commencing January 1, 2027.*

When (i) the amount of principal of, and premium, if any, and interest on the Outstanding Bonds is equal to or less than the sum of the balance of the Revenue Fund, the balance of the Reserve Account, the balance

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of the Redemption Fund and the balance of the Repair and Replacement Fund, and (ii) all other amounts owed under the Loan Agreement and the Bond Indenture have been paid, moneys held in the Repair and Replacement Fund may be deposited into the Revenue Fund and credited against payments of Loan Repayments required under the Loan Agreement.

The Loan Agreement

The Authority and the Borrower will execute the Loan Agreement to provide for the loan by the Authority to the Borrower of proceeds from the sale of the Bonds. Pursuant to the Loan Agreement, in consideration of the issuance of the Bonds by the Authority and the loan of the proceeds thereof to the Borrower, the Borrower agrees that, on or before June 25 and December 25 of each year and as long as any of the Bonds remain Outstanding, it will pay to the Bond Trustee for deposit in the Revenue Fund such amount as is required by the Bond Trustee to make the transfers and deposits required on such date by the Bond Indenture. Notwithstanding the foregoing, if five business days prior to any interest or principal payment date with respect to the Bonds, the aggregate amount in the Revenue Fund is for any reason insufficient or unavailable to make the required payments of principal (or Redemption Price) of or interest on the Bonds then becoming due (whether by maturity, redemption or acceleration), the Borrower will pay the amount of any such deficiency to the Bond Trustee. Each payment by the Borrower to the Bond Trustee under the Loan Agreement (the "Loan Repayments") will be in lawful money of the United States of America and paid to the Bond Trustee at its designated corporate trust office and held, invested, disbursed and applied as provided in the Bond Indenture. The Borrower certifies in the Loan Agreement that it will instruct or cause MPM Santa Ana to instruct MERF to make payments under the MSA-5 School Loan Agreement directly to the Bond Trustee for deposit in the Revenue Fund. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" herein.

Pursuant to the Loan Agreement, the Borrower covenants to cause MERF to deliver the Intercept Notice to the State Controller. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" herein.

Additionally, in consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Borrower agrees in the Loan Agreement to issue, or cause to be issued, and to cause to be authenticated and delivered to the Bond Trustee, pursuant to the Master Indenture of Trust and the Third Supplemental Master Indenture, concurrently with the issuance and delivery of the Bonds, Obligation No. 3. In addition to the loan repayments, the Borrower is also required to pay to the Authority or to the Bond Trustee, as the case may be, "Additional Payments," as described in "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" attached hereto.

MERF is not a party to, and is not liable under, the Loan Agreement. Under the Loan Agreement, the Borrower shall have the right, so long as all amounts which have become due under the Loan Agreement have been paid, at any time or from time to time, to prepay all or any part of its loan repayments. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" attached hereto.

The Master Indenture

Joint and Several Obligations of the Obligated Group but not MERF. Under the Master Indenture, each Member jointly and severally covenants and agrees (a) to pay or cause to be paid promptly all Required Payments at the place, on the dates and in the manner provided in the Master Indenture, in any Related Supplement, and each of the respective Obligations, including Obligation No. 3, and (b) to faithfully observe and perform all of the conditions, covenants and requirements of the Master Indenture, any Related Supplement, any Related Indebtedness, Related Loan Agreement, and any Obligation. Each Member acknowledges and agrees that the time of such payment and performance is of the essence of the obligations under the Master Indenture.

Initially, in connection with the issuance of the Bonds, the MPM Sherman Way, MPM San Diego and MPM Santa Ana will be the only Members of the Obligated Group, the only Leases (as defined in the Master Indenture) will be the Series 2025 Leases, the only School Loan Agreements will be the Prior School Loan Agreement and the MSA-5 School Loan Agreement, and the only Schools (as defined in the Master Indenture) will be the Series 2026 Schools. MERF, as the Lessee, is not a member of the Obligated Group, is not a party to the Master Indenture and is obligated solely as lessee under the Leases and borrower under the School Loan Agreements, in respect of payment from the sources specified therein relating to the Schools, and the Facilities, and is not responsible, party to or otherwise obligated under the Loan Agreement, the Bond Indenture, the Master Indenture or the Supplemental Master Indentures to make payments directly on the Loan, Obligation No. 3 or the Bonds.

Subject to the provisions of the Master Indenture permitting withdrawal from the Obligated Group, the obligation of each Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid in full in accordance with the Master Indenture. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Members or otherwise, will be regarded as payments in gross without any right on the part of any one or more of the Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee will be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Member has become fixed.

Each such Obligation will be a primary obligation of each Member of the Obligated Group and will not be treated as ancillary to or collateral with any other obligation and will be independent of any other security so that the covenants and agreements of each Member under the Master Indenture will be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Obligated Group Representative and the Master Trustee are each empowered to enforce each covenant and agreement of the Master Indenture, and to enforce the making of Required Payments. In the Master Indenture, each Member authorizes the Master Trustee to enforce or refrain from enforcing any covenant and agreement of the Members thereunder and to make any arrangement or compromise with any particular Member or Members as the Master Trustee may deem appropriate, consistent with the Master Indenture and any Related Supplement. Each Member also waives in favor of the Obligated Group Representative and the Master Trustee all rights against the Obligated Group Representative, the Master Trustee and any other Member, insofar as is necessary to give effect to any of the provisions described under this subheading.

Notwithstanding anything the Master Indenture to the contrary, the Master Trustee covenants that it will not take recourse against the Obligated Group Representative or any of the Members with respect to the failure by the Obligated Group Representative or any of the Members, to make any Required Payment under the Master Indenture and any Related Supplement, except recourse to the Gross Revenues and the amounts held in the funds and accounts created under the Related Indebtedness Indenture (except the Rebate Fund) or under the Master Indenture, or to such other security as may from time to time be given for the payment of obligations arising out of the Master Indenture, any Related Supplement or any other agreement securing the obligations of the Obligated Group Representative or any of the Members with respect to the Related Indebtedness.

For a more detailed discussion of entry to or withdrawal from the Obligated Group, see "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – THE MASTER INDENTURE" attached hereto. All capitalized terms used and not defined herein have the meanings listed in "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – DEFINITIONS" attached hereto.

Gross Revenue Fund. Each Member of the Obligated Group agrees in the Master Indenture that, unless otherwise provided in a Related Supplement or unless such Related Indebtedness is payable in full from funds that are subject to the Intercept, so long as any of the Obligations remain Outstanding, all of the Gross Revenues

of the Obligated Group will be deposited as soon as practicable upon receipt in a fund designated as the "Gross Revenue Fund" which the Members will establish and maintain, subject to the provisions of the Master Indenture, in one or more accounts at such banking institution or institutions as the Members will from time to time designate in writing to the Master Trustee for such purpose (the "Depository Bank(s)"). Subject only to the provisions of the Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, each Member, respectively, pledges, and to the extent permitted by law grants a security interest to the Master Trustee in, the Gross Revenue Fund and all of the Gross Revenues of the Obligated Group to secure the payment of Required Payments and the performance by the Members of their other obligations under the Master Indenture. Each Member, respectively, will execute and cause to be filed Uniform Commercial Code financing statements, will execute and cause to be sent to each Depository Bank, if any, and to the Master Trustee a notice of the security interest granted under the Master Indenture and will execute and deliver such other documents (including, but not limited to, control agreements and continuation statements) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain as perfected such security interest or give public notice thereof.

If a Gross Revenue Fund is established pursuant to the Master Indenture, the Members shall cause each Depository Bank to enter into an account control agreement with the Master Trustee entitling the Master Trustee, upon the giving of notice to the Depository Bank, to exercise exclusive control over the Gross Revenue Fund. Amounts in the Gross Revenue Fund may be used and withdrawn by any Member at any time for any lawful purpose, except as provided in the Master Indenture. In the event that any Member is delinquent for more than three business days in the payment of any Required Payment with respect to any Obligation issued pursuant to a Related Supplement, the Master Trustee, upon written notice from the Obligated Group Representative or a Responsible Officer of the Master Trustee's actual knowledge of such delinquency, will notify the Obligated Group Representative of such delinquency, and, unless such Required Payment is paid, or provision for payment is duly made, in a manner satisfactory to the Master Trustee, within three business days after receipt of such notice, the Master Trustee shall give notice to the Depository Bank(s) of the election of the Master Trustee to exercise exclusive control over the Gross Revenue Fund (a "Notice of Exclusive Control"). Upon obtaining exclusive control over the Gross Revenue Fund, the Master Trustee shall continue to exercise exclusive control over the Gross Revenue Fund for the benefit of the Holders until six months after the amounts on deposit in said fund are sufficient to pay in full, or have been used to pay in full, all Required Payments in default and all other Events of Default known to the Master Trustee will have been made good or cured to the satisfaction of the Master Trustee or provision for amount on deposit in the fund deemed by the Master Trustee to be adequate will have been made therefor, whereupon the Master Trustee shall give notice to each Depository Bank of the revocation of the Notice of Exclusive Control given to such Depository Bank, and thereafter amounts in the Gross Revenue Fund again may be used and withdrawn by any Member at any time for any lawful purpose, unless and until the Master Trustee gives a further Notice of Exclusive Control, as provided above, in the event of a subsequent delinquency in the payment of any Required Payment, whereupon the foregoing provisions regarding the Master Trustee's exercise and revocation of exclusive control over the Gross Revenue Fund shall apply. During any period that the Master Trustee holds exclusive control over the Gross Revenue Fund, the Master Trustee will use and withdraw amounts in said Fund from time to time (1) first, to pay Ground Rent directly to each respective lessor under each Ground Lease when and as due, in the amount designated in a written request of the lessor(s), (2) second, to make Required Payments to Holders entitled thereto as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts will not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference, and (3) third, to such other payments and in such order, for which the Master Trustee shall receive written direction. During any period that the Master Trustee holds exclusive control over the Gross Revenue Fund, the Master Trustee, at its sole discretion upon the written request of the Members, may disburse funds from the Gross Revenue Fund for the payment of current or past due operating expenses of the Members. During any period that the Master Trustee holds exclusive control over the Gross Revenue Fund, upon the written request of the Members, the Master Trustee shall disburse to or at the direction of the Members, any amounts in the Gross Revenue Fund which such Members certify do not constitute Gross Revenues of the Obligated Group. Each Member agrees to execute and deliver all instruments as may be required to implement the Master Indenture. Each Member further agrees that a failure to comply with the terms

of the Master Indenture will cause irreparable harm to the Holders and will entitle the Master Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Members as provided in the Master Indenture.

Limitations on Additional Indebtedness. Under the Master Indenture, each Member covenants and agrees that it will not incur any Additional Indebtedness after the date of issuance of the Bonds except as follows:

(a) Long-Term Indebtedness may be incurred if prior to the issuance of such Additional Indebtedness the following is satisfied:

(i) an Officer's Certificate is filed with the Master Trustee stating that, for the Obligated Group's most recently completed Fiscal Year, MERF has complied with all covenants set forth in its School Loan Agreements or Leases, as applicable; and

(ii) either

(1) an Independent Consultant selected by the Obligated Group Representative provides a written report setting forth projections which indicate that the Consolidated Base Rent Coverage Ratio for the three full Fiscal Years following completion of such Facility or Facilities financed with such Additional Indebtedness in which a Member of the Obligated Group will have scheduled payments of interest on or principal of the Additional Indebtedness to be issued for the payment of which provision has not been made as indicated in the report of such Independent Consultant from proceeds of such Additional Indebtedness, investment income thereon or from other appropriate sources (other than Consolidated Base Rent), provides for a Consolidated Base Rent Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness and the Additional Indebtedness to be issued, of not less than 1.20:1.0. The report of the Independent Consultant shall take into account, when applicable, the audited results of operations and verified enrollment of the Related Schools for the most recently completed Fiscal Year and projected enrollment of the Related Schools and Gross Revenues at the completion of such Facility or Facilities financed with such Additional Indebtedness. In addition, the report of the Independent Consultant shall assume that the Long-Term Indebtedness then to be incurred shall have been Outstanding for the entire year; or

(2) an Officer's Certificate is filed with the Master Trustee demonstrating that, based on audited results of the operations for the most recently completed Fiscal Year, the Consolidated Base Rent Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness and the Additional Indebtedness to be issued, is not less than 1.10.

(b) Long-Term Indebtedness may be incurred for the purpose of refunding or refinancing any Outstanding Indebtedness, if prior to the incurrence thereof, there is delivered to the Master Trustee an Officer's Certificate demonstrating that (i) the Maximum Annual Debt Service will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (ii) the total Debt Service on the Indebtedness being refinanced will not increase by more than 10% after the incurrence of such proposed refunding Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (iii) the requirements of subsection (a) above are met; provided that the foregoing will not apply to any refinancing with Balloon Indebtedness.

(c) Short-Term Indebtedness may be incurred by any Member as long as the Short-Term Indebtedness is made payable from such Member's Gross Revenues, and subject to any limitations imposed by the Related Indebtedness or Related Loan Agreement.

(d) So long as either Obligation No. 1, Obligation No. 2, or Obligation No. 3 is Outstanding, Non-Recourse Indebtedness may be incurred not to exceed thirty-five percent (35%) of Obligated Group Operating

Expenses in the aggregate Outstanding among all Members of the Obligated Group as tested as of the end of each Fiscal Year and reported on the audited financial statement of the Members of the Obligated Group.

(e) Any Subordinated Indebtedness or Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the Facilities may be incurred without limitation.

(f) Indebtedness consisting of leases which are considered operating leases under generally accepted accounting principles may be incurred without limitation.

"Central Office Management Fees" means any fee or charge, including any funds transfer recognized as an expenditure for accounting purposes, charged by Lessee for management services provided to the Schools, including pursuant to a Management Agreement, which fee shall be subordinate to the payment of Rent due under the Lease.

"Consolidated Base Rent Coverage Ratio" means the ratio determined by dividing Consolidated Net Program Operating Revenue for such period by the Consolidated Base Rent Payment Obligation.

"Consolidated Base Rent Payment Obligation" means the sum of all Lessee Base Rent Payment Obligations for all Facilities and proposed Facilities.

"Consolidated Net Program Operating Revenue" means the sum of all Net Program Operating Revenue for the Lessee of all Facilities and proposed Facilities as that computation would be applied to the operations of an existing or proposed Lessee of an existing or proposed Facility financed with Related Indebtedness or to be financed with Additional Indebtedness, and excluding therefrom the payment obligations associated with any loan or other indebtedness to be refinanced or retired from proceeds of the Long-Term Indebtedness then to be incurred.

"Base Rent" means, with respect to any Lease, the amount of Rent designated as such; provided however that, total Base Rent for all Leases equals an amount not less than (a) the debt service due and payable on all Related Indebtedness with respect to the Facilities plus (2) any Ground Rent on the Facilities.

"Independent Consultant" means, with respect to any Lease, a firm (but not an individual) that (1) does not have any direct financial interest or any material indirect financial interest in the Lessee or any Affiliate of the Lessee and (2) is not connected with the Lessee or any Affiliate thereof as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, and designated by the Lessee, qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Lessee and having a favorable reputation for skill and experience in the financial affairs of such facilities.

"Lessee Base Rent Payment Obligation" means (a) that portion of the total lease payment obligation for any Lessee of any Facility or proposed Facility that is the Base Rent for such Facility, characterized as "Base Rent" plus (b) the repayment obligations for Lessee under any School Loan Agreement for the financing of Lessee's improvement or equipping of any Facility or proposed Facility, or portion of such Facility, characterized therein as "School Loan Repayments" plus (c) any Ground Rent on the Facilities.

"Lessee Indebtedness" means all obligations for borrowed money, installment sales and finance lease obligations (as such term is defined by the FASB Accounting Standards Codification Topic 842 Leases), incurred or assumed by the Lessee, including Guaranties, Obligated Group Program Long-Term Indebtedness, Obligated Group Program Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed.

"Management Agreement" means any agreement between Lessee and a charter school, including charter schools operated or managed by Lessee, pursuant to which Lessee provides management services.

"Net Program Operating Revenue" means Lessee's Program Revenues minus its Program Operating Expenses; provided, that no determination thereof will take into account: (a) any gain or loss resulting from either the early extinguishment or refinancing of Obligated Group Program Indebtedness or the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (b) gifts, grants, bequests, donations or contributions, and income therefrom, to the extent specifically permanently restricted by the donor or by law to a particular purpose inconsistent with their use for the payment of Program Operating Expenses; (c) the net proceeds of insurance (other than business interruption insurance) and condemnation awards; (d) adjustments to the value of assets or liabilities resulting from changes in generally accepted accounting principles; (e) unrealized gains or losses that do not result in the receipt or expenditure of cash; and (f) nonrecurring items which involve the receipt, expenditure or transfer of assets.

"Obligated Group Program Interim Indebtedness" means all Obligated Group Program Indebtedness having an original maturity less than or equal to five years and not renewable at the option of the Lessee for a term greater than five years from the date of original incurrence or issuance.

"Obligated Group Program Long-Term Indebtedness" means all Obligated Group Program Indebtedness having an original maturity greater than one year or renewable at the option of the Lessee for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Lessee Indebtedness, the Obligated Group Program Long-Term Indebtedness is not permitted to be outstanding thereunder for a period of at least 20 consecutive days during each calendar year.

"Obligated Group Program Short-Term Indebtedness" means all Obligated Group Program Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the Lessee for a term greater than one year from the date of original incurrence or issuance, provided however, that any Obligated Group Program Short-Term Indebtedness that has been issued as revenue anticipation notes ("RANs") will not be included or counted as Obligated Group Program Short-Term Indebtedness to the extent that the RANs are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANs.

"Program Operating Expenses" means all reasonable and necessary current expenses of the Lessee relating solely and arising from the Related Projects, as a group; provided, however, "Program Operating Expenses" shall not include (i) any allowance for depreciation or amortization, (ii) expenses incurred in connection with capital improvements, (iii) expenses paid from any restricted grants from state, federal or local sources, or from any Person, which were excluded from Program Revenues, (iv) expenses incurred for MTI Base Rent and School Loan Repayments payable under the Lease and School Loan Agreements, respectively, (v) expenses incurred under any capitalized leases, (vi) payments of the Debt Service Requirement of the Lessee and (vii) Central Office Management Fees.

"Program Revenues" means all revenues, income, receipts and moneys derived by the Lessee from the Lessee's operation of the Schools, including from any applicable district or county or from the State pursuant to the Charter School Law from any categorical block grant, general purpose entitlement or revenue limit; provided, that "Program Revenues" shall not include: (i) any gains or losses resulting from the early extinguishment of Indebtedness, the sale, exchange or other disposition of Property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains or losses; (ii) net unrealized gain (losses) on investments on investments and Financial Products Agreements; (iii) proceeds of borrowing; and (iv) net insurance or condemnation proceeds received or payable to Lessee on account of damage or destruction of the other charter school or its property or other loss incurred by Lessee with respect to its operation of the other charter school or its property.

"Subordinate Lessee Indebtedness" means all Lessee Indebtedness the repayment of which is expressly subordinate to the repayment of (i) the obligations of the Lessee under all Leases and School Loan Agreements, and (ii) Lessee Indebtedness secured on parity with obligations of the Lessee under all Leases and School Loan Agreements.

"Subordinated Indebtedness" means Indebtedness, the repayment of which is on a priority that is subordinate to the repayment of (a) Indebtedness issued pursuant to the Master Indenture and (b) Indebtedness issued on a parity basis to Indebtedness issued pursuant to the Master Indenture, if any.

"Total Program Operating Expenses" means all reasonable and necessary current expenses of the Lessee; provided, however, "Total Program Operating Expenses" shall not include (i) any allowance for depreciation or amortization, (ii) expenses incurred in connection with capital improvements, (iii) expenses paid from grants from state, federal or local sources, or from any Person, which would generally be excluded under Program Revenues, (iv) expenses incurred for MTI Base Rent and School Loan Repayments payable under the Leases and School Loan Agreements, respectively, (v) expenses incurred under any capitalized leases, (vi) payments of the Debt Service Requirement of the Lessee and (vii) Central Office Management Fees.

Amendment of Leases or School Loan Agreements. There will be no amendment, modification or termination of any of the Leases or School Loan Agreements without (1) an Officer's Certificate delivered to the Master Trustee stating that the amendment, modification or termination of the Lease or School Loan Agreement contemplated will not have a material adverse effect on the financial position of the Obligated Group, or (2) the prior written consent of the Master Trustee, which written consent shall only be given if:

(a) if there are any Tax-Exempt Bonds outstanding, the Master Trustee receives an Opinion of Bond Counsel confirming such amendment is necessary to preserve the exclusion of interest on related Tax-Exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on the related Tax-Exempt Bonds from state income taxation;

(b) (1)(A) the Related Indebtedness Holders of a majority in principal amount of the Related Indebtedness then Outstanding consent in writing to such amendment, modification or termination or (B) the Master Trustee receives an Opinion of Counsel confirming such amendment, modification or termination will not materially adversely affect the interests of the Related Indebtedness Holders or result in any material impairment of the security given for the payment of the Related Indebtedness, and (2) the Master Trustee shall receive an Opinion of Bond Counsel substantially to the effect that such amendment, modification or termination will not, in and of itself, adversely affect any exclusion of interest on the Related Indebtedness from gross income for purposes of federal income taxation; or

(c) it has received a written representation from the Obligated Group Representative to the effect that such amendment or modification will not materially and adversely affect the interests of the Related Indebtedness Holders of the Related Indebtedness; provided that, in making a determination whether such amendment or modification will not materially and adversely affect the interests of the Related Indebtedness Holders of the Related Indebtedness, the Master Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel.

Other Covenants. Each of the Members of the Obligated Group agrees to comply with other covenants set forth in the Master Indenture, including covenants to insure the Facilities against loss or damage. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – MASTER INDENTURE – Additional Covenants" and related definitions attached hereto.

Membership in Obligated Group. Additional Members may be added to the Obligated Group from time to time provided that prior to such addition the Master Trustee receives:

(a) a copy of a resolution of the Governing Body of the proposed new Member which authorizes the execution and delivery of a Related Supplement and compliance with the terms of the Master Indenture;

(b) a Related Supplement executed by the Obligated Group Representative, the new Member and the Master Trustee pursuant to which the proposed new Member (1) agrees to become a Member, (2) agrees to be bound by the terms and restrictions imposed by the Master Indenture and the Obligations, and (3) irrevocably

appoints the Obligated Group Representative as its agent and attorney-in-fact and grants to the Obligated Group Representative full power to execute Related Supplements authorizing the issuance of Obligations and to execute and deliver Obligations;

(c) an Opinion of Counsel addressed to the Master Trustee to the effect that (i) the proposed new Member has taken all necessary action to become a Member, and upon execution of the Related Supplement, such proposed new Member will be bound by the terms of the Master Indenture and (ii) the addition of such Member will not cause the Master Indenture or any Obligations to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred);

(d) an Independent Consultant's or Accountant's report, or an Officer's Certificate, as appropriate, to the effect that the condition described in paragraph (a) under "– Limitations on Additional Indebtedness" above would be met for the incurrence of one dollar of additional Long-Term Indebtedness immediately following the addition of such new Member;

(e) if there is any Related Indebtedness Outstanding that purports to be Tax-Exempt Bonds, an Opinion of Bond Counsel to the effect that the addition of such Member will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause the Master Indenture nor the Obligations issued under the Master Indenture to be subject to registration under the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred);

(f) an Officer's Certificate to the effect that no Member, immediately after the addition of such new Member, would be in default in the performance or observance of any covenant or condition of the Master Indenture; and

(g) a duly executed and delivered Mortgage encumbering all Property, Plant and Equipment of such new Member, subject only to Permitted Liens.

Any certification or calculation made in accordance with this section may take into account the effect of the withdrawal of another Member or Members from the Obligated Group in connection with the addition of a Member to the Obligated Group contemplated in the Master Indenture.

Withdrawal from Obligated Group. Any Member may withdraw from the Obligated Group, and be released from further liability or obligation under the provisions of the Master Indenture, provided that prior to such withdrawal the Master Trustee receives:

(a) an Officer's Certificate to the effect that, immediately following withdrawal of such Member, no Member would be in default in the performance or observance of any covenant or condition of the Master Indenture;

(b) if there is any Related Indebtedness outstanding that purport to be Tax-Exempt Bonds, an Opinion of Bond Counsel to the effect that the withdrawal of such Member is in compliance with the conditions contained in this section, and such withdrawal will not result in the inclusion of interest on any Related Indebtedness that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause the Master Indenture nor the Obligations issued under the Master Indenture to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred); and

(c) either:

(i) an Officer's Certificate to the effect that the Related Indebtedness outstanding under the Master Indenture have been assigned a rating by at least one rating agency and the withdrawal of such Member will not cause a downgrade or withdrawal of such rating; or

(ii) an Independent Consultant's report stating that:

(1) (A) the forecasted Consolidated Base Rent Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be at least 1.10:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal; and (B) such withdrawal will not lower the Consolidated Base Rent Coverage Ratio for the most recent Fiscal Year for which Obligated Group Financial Statements are available by more than twenty percent (20%); or

(2) the forecasted Debt Service Coverage Ratio for the two consecutive Fiscal Years immediately following such withdrawal, taking such withdrawal into account, is projected to be not less than 1.00:1.00 in each Fiscal Year or would be greater than it would otherwise have been absent such withdrawal.

Any certification or calculation made in accordance with this section may take into account the effect of the addition of another Member or Members to the Obligated Group in connection with the withdrawal of a Member from the Obligated Group contemplated in the Master Indenture.

Upon compliance with the conditions described above, the Master Trustee shall execute any documents reasonably requested by the withdrawing Member to evidence the termination of such Member's obligations under the Master Indenture (including without limitation termination of the pledge of such Member's Gross Revenues) under any Related Supplements and under all Obligations (including without limitation reconveyance of the Mortgage encumbering such Member's Property, Plant and Equipment for the benefit of the Master Trustee).

Mortgages and Security Agreements

Pursuant to the Master Indenture, unless expressly set forth in the Related Supplement, or unless project funds allocated to the financing of such Facility are escrowed until the filing of a Mortgage, each Member will enter into a mortgage, leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases and/or financing statement as provided therein (each, a "Mortgage") for the respective Facilities to secure the obligations of the Members under the Master Indenture and each Member, respectively, agrees to supplement such Mortgage or to execute and deliver such other deeds of trust or mortgages as may be necessary from time to grant to the Master Trustee a first priority lien on any Property, Plant and Equipment of the Member, subject to certain permitted liens.

In connection with the issuance of the Prior Bonds, MPM Sherman Way executed a Mortgage with respect to the MSA-1 Facilities (collectively, the "Series 2025 Mortgage"). The Series 2025 Mortgage created a current assignment in favor of the Master Trustee of the rents due under Series 2025 Lease relating to the MSA-1 Facilities.

Pursuant to the requirements of the CSFP Program, the Lessee's interests in the MSA-SA Facilities and the MSA-5 Facility are subject to (i) a recorded lien in favor of the State reflecting that the each of such Facilities is held in trust by the Lessee for the benefit of the State public school system, and (ii) certain restrictive covenants disclosed by recorded notice. See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities – State Lien and Restrictive Covenants, Conditions and Restrictions on MSA-SA Facilities."

NO FEE OR LEASEHOLD INTEREST IN THE LAND ON WHICH THE MSA-SD FACILITIES OR MSA-5 FACILITY ARE LOCATED OR IN THE MSA-SA FACILITIES OR MSA-5 FACILITY THEMSELVES SECURES THE RESPECTIVE OBLIGATIONS OF MPM SAN DIEGO AND MPM SANTA ANA UNDER THE MASTER TRUST INDENTURE.

Pursuant to the Master Indenture and in connection with the execution and delivery of the Series 2025 Mortgage, MPM Sherman Way obtained, one or more ALTA policies of lender's title insurance on the MSA-1 Facilities in an aggregate amount not less than the aggregate principal amount of the Related Indebtedness, insuring the Master Trustee, for the benefit of the Holders of the Obligations, insuring the fee title interest of such Member in the applicable Facilities, subject only to Permitted Liens, issued by a title insurance company qualified to do business in the State. See "CERTAIN RISK FACTORS – Limitations on Value of the Applicable Facilities and to Remedies Under the Mortgages" herein.

Pursuant to a Security Agreement by and between MPM San Diego and the Master Trustee, MPM San Diego granted the Master Trustee a security interest in the modular buildings that constitute the MSA-SD Facilities and in its interest in the MSA-SD Lease. MPM San Diego documented such security interest by means of a fixture filing recorded in the official records of San Diego County. Pursuant to a Security Agreement by and between MPM Santa Ana and the Master Trustee, MPM Santa Ana granted the Master Trustee a security interest in its interest in the Prior School Loan Agreement. In addition, pursuant to a Security Agreement by and between MPM Santa Ana and the Master Trustee, MPM Santa Ana will grant the Master Trustee a security interest in its interest in the MSA-5 School Loan Agreement.

Additional Leases and School Loan Agreements Governed by the Master Indenture

Under the Master Indenture, "Lease" is defined as each lease agreement pursuant to which the Lessee leases a Facility at which a Program (as defined in the Master Indenture) is operated from a Member of the Obligated Group; provided, however, a lease agreement or sublease agreement pursuant to which the Lessee leases a Facility for the benefit of a School whose students in attendance at the Facility constitute 25% or fewer students of all students in attendance at the Facility subject to such lease or sublease, is not be considered a Lease for purposes of the Master Indenture. "School Loan Agreement" is defined under the Master Indenture as any loan agreement pursuant to which the Lessee or a Member of the Obligated Group borrows money from a Member of the Obligated Group or the Lessee for the benefit of a Facility at which a School is located. Upon the issuance of the Series 2026 Bonds, the only Leases will be the Series 2025 Leases and the only School Loan Agreements will be the Prior School Loan Agreement and the MSA-5 School Loan Agreement.

Pursuant to the Master Indenture, "Program" or "Obligated Group Program" means each public charter school or administrative facility operated by a Lessee and located at one or more Facilities from and after the date upon which the Member that is the lessor or Lender under such Lease or School Loan Agreement, as applicable, joins the Obligated Group, but excluding any public charter school or administrative office operated by a Lessee at premises that do not constitute a Facility or is owned or leased by a Member that withdraws from the Obligated Group to the extent permitted by and in accordance with the Master Indenture, from and after the date of such withdrawal. As of the date of the execution of the Master Indenture, the Programs will include the charter school known as Magnolia Science Academy 1, CDS #19-10199-6119945; Magnolia Science Academy-San Diego, CDS #37-68338-0109157; Magnolia Science Academy-Santa Ana, CDS #30-76893-0130765; and Magnolia Science Academy 5, CDS # 19-10199-0137679.

If a Member of the Obligated group enters into a Lease or a School Loan Agreement (each as defined in the Master Indenture), such Lease or School Loan Agreement, must contain the following provisions:

(a) A liquidity covenant substantially similar to the covenant described under the heading "THE LEASES AND SCHOOL LOAN AGREEMENTS – Certain Related Covenants – Liquidity Covenant" herein.

(b) A coverage ratio covenant substantially similar to the covenant described under the heading "THE LEASES AND SCHOOL LOAN AGREEMENTS – Certain Related Covenants – Consolidated Base Rent Coverage Ratio Covenant" herein.

(c) A subordination of Central Office Management Fees substantially as described in "APPENDIX D – SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS" attached hereto; and

(d) Covenants substantially similar to those described under the heading "THE LEASES AND SCHOOL LOAN AGREEMENTS – Certain Related Covenants – Other Financial Covenants" herein.

Upon the issuance of the Bonds, the Series 2025 Landlords and MPM Santa Ana will be the only Members of the Obligated Group, the only Leases (as defined in the Master Indenture) will be the Series 2025 Leases, the only School Loan Agreements will be the Prior School Loan Agreement and the MSA-5 School Loan Agreement, and the only Schools (as defined in the Master Indenture) will be the Series 2026 Schools. MERF and the Borrower provide no assurances that other members of the Obligated Group, schools or leases will be added and be subject to the provisions of the Master Indenture.

THE LEASES AND SCHOOL LOAN AGREEMENTS

The following section contains a brief description of the Series 2025 Leases and the School Loan Agreements. All references in this Limited Offering Memorandum to the Leases and School Loan Agreements are qualified in their entirety by reference to the Leases and School Loan Agreements, copies of which may be obtained by request to the Underwriter. See "APPENDIX D – SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS" attached hereto.

General

The primary sources of Gross Revenues for the Members of the Obligated Group are (i) the payment of Rent received pursuant to the Leases, and (ii) the payment of School Loan Repayments under School Loan Agreements. Under the Leases, each Landlord leases to MERF, and MERF leases from each Landlord, a respective Facility. The provisions of each Lease are substantially similar except for the term of the Lease, the amount of rent payable and the Facility subject to each Lease.

For the Series 2025 Facilities, the Series 2025 Leases have a term (the "Lease Term") of approximately 35 years, and are scheduled to expire on June 30, 2060. The term of the Prior School Loan Agreement extends to July 1, 2055, while the term of the MSA-5 School Loan Agreement extends to July 1, 20__.

Payment of Rent Under Leases

Pursuant to each Series 2025 Lease, the Lessee will make monthly payments of Rent. "Rent," as defined under each Series 2025 Lease, comprises the following: (i) Base Rent (as defined in each Lease); (ii) Additional Rent (as defined in each Lease); and (iii) Expenses (as defined in each Lease), together with all other monetary obligations of the Lessee to the applicable lessor or to third parties arising under the terms of the Leases. See "APPENDIX D – SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS" attached hereto.

The Lessee will cause all Rent payable to the Borrower under the Series 2025 Leases to be payable in lawful money of the United States on or before the day on which it is due, without offset or deduction. Notwithstanding the foregoing, the Lessee will receive a credit for Rent owed to the applicable lessor to the extent the Trustee receives monies on behalf of the Lessee under the Intercept for the School. The Lessee has covenanted to take such action as may be necessary to include all such payments of Rent due under the Leases in its annual budgets, to make, as necessary, annual appropriations for all such payments and to take such action annually as shall be required to provide funds in such year for such payments of Rent.

Lessee's obligation to pay the Rent shall be a general obligation of the Lessee, payable from any revenues of the Lessee legally available therefor. "APPENDIX D – SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS" attached hereto.

Pursuant to the Series 2025 Leases, the Lessee covenants that payment of management fees to third parties will be subordinate to payments of Rent under the Series 2025 Leases. See " – Certain Related Covenants – Financial Covenants – Subordination of Management Fees" below.

Certain Related Covenants

General. The Leases and School Loan Agreements contain various covenants (including reporting covenants), representations and warranties made by the Lessee to applicable Member. Covenants include:

(i) restrictions on the use of the applicable Facilities to the operation of the applicable School;

(ii) compliance by Lessee with applicable laws, including all environmental laws and Applicable Requirements (as defined in such Lease or the School Loan Agreement);

(iii) sublease and assignment restrictions without a Landlord's consent under the Leases;

(iv) covenants to maintain insurance policy coverages required under the Master Indenture, as set forth in such Leases and School Loan Agreements;

(v) indemnification of the applicable Landlord or School Lender pursuant to the terms of the Leases and School Loan Agreements;

(vi) covenant to take all reasonable actions to maintain Lessee's Charters;

(vii) limitations on disposition of property, plant and equipment of the Lessee;

(viii) covenant not to incur further indebtedness; and

(ix) covenant not to take any action or omit to take any action that, if taken or omitted, would cause Lessee to lose status as an organization described under Section 501(c)(3) of the Code.

Liquidity Covenant. The Lessee covenants and agrees that its Days Cash on Hand shall be equal to or greater than 45 days beginning in the Fiscal Year ending June 30, 2026. The Lessee will provide a certificate to the applicable Member, the Trustee and the Master Trustee at the time of delivery of its financial statements for each Fiscal Year, commencing with the Fiscal Year ending June 30, 2026, certifying to the Days Cash on Hand as of the end of such Fiscal Year.

"Days Cash on Hand" means (a) the sum of the aggregate amount of (i) unrestricted cash and cash equivalents, (ii) unrestricted investments, each as shown on the Lessee's audited financial statements for each Fiscal Year, and (iii) any State payments accrued to such Fiscal Year and scheduled to be received within three months following the end of such Fiscal Year, divided by (b) the Total Program Operating Expenses for the applicable Fiscal Year divided by 365.

"Total Program Operating Expenses" means all reasonable and necessary current expenses of the Lessee; provided, however, "Total Program Operating Expenses" shall not include (i) any allowance for depreciation or amortization, (ii) expenses incurred in connection with capital improvements, (iii) expenses paid from grants from state, federal or local sources, or from any Person, which would generally be excluded under Program Revenues, (iv) expenses incurred for MTI Base Rent and School Loan Repayments payable under the

Leases and School Loan Agreements, respectively, (v) expenses incurred under any capitalized leases, (vi) payments of the Debt Service Requirement of the Lessee and (vii) Central Office Management Fees.

"MTI Base Rent" means, with respect to any Lease, the amount of Rent designated as such; provided however that, total Base Rent for all Leases equals an amount not less than (a) the debt service due and payable on all Related Indebtedness with respect to Facilities plus (2) any Ground Rent on Facilities.

If the certificate indicates that the Days Cash on Hand as of such date was less than 45 days, it shall not constitute an event of default under the Lease or an Event of Default under the Master Indenture but Lessee covenants to retain an Independent Consultant at the expense of Lessee, on behalf of the Related Projects, within 45 days, to make recommendations to increase such balances in the then-current Fiscal Year to the required level or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest level attainable in such Fiscal Year. The Independent Consultant selected and appointed by the Lessee may be rejected upon the written request of the Related Indebtedness Holders of not less than a majority in aggregate principal amount of the Related Indebtedness then Outstanding; if so rejected, the Lessee covenants to use its best efforts to appoint a new Independent Consultant within 45 days thereof. Any Independent Consultant will be required to submit its recommendations to the Lessor, the Related Lender/Bond Trustee and the Master Trustee within 90 days after being so retained. Upon submission of the Independent Consultant's report, the Lessee shall arrange for payment of the amount owed to the Independent Consultant and, within 30 days following receipt of the Independent Consultant's report, issue a written certificate to the Related Indebtedness Holders of the Outstanding Related Indebtedness, the Related Lender/Bond Trustee and the Master Trustee, and Lessor indicating the Lessee's acceptance or rejection of all or any material portion of the Independent Consultant's recommendations. Notwithstanding the foregoing, (x) the Related Indebtedness Holders of a majority of the Outstanding Related Indebtedness shall have the right, by written notice to the Lessee, to require the Lessee to comply with any recommendation of the Independent Consultant set forth in the Independent Consultant's report to the fullest extent practicable and allowed by law and (y) the failure of Lessee to comply with this covenant shall not constitute a Default or Breach unless Lessee fails to comply with the written direction of the Related Indebtedness Holders of a majority of the Outstanding Related Indebtedness to retain the Independent Consultant. Lessee will not be obligated to retain such an Independent Consultant more often than once during any 24-month period.

Consolidated Base Rent Coverage Ratio Covenant. The Lessee covenants and agrees to calculate for each Fiscal Year its Consolidated Base Rent Coverage Ratio based on its audited financial statements for such Fiscal Year, and to provide a copy of such calculation for such period to the Lessor and the Master Trustee annually commencing with the Fiscal Year ending June 30, 2026.

Lessee shall deliver to the Lessor, the Related Lender/Bond Trustee and the Master Trustee an officer's certificate executed by the Chief Executive Officer or Chief Financial Officer of the Lessee, no later than 180 days after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2026, setting forth the Consolidated Base Rent Coverage Ratio as of the FY End Calculation Date.

If the Consolidated Base Rent Coverage Ratio as of any FY End Calculation Date is below 1.10, but above 1.00, the Lessee, at the written direction of at least a majority of the Related Indebtedness Holders of the Outstanding Related Indebtedness, shall retain, at its expense, an Independent Consultant acceptable to such Related Indebtedness Holders. The Independent Consultant shall deliver a written report to the Lessor, the Lessee, the Related Lender/Bond Trustee, the Master Trustee and the Related Indebtedness Holders, within 90 days following the Lessee's engagement of the Independent Consultant, containing recommendations concerning the Lessee with respect to the Related Projects' operations, financing practices and activities, including use of Short-Term Indebtedness, lease financing and investment activities; management practices, including use of consultants, budgeting practices, and on-going financial systems and monitoring of the Lessee's financial condition with respect to the Related Projects; governance and administrative practices; and such other matters relevant to maintaining compliance with the requirements under this provision. Upon submission of the Independent Consultant's report, the Lessee shall arrange for payment of the amount owed to the Independent

Consultant and, within 30 days following receipt of the Independent Consultant's report, issue a written certificate to the Related Indebtedness Holders of the Outstanding Related Indebtedness, the Related Lender/Bond Trustee, the Master Trustee and Lessor indicating the Lessee's acceptance or rejection of all or any material portion of the Independent Consultant's recommendations. Notwithstanding the foregoing, (x) the Related Indebtedness Holders of a majority of the Outstanding Related Indebtedness shall have the right, by written notice to the Lessee, to require the Lessee to comply with any recommendation of the Independent Consultant set forth in the Independent Consultant's report to the fullest extent practicable and allowed by law and (y) the failure of Lessee to comply with this covenant shall not constitute a Default or Breach unless Lessee fails to comply with the written direction of the Related Indebtedness Holders of a majority of the Outstanding Related Indebtedness to retain the Independent Consultant.

It shall be considered an Event of Default if the Consolidated Base Rent Coverage Ratio as of any FY End Calculation Date, commencing with the Fiscal Year ended June 30, 2026, is below 1.0.

"Consolidated Base Rent Coverage Ratio" means the ratio determined by dividing Consolidated Net Program Operating Revenue, for such period by the Consolidated Base Rent Payment Obligation.

"Consolidated Base Rent Payment Obligation" means the sum of all Lessee Base Rent Payment Obligations for all Facilities and proposed Facilities.

"FY End Calculation Date" means each of June 30 of each year.

"Program Operating Expenses" means all reasonable and necessary current expenses of the Lessee relating solely and arising from the Related Projects, as a group; provided, however, "Program Operating Expenses" shall not include (i) any allowance for depreciation or amortization, (ii) expenses incurred in connection with capital improvements, (iii) expenses paid from any restricted grants from state, federal or local sources, or from any Person, which were excluded from Program Revenues, (iv) expenses incurred for MTI Base Rent and School Loan Repayments payable under the Leases and School Loan Agreements, respectively, (v) expenses incurred under any capitalized leases, (vi) payments of the Debt Service Requirement of the Lessee and (vii) Central Office Management Fees.

Subordination of Management Fees. If Lessee enters into a Management Agreement for the payment of Central Office Management Fees to Lessee or any supporting organization of Lessee under Internal Revenue Code Section 509(a)(3), or any of their respective affiliates, with respect to the School, Lessee shall amend any such Management Agreement for the School such that, so long as Related Indebtedness remain outstanding: (i) the obligation of Lessee to pay Central Office Management Fees relating to the School shall be subordinate to its payment of operating expenses of the School, rent payments to Lessor under the Lease and/or School Loan Repayments under a School Loan Agreement; (ii) the obligation of Lessee to pay Central Office Management Fees relating to the School shall be suspended for any such time as the payment of Central Office Management Fees would cause Lessee to fail to meet any of the financial covenants contained in the applicable Lease or School Loan Agreement; and (iii) during any period of time when Central Office Management Fees remain unpaid, such fees shall accrue without interest. If Lessee has not engaged a separate manager with respect to the School, Lessee agrees that it shall not apply any Program Revenues to costs and expenses of management unless and until all Rent or School Loan Repayments, a applicable, is fully paid and the Master Indenture is not in default.

"Central Office Management Fees" means any fee or charge, including any funds transfer recognized as an expenditure for accounting purposes, charged by Lessee for management services provided to the Schools, including pursuant to a Management Agreement, which fee shall be subordinate to the payment of Rent due under the Lease and to payment of School Loan Repayments under the School Loan Agreement.

Limitation on Liens on Program Revenues. Pursuant to each Series 2025 Lease and Prior School Loan Agreement, the Lessee covenants and agrees that, except for liens existing on the date of the agreements and

liens in favor of the Authority or another agency of the State arising pursuant to Section 17199.4 of the Education Code and securing Lessee Indebtedness permitted thereunder it will not create, assume or suffer to exist any lien upon the Program Revenues and that, if a subordinate security interest is created or assumed upon the Program Revenues by the Lessee, the Lessee will make or cause to be made effective a provision whereby the obligations of the Lessee under such Series 2025 Lease or Prior School Loan Agreement, as applicable, will be secured prior to any such indebtedness or other obligation secured by such security interest and that the revenues required by any related Intercept Notice to be deposited with a Related Bond Trustee will continue to be so deposited. The Lessee also covenants in each Series 2025 Lease and Prior School Loan Agreement that, except for liens in favor of the Authority or another agency of the State arising pursuant to Section 17199.4 of the Education Code securing Lessee Indebtedness permitted thereunder, a security interest in the Program Revenues may only be created in connection with the issuance of Indebtedness under the Master Indenture.

Limitations on Obligated Group Program Indebtedness. The Lessee covenants that it will not incur, assume or guarantee ("incur") any Obligated Group Program Indebtedness (secured or unsecured), except Obligated Group Program Indebtedness with respect to purposes specifically benefiting the Lessee, and except as provided below.

(a) Short-Term Lessee Indebtedness. The Lessee may incur Obligated Group Program Short-Term Indebtedness (as defined below) for working capital purposes as in its judgment is deemed expedient, which may be secured on parity with the Lessee's obligations under the Leases and any School Loan Agreement, provided that in no event will the Lessee incur such Obligated Group Program Short-Term Indebtedness, together with Obligated Group Program Interim Indebtedness (as defined below), that is, on a combined basis, in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) the maximum amount of advance apportionment and principal apportionment due to the Project in any fiscal year that is deferred at any time or subject to deferral pursuant to Section 14041.6 of the Education Code or Sections 16325.5 and 16326 of the California Government Code, or any subsequent legislation authorizing additional deferrals of such apportionments (collectively "Maximum Deferred Apportionment").

"Obligated Group Program Short-Term Indebtedness" means all Obligated Group Program Indebtedness having an original maturity less than or equal to one year and not renewable at the option of the Lessee for a term greater than one year from the date of original incurrence or issuance, provided however, that any Obligated Group Program Short-Term Indebtedness that has been issued as revenue anticipation notes ("RANs") will not be included or counted as Obligated Group Program Short-Term Indebtedness to the extent that the RANs are secured by deferred state apportionment revenues expressly pledged and deposited in an intercept account to pay such RANs.

(b) Interim Indebtedness. The Lessee may incur Obligated Group Program Interim Indebtedness (as defined below) to finance or refinance existing capital needs as in its judgment is deemed expedient, which may be secured on parity with the Lessee's obligations under the Leases and any School Loan Agreement, provided that in no event will the Lessee incur such Obligated Group Program Interim Indebtedness, together with outstanding Short-Term Lessee Indebtedness, on a combined basis, is in excess of the greater of: (1) 35% of Operating Expenses in any Fiscal Year, or (2) Maximum Deferred Apportionment.

"Obligated Group Program Interim Indebtedness" means all Obligated Group Program Indebtedness having an original maturity less than or equal to five years and not renewable at the option of the Lessee for a term greater than five years from the date of original incurrence or issuance.

(c) Obligated Group Program Long-Term Indebtedness. The Lessee may incur Obligated Group Program Long-Term Indebtedness (as defined below) if, prior to the issuance of such Obligated Group Program Long-Term Indebtedness, the Obligated Group Representative files the following certificates and report, as applicable, with the Master Trustee:

(i) an Officer's Certificate is filed with the Master Trustee demonstrating that, for the Obligated Group's most recently completed Fiscal Year, the Lessee has complied with all covenants set forth in its School Loan Agreement or Lease, as applicable, as provided therein; and

(ii) either

(A) an Independent Consultant selected by the Lessee provides a written report setting forth projections which indicate that the Consolidated Base Rent Coverage Ratio for the first three full Fiscal Years following completion of such Facility or Facilities financed with such Additional Indebtedness in which the Lessee will have scheduled payments of interest on or principal of the Additional Indebtedness to be issued for the payment of which provision has not been made as indicated in the report of such Independent Consultant from proceeds of such Additional Indebtedness, investment income thereon or from other appropriate sources (other than Consolidated Base Rent), provides for a Consolidated Base Rent Coverage Ratio, taking into account all Outstanding Long Term Indebtedness and the Additional Indebtedness to be issued, of not less than 1.20:1.0. The report of the Independent Consultant shall take into account, when applicable, the audited results of operations and verified enrollment of the Related Schools for the most recently completed Fiscal Year and projected enrollment of the Related Schools and Gross Revenues at the completion of such Facility or Facilities financed with such Additional Indebtedness. In addition, the report of the Independent Consultant shall assume that the Long Term Indebtedness then to be incurred shall have been Outstanding for the entire year; or

(B) an Officer's Certificate is filed with the Master Trustee demonstrating that, based on audited results of the operations for the most recently completed Fiscal Year, the Consolidated Base Rent Coverage Ratio, taking into account all Outstanding Long-Term Indebtedness and the Additional Indebtedness to be issued, is not less than 1.10.

Obligated Group Program Long Term Indebtedness may also be incurred for the purpose of refunding any Outstanding Obligated Group Program Indebtedness, if prior to the incurrence thereof, there is delivered to the Trustee an Officer's Certificate demonstrating that (i) the maximum annual debt service with respect to all Obligated Group Program Long-Term Indebtedness will not increase by more than 10% after the incurrence of such proposed refunding of Obligated Group Program Long Term Lessee Indebtedness and after giving effect to the disposition of the proceeds thereof; (ii) the total debt service on the Obligated Group Program Long-Term Indebtedness being refinanced will not increase by more than 10% after the incurrence of such proposed refunding Obligated Group Program Long-Term Indebtedness and after giving effect to the disposition of the proceeds thereof; or (iii) the requirements of subsection (a)(1) above (regarding the Consolidated Base Rent Coverage Ratio) are met; provided that the foregoing shall not apply to any refinancing with Balloon Indebtedness.

"Obligated Group Program Long-Term Indebtedness" means all Obligated Group Program Indebtedness having an original maturity greater than one year or renewable at the option of the Lessee for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Lessee Indebtedness, the Obligated Group Program Long-Term Indebtedness is not permitted to be outstanding thereunder for a period of at least 20 consecutive days during each calendar year.

(d) Facility Leases. Obligated Group Program Indebtedness consisting of leases for charter school facilities, the term of which do not exceed two years (including any term extension options), may be incurred without limitation.

A lease for a charter school or other facility with a term exceeding two years (including any term extension options) shall be considered Obligated Group Program Long-Term Indebtedness.

(f) Subordinate Lessee Indebtedness. Subordinate Lessee Indebtedness may be incurred without limitation.

"Subordinate Lessee Indebtedness" means all Lessee Indebtedness the repayment of which is expressly subordinate to the repayment of (i) the obligations of the Lessee under all Leases and School Loan Agreements, and (ii) Lessee Indebtedness secured on parity with obligations of the Lessee under all Leases and School Loan Agreements.

Other Financial Covenants. Additionally, the Lessee will make the following covenants in each Series 2025 Lease and Prior School Loan Agreement relating to a Related Project financed by the Authority:

Use of Intercept Moneys. The Lessee covenants that all funds subject to an Intercept shall only be transferred to a Related Lender/Bond Trustee for Related Indebtedness issued by the Authority.

Use of Public Moneys. The Lessee covenants that it will not use any public money, assets, and funds for support of the public school system that it receives through apportionments from the State in a manner that conflicts with or constitutes on its part or on the part of the School a violation or breach of any California statute, rule or regulation governing the use of those moneys.

In addition, the Authority will be a third-party beneficiary with respect to the foregoing provisions under each Series 2025 Lease or Prior School Loan Agreement.

Limitation on Disposition of Property, Plant and Equipment. Lessee covenants that, without the consent of the Master Trustee, it will not dispose or transfer any property, plant and equipment consisting of all or any part of the applicable Premises, including pursuant to any lease, except for dispositions or transfers:

(a) of property, plant and equipment no longer necessary for the operation of the Premises;

(b) of property, plant and equipment replaced by property, plant and equipment of similar type and/or of substantially equivalent function with a substantially equivalent value; or

(c) of property, plant and equipment sold or disposed of at a price equal to its fair market value.

See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities – State Lien and Restrictive Covenants, Conditions and Restrictions on MSA-SA Facilities" for additional restrictions relating to the MSA-SA Facilities.

Financial Reporting. The Lessee agrees to provide the Borrower, and upon written request of the Trustee or Master Trustee, to the Trustee or Master Trustee, the following information:

(a) Quarterly unaudited financial information and operating data of the School not later than 60 days after the end of each quarter, commencing with the quarter ending June 30, 2025.

(b) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending December 31, 2025, a report of the School's quarterly enrollment data and waitlist data by grade for the previous fiscal quarter.

(c) Prior to the end of each fiscal year, a copy of the annual budget of the School for the subsequent Fiscal Year.

(d) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending December 31, 2025, a year to date comparison of the revenue and expenditures in the unaudited financial statements for such quarter to the annual budget for the applicable fiscal year.

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(e) Quarterly, not later than 60 days after the end of each quarter, commencing with the quarter ending December 31, 2025, a copy of any recommendations of any Independent Consultant received in accordance with the Master Indenture pursuant to the Liquidity Covenant and Consolidated Base Rent Coverage Ratio covenant under the Lease described above.

(f) Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2025, copies of the audited financial statements of the Lessee and the School for the prior fiscal year prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

(g) Annually, no later than six (6) months after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2026, the certifications and calculations of the Consolidated Days Cash on Hand and the Consolidated Base Rent Coverage Ratio as described in the Liquidity Covenant and Consolidated Base Rent Coverage Ratio covenant under the Lease described above.

(h) Such other information as may be reasonably requested by the Borrower, the applicable Issuer, the Trustee or the Master Trustee.

See "APPENDIX D – SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS" attached hereto.

CHARTER SCHOOLS

General

This section provides a brief overview of California's charter school law. Prospective purchasers of the Bonds should note that the overview contained in this section and the summary of relevant law noted by cross-reference in the sections that follow are provided for the convenience of prospective purchasers but are not and do not purport to be comprehensive. Additional information regarding various aspects of charter school funding in California is available on numerous State-maintained websites and through other publicly available sources.

Under State Law, charter schools are largely independent schools operating as part of the public school system under the exclusive control of the officers of the public schools. A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and is usually sponsored by an existing local public school district or county board of education. Specific goals and operating procedures for the charter school are detailed in a "charter" granted by the sponsoring board to the charter organizers.

A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. Charter schools in the State are created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the Education Code (the "Charter School Law"). The law also requires that a public charter school be nonsectarian in its programs, admission policies, employment practices and all other operations, and prohibits the conversion of a private school to a charter school. Public charter schools may not charge tuition and may not discriminate against any pupil on the basis of ethnicity, national origin, gender or disability. State public charter schools are required to participate in the State Testing and Reporting Program.

According to the Charter School Law, the purpose of a charter school is to: (1) improve pupil learning; (2) increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils identified as academically low achieving; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; (5) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; (6) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based

system of accountability; and (7) provide vigorous competition within the public school system to stimulate continual improvements in all public schools.

Anyone may write a charter. However, for a new charter school (not conversion of an existing traditional public school), charter developers must present a petition to the governing board of the local school district (or other chartering authority) containing the signatures of either: (1) a number of teachers meaningfully interested in teaching at the school equal to at least 50 percent of the number of teachers the charter school estimates will be employed during the charter school's first year of operation, or (2) a number of parents or legal guardians representing at least 50 percent of the number of pupils expected to enroll at the school in its first year. For conversion schools, Charter School Law requires signatures of at least 50 percent of the permanent status teachers at the school to be converted. Pupils may not be required to attend a charter school nor may teachers be compelled to teach there. Charters are granted for a maximum term of five years, and may be renewed for new five-year terms without limitation upon satisfaction of certain criteria described below; provided, however, that under certain circumstances, high-performing charter schools may be renewed for a period of between five seven years.

Generally, each charter school is funded to its statutory entitlement after the local contribution is taken into account. Local funding comes from the chartering school district or other sponsoring local education agency in lieu of property taxes (generally funded from the school district's own property tax receipts), while the State funds the balance directly through the county office of education. The proportion coming from the State will vary from district to district depending on the amount of local property taxes collected. In addition, charter schools receive certain State funding and lottery funds based upon pupil attendance, and may be eligible for other special programmatic aid from State and federal grants. Charter schools are prohibited from charging tuition under the Charter School Law.

For additional information regarding funding of education in the State and information relating to certain risks and other considerations relevant to a decision to invest in the Bonds, see "STATE FUNDING OF EDUCATION" and "CERTAIN RISK FACTORS – Specific Risks of Charter Schools" herein.

Chartering Authority

Under the Charter School Law, the local school district governing board serves as the primary chartering authority. A petitioner may seek approval of a charter from a county board of education if the pupils to be served are pupils that would normally be provided direct education and related services by the county office of education. A petitioner may also seek approval from a county board of education for a countywide charter school, which may be granted only if the county board finds that the proposed countywide charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates only in one school district in the county. See " – Countywide Benefit Charter Schools" below. Petitioners may request the county board of education to review a charter petition if the petition has been previously denied by the local school district governing board.

If the governing board of a school district denies a petition and the county lacks an independent county board of education, the petitioner may elect to submit the petition for the establishment of a charter school to the state board. If the denial of a charter petition is reversed by the state board, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

If the county board of education denies a petition, the petitioner may appeal that denial to the state board. The state board shall either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon a determination that there was an abuse of discretion. If the denial of a charter petition is reversed by the state board, the state board shall designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

For information concerning the charters granted with respect to each of the Schools, see "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

Elements of a Charter Petition

Each charter petition, at a minimum, must contain reasonably comprehensive descriptions of each of sixteen required elements. They are:

1. A description of the educational program of the charter school.

2. The annual goals for the charter school for all pupils and for each subgroup of pupils, and specific annual actions to achieve those goals.

3. If the proposed charter school will serve high school pupils, the manner in which the charter school will inform parents about the transferability of courses to other public high schools and the eligibility of courses to meet college entrance requirements.

4. The measurable pupil outcomes identified for use by the charter school.

5. The method by which pupil progress in meeting those pupil outcomes is to be measured.

6. The charter school's governance structure, including parental involvement.

7. The qualifications to be met by individuals employed by the charter school.

8. Procedures to ensure health and safety of pupils and staff. These procedures shall include: that each employee of the charter school furnish the charter school with a criminal record summary; the development of a school safety plan; and that the school safety plan be reviewed and updated by March 1 of every year by the charter school.

9. The means by which the charter school will achieve a balance of racial and ethnic pupils, special education pupils, and English learner pupils, including redesignated fluent English proficient pupils, reflective of the general population residing in the chartering district.

10. Admission policies and procedures, consistent with the requirements in Education Code Section 47605(e).

11. The manner in which annual, independent financial audits will be conducted, and the manner in which audit exceptions and deficiencies will be resolved to the satisfaction of the chartering authority.

12. The procedures by which pupils may be suspended or expelled from the charter school for disciplinary reasons or otherwise involuntarily removed from the charter school for any reason.

13. Provisions for employee coverage under the State Teachers' Retirement System, the Public Employees' Retirement System, or federal social security.

14. The public school attendance alternatives for pupils residing within the district who choose not to attend charter schools.

15. A description of the rights of any employee of the school district upon leaving the employment of the school district to work in a charter school, and of any rights of return to the school district after employment at a charter school.

16. The procedures to be followed by the charter school and the entity granting the charter to resolve disputes relating to provisions of the charter.

17. A declaration of whether or not the charter school will be deemed the exclusive public school employer of the employees of the charter school for purposes of the Educational Employment Relations Act.

18. A description of the procedures for closure of the school, including the disposition of assets and the maintenance and transfer of pupil records.

Under the accountability requirements of Assembly Bill 1137 ("AB 1137"), signed into law in October 2003, districts or other agencies that grant charter authority must identify a contact person for charter schools, visit each charter school at least once a year, and ensure that charter schools submit all required reports (including fiscal reports that must be sent four times a year to the district and local county office of education). In addition, the district must monitor the fiscal condition of its charter schools and notify the State Department of Education whenever a charter is granted, denied, revoked, or the charter school will cease operation. AB 1137 also required that charter schools show a certain level of academic performance to have their charters renewed.

Approval or Denial of Charter Petition

No later than 60 days after receiving a petition, the governing board of the school district will hold a public hearing on the provisions of the charter, at which time the governing board of the school district will consider the level of support for the petition by teachers employed by the school district, other employees of the school district, and parents. Following review of the petition and the public hearing, the governing board of the school district will either grant or deny the charter within 90 days of receipt of the petition, provided, however, that the date may be extended by an additional 30 days if both parties agree to the extension.

The governing board of the school district will publish all staff recommendations, including the recommended findings and, if applicable, the certification from the county superintendent of schools prepared pursuant to paragraph (8) below, regarding the petition at least 15 days before the public hearing at which the governing board of the school district will either grant or deny the charter. At the public hearing at which the governing board of the school district will either grant or deny the charter, petitioners will have equivalent time and procedures to present evidence and testimony to respond to the staff recommendations and findings.

In reviewing petitions for the establishment of charter schools authorized by a school district, the chartering authority will be guided by the intent of the State Legislature that charter schools are and should become an integral part of the California educational system and that the establishment of charter schools should be encouraged. The governing board of the school district will grant a charter for the operation of a school if it is satisfied that granting the charter is consistent with sound educational practice and with the interests of the community in which the school is proposing to locate. The governing board of the school district shall consider the academic needs of the pupils the school proposes to serve.

The governing board of the school district will not deny a petition for the establishment of a charter school unless it makes written factual findings, specific to the particular petition, setting forth specific facts to support one or more of the following findings:

(1) The charter school presents an unsound educational program for the pupils to be enrolled in the charter school;

(2) The petitioners are demonstrably unlikely to successfully implement the program set forth in the petition;

(3) The petition does not contain the number of required signatures;

(4) The petition does not contain an affirmation of each of the admission conditions described in Education Code Section 47605(e);

(5) The petition does not contain reasonably comprehensive descriptions of all of the elements described in " – Elements of a Charter Petition" herein; and

(6) The petition does not contain a declaration of whether or not the charter school will be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 of the Government Code.

(7) The charter school is demonstrably unlikely to serve the interests of the entire community in which the school is proposing to locate. Analysis of this finding shall include consideration of the fiscal impact of the proposed charter school. A written factual finding under this paragraph shall detail specific facts and circumstances that analyze and consider the following factors:

(A) The extent to which the proposed charter school would substantially undermine existing services, academic offerings, or programmatic offerings.

(B) Whether the proposed charter school would duplicate a program currently offered within the school district and the existing program has sufficient capacity for the pupils proposed to be served within reasonable proximity to where the charter school intends to locate.

(8) The school district is not positioned to absorb the fiscal impact of the proposed charter school. A school district satisfies this paragraph if it has a qualified interim certification pursuant to Section 1240 of the Education Code and the county superintendent of schools, in consultation with the County Office Fiscal Crisis and Management Assistance Team, certifies that approving the charter school would result in the school district having a negative interim certification pursuant to Section 1240 of the Education Code, has a negative interim certification pursuant to Section 1240 of the Education Code, or is under state receivership. Charter schools proposed in a school district satisfying one of these conditions shall be subject to a rebuttable presumption of denial.

In reviewing petitions for the establishment of charter schools within the school district, the governing board of the school district will give preference to petitions that demonstrate the capability to provide comprehensive learning experiences to pupils identified by the petitioner or petitioners as academically low achieving pursuant to the standards established by the State Board of Education.

If the governing board of a school district denies a petition, the petitioner may elect to submit the petition for the establishment of a charter school to the county board of education. The county board of education will review the petition pursuant to the same process by which a school district reviews a charter school petition.

If the governing board of a school district denies a petition and the county board of education has jurisdiction over a single school district, the petition may elect to submit the petition for the establishment of a charter school to the state board. The state board will review the petition pursuant to the same process by which a school district reviews a charter school petition. If the denial of a charter petition is reversed by the state board, the state board shall designate the governing board of the school district in which the charter school is located as the chartering authority.

If the county board of education denies a petition, the petitioner may appeal that denial to the state board. The state board will either hear the appeal or summarily deny review of the appeal based on the documentary record. If the state board hears the appeal, the state board may affirm the determination of the governing board of the school district or the county board of education, or both of those determinations, or may reverse only upon

a determination that there was an abuse of discretion. If the denial of a charter petition is reversed by the state board, the state board will designate, in consultation with the petitioner, either the governing board of the school district or the county board of education in which the charter school is located as the chartering authority.

If either the county board of education or the state board fails to act on a petition within 180 days of receipt, the decision of the governing board of the school district to deny the petition will be subject to judicial review.

Charter Renewal

A chartering authority may grant one or more renewals of a charter petition. Except as otherwise described herein, each renewal will be for a period of five years. Renewals and material revisions of charters are governed by the same standards and criteria as initial approvals of charter petitions, and will include, but not be limited to, a reasonably comprehensive description of any new requirement of charter schools enacted into law after the charter was originally granted or last renewed.

AB 130 (as defined herein), which was signed into law by the Governor on July 9, 2021, automatically extends by two years the term of all existing charter schools whose term expires between January 1, 2022 and June 30, 2025, inclusive. See "– Amendments to the Charter School Law" below.

A charter school that, concurrently with its renewal, proposes to expand operations to one or more additional sites or grade levels must request a material revision to its charter, which may be made only with the approval of the chartering authority and is governed by the standards and criteria of an initial approval or denial of a charter petition. Paragraphs numbered (7) and (8) under the heading " – Approval or Denial of Charter Petition" above may not be used to deny a renewal of an existing charter school, but may be used to deny a proposed expansion constituting a material revision.

The chartering authority shall consider the schoolwide performance and performance of all subgroups of pupils served by the charter school on the state indicators included in the California School Dashboard and the performance of the charter school on the local indicators included in the California School Dashboard. The chartering authority shall provide greater weight to performance on measurements of academic performance in determining whether to grant a charter renewal. In addition to the state and local indicators, the chartering authority shall consider clear and convincing evidence, demonstrated by verified data, showing either of the following:

(A) The school achieved measurable increases in academic achievement, as defined by at least one year's progress for each year in school.

(B) Strong postsecondary outcomes, as defined by college enrollment, persistence, and completion rates equal to similar peers.

The chartering authority may deny a charter renewal only upon making written findings, setting forth specific facts to support the findings, that the charter school has failed to meet or make sufficient progress toward meeting standards that provide a benefit to the pupils of the school, that closure of the charter school is in the best interest of pupils and, if applicable that its decision provided greater weight to performance on measurements of academic performance.

Authorizer Shall Renew. The chartering authority shall not deny renewal for a charter school if either of the following apply for two consecutive years immediately preceding the renewal decision; provided, however, that a charter school eligible for technical assistance shall not qualify for renewal under this provision:

(A) The charter school has received the two highest performance levels schoolwide on all the state indicators included in the California School Dashboard for which it receives performance levels; and

(B) For all measurements of academic performance, the charter school has received performance levels schoolwide that are the same or higher than the state average and, for a majority of subgroups performing statewide below the state average in each respective year, received performance levels that are higher than the state average.

The chartering authority that granted the charter may renew a charter pursuant to this paragraph for a period of between five and seven years.

Notwithstanding the above, the chartering authority may deny renewal of a charter school upon a finding that the school is demonstrably unlikely to successfully implement the program set forth in the petition due to substantial fiscal or governance factors, or is not serving all pupils who wish to attend. The chartering authority may deny renewal of a charter school pursuant to this provision only after it has provided at least 30 days' notice to the charter school of the alleged violation and provided the charter school with a reasonable opportunity to cure the violation, including a corrective action plan proposed by the charter school.

Authorizer Shall Not Renew. The chartering authority shall not renew a charter if either of the following apply for two consecutive years immediately preceding the renewal decision:

(A) The charter school has received the two lowest performance levels schoolwide on all the state indicators included in the California School Dashboard for which it receives performance levels.

(B) For all measurements of academic performance, the charter school has received performance levels schoolwide that are the same or lower than the state average and, for a majority of subgroups performing statewide below the state average in each respective year, received performance levels that are lower than the state average.

The chartering authority shall consider the following factors, and may renew a charter that meets the criteria above only upon making both of the following written factual findings, specific to the particular petition, setting forth specific facts to support the findings:

(A) The charter school is taking meaningful steps to address the underlying cause or causes of low performance, and those steps are reflected, or will be reflected, in a written plan adopted by the governing body of the charter school.

(B) There is clear and convincing evidence showing either of the following:

(i) The school achieved measurable increases in academic achievement, as defined by at least one year's progress for each year in school.

(ii) Strong postsecondary outcomes, as defined by college enrollment, persistence, and completion rates equal to similar peers.

For a charter renewed pursuant to this provision, the chartering authority may grant a renewal for a period of two years.

Countywide Benefit Charter Schools

Education Code Section 47605.6 provides for the creation of countywide benefit charter schools to operate at one or more sites within the geographic boundaries of a county and that provide instructional services that are not generally provided by a county office of education. A county board of education may approve a countywide charter only if it finds, in addition to the other requirements of the Charter School Law, that the educational services to be provided by the charter school will offer services to a pupil population that will benefit from those services and that cannot be served as well by a charter school that operates in only one school district in the county.

The provisions governing denial of a charter petition for school district governing boards also apply to the denial of a charter petition for countywide benefit charters. A county board of education will deny a petition if it finds one or more of the following: (i) the charter school presents an unsound educational program for the pupils to be enrolled in the charter school, (ii) petitioners are demonstrably unlikely to successfully implement the program set forth in the petition, (iii) the petition does not contain the number of required signatures, (iv) the petition does not contain an affirmation of each of the enumerated conditions described in Education Code Section 47605(e), (v) the petition does not contain reasonably comprehensive descriptions of the educational program of the school, measurable pupil outcomes and certain other factors, as required by State law, (vi) the petition does not contain a declaration of whether or not the charter school will be deemed the exclusive public employer of the employees of the charter school for purposes of Chapter 10.7 of the Government Code, and (vii) any other basis that the county board of education finds justifies the denial of the petition. If a petition for a countywide benefit charter is denied, or the renewal of an existing countywide benefit charter is denied, the petition may not be submitted to the State Board of Education ("SBE") for review.

None of the Schools operates pursuant to a countywide benefit charter. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

Charter Management Organizations

As the number of charter schools operating pursuant to the Charter School Law has increased over time, nonprofit organizations have been established, referred to as charter management organizations ("CMOs"), to manage the operations of several charter schools for the purpose of achieving certain economic and operational efficiencies. CMOs centralize or share certain functions and resources among multiple charter schools, including but not limited to accounting, human resources, marketing, purchasing, property management and administration. CMOs may operate at the regional or statewide level. MERF functions as a CMO for the Schools. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

Charter Revocation

A charter may be revoked if the charter granting authority finds, based on substantial evidence, that a charter school (i) has committed a material violation any of the conditions, standards or procedures set forth in its charter, or (ii) has failed to meet or to pursue any of the student outcomes identified in its charter, or (iii) has failed to meet generally accepted accounting principles, or engages in fiscal mismanagement, or (iv) has violated any provision of law. Prior to revoking a charter, the charter granting authority must notify the charter school of the violation, afford the charter school a reasonable opportunity to remedy the violation (unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils), and, upon failure to do so, give written notice of intent to revoke and notice of facts in support of revocation to the charter school and hold a public hearing on the matter. An adverse decision by a school district governing board may be appealed to the county board of education and an adverse decision by the county board, directly or on appeal, may be appealed to the SBE. See "CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Non-Renewal or Revocation of Charters" herein.

In addition, the SBE may take action based on the recommendation of the State Superintendent of Public Instruction, including but not limited to revocation of a school's charter, upon a finding of (i) gross financial mismanagement that jeopardizes the financial stability of the charter school, (ii) illegal or substantially improper use of charter school funds for the personal benefit of any officer, director or fiduciary of the charter school, (iii) substantial and sustained departure from measurably successful practices such that continuing departure would jeopardize the educational development of the school's pupils, or (iv) failure to improve pupil outcomes across multiple state and school priorities identified in the charter. Regulations promulgated by the SBE require the California Department of Education to identify and notify the SBE of each charter school that is determined to warrant action pursuant to clause (iii) of the immediately preceding sentence by November 1 of each year. Under these regulations, charter schools so notified are required to be given an opportunity to submit written information as to why its charter should not be revoked. Any resulting action to revoke a charter is effective at the end of the fiscal year in which the action is taken, unless the SBE identifies departures at the school that are so significant as to be cause for immediate revocation and closure of the charter school. The regulations require the SBE to hold a public hearing to consider action including but not limited to charter revocation not later than March 31. See "CERTAIN RISK FACTORS – Specific Risks of Charter Schools – Non-Renewal or Revocation of Charters" herein.

MERF has not received any notice from the SBE or the chartering authorities of any of the Schools regarding any violation or proposal to revoke any of the Schools' charters or of any other violation requiring corrective action. In addition, as noted above, any future adverse decision by the governing board of any authorizing entity may be appealed to the applicable county Board of Education and an adverse decision by such Board of Education, directly or on appeal, may be appealed to the SBE. See "APPENDIX A –CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto."

Amendments to the Charter School Law

The Legislature has amended the Charter School Law frequently since its initial adoption in 1992, and legislative and public attitudes are still evolving. Neither the Lessee nor any charter school has any control over State legislative or regulatory decision making that could affect the operations or ongoing funding sources for the Obligated Group Schools.

None of the Borrower or MERF makes any representation as to whether any proposed amendments to the Charter School Law will be enacted into law, or what, if any, impact such proposed amendments would have on the Borrower or MERF.

Growth in Charter Schools in California

California has the largest concentration of charter schools in the nation with approximately 727,723 students enrolled in charter schools for the 2024-25 school year (up approximately 15,525 students from the prior school year), which was approximately 12.5% of total state-wide enrollment in the 2024-25 school year up from approximately 12.2 percent of total state-wide enrollment in the prior school year). The table on the

following page shows the total number of charter schools in California by year since 1998-99 of total state-wide the prior school year).

TOTAL CHARTER SCHOOLS IN CALIFORNIA
Fiscal Years 1998-99 Through 2024-25

Fiscal Year	*Number of Charter Schools*
2024-25	1,279
2023-24	1,281
2022-23	1,285
2021-22	1,289
2020-21	1,296
2019-20	1,304
2018-19	1,323
2017-18	1,275
2016-17	1,254
2015-16	1,230
2014-15	1,182
2013-14	1,130
2012-13	1,063
2011-12	982
2010-11	912
2009-10	809
2008-09	746
2007-08	682
2006-07	585
2005-06	560
2004-05	502
2003-04	443
2002-03	408
2001-02	349
2000-01	299
1999-00	235
1998-99	177

Source: The Borrower.

STATE FUNDING OF EDUCATION

General

The Charter School Law provides that the State legislature intended "each charter school be provided with operational funding that is equal to the total funding that would be available to a similar school district serving a similar pupil population . . ." As is true for school districts in the State, charter schools' revenue is derived primarily from two sources: a State portion funded from the State's general fund and a locally generated portion derived from each sponsoring school district's share of the local *ad valorem* property tax. Decreases in State revenues, or in the legislative appropriations made to fund education, may significantly affect charter schools' operations.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State is required to propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted by the State Legislature no later than June 15, although this deadline has been breached in previous years. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State's voters approved Proposition 25, which amended the State

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Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the State Legislature. This lower vote requirement also applies to trailer bills that appropriate funds and are identified by the State Legislature "as related to the budget in the budget bill." The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. See " – 2025-26 State Budget" below

Failure by the State to adopt a budget may restrict the State Controller's ability to disburse State funds. Under the rule of White v. Davis (also referred to as Jarvis v. Connell), a State Court of Appeal decision reached in 2002 and later refined by a California Supreme Court decision in 2003, the State Controller may be able to disburse State funds after the beginning of the fiscal year prior to the adoption of the State budget bill or emergency appropriation if the expenditure, among other things, is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the Lessee and the Borrower might experience delays in receiving certain expected revenues. See "CERTAIN RISK FACTORS" herein.

State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. Because funding for education is closely related to overall State income, as described in this section, funding levels can also vary significantly from year to year, even in the absence of significant education policy changes. A brief description of the adopted State budget for the current fiscal year is included below; however, no prediction can be made as to how State income or State education funding will vary over the entire term to maturity of the Bonds, and neither the Borrower nor the Lessee takes any responsibility for informing Beneficial Owners of the Bonds as to any such annual fluctuations. Information about the State budget and State spending for education is regularly available at various State maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov., under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board, currently located at http://emma.msrb.org. The information referred to is prepared by the respective entities maintaining each website and not by the Borrower or the Lessee, and neither the Borrower nor the Lessee can take any responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references. The information referred to above should not be relied upon in making an investment decision with respect to the Bonds.

Aggregate State Education Funding. Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is mandated for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs, including charter schools.

The Proposition 98 guaranteed amount for education is based on prior year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local

share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post year end revisions, as additional information regarding the various factors becomes available. Over the long run, the guaranteed amount may increase as enrollment and per capita personal income grow.

If, at year end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the State Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the mandated amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006 (QEIA), have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal years 2004-05, 2010-11, 2011-12 and 2012-13; and by proposing to amend the Constitution's definition of the guaranteed amount and settle up requirement under certain circumstances. The 2014-15 State Budget and 2015-16 State Budget reversed certain of these trends by, among other things, eliminating certain deferrals, authorizing payments of certain deferred amounts owed to schools subject to State General Fund Revenues and authorizing settle-up payments with respect to deferred apportionments of the Proposition 98 minimum guarantee.

2025-26 State Budget. On June 27, 2025, the Governor signed the State budget for fiscal year 2025-26 (the "2025-26 State Budget"). The following is drawn from the DOF summary of the 2025-26 State Budget.

The 2025-26 State Budget reports that, since the release of the Governor's proposed State budget, the imposition of federal policy changes significantly slowed economic growth within the State. Most notably, broad-based tariffs blunted economic growth and drove a downgrade of the economic forecasts built into the May revision to the proposed State budget. Additionally, the State experienced substantial cost and caseload growth in several core State programs, most notably within Medi-Cal, which combined to create a State general fund shortfall of $11.8 billion. The 2025-26 State Budget notes that the budget does not reflect the impact of substantial cuts in federal spending included in the federal omnibus tax and spending bill signed in early July. The State continues to monitor the impacts of the federal spending cuts and may need to make adjustments to the 2025-26 State Budget as a result. The 2025-26 State Budget solves the projected $11.8 billion deficit through significant reductions in ongoing programs and a mix of other broad-based measures, including:

- *Reductions* – $2.8 billion in total reductions in fiscal year 2025-26, which grows to $11.9 billion by fiscal year 2028-29 through (i) an enrollment freeze for full-scope Medi-Cal expansion for undocumented adults ages 19 and older , (ii) a reduction in Medi-Cal premiums

for adults 19-59 with unsatisfactory immigration status, (iii) altering the Medi-Cal asset test limit, (iv) an elimination of dental benefits for adults age 19 or older with unsatisfactory immigration status, (v) a reduction in prospective payment system payments to federally qualified health centers and rural health clinics , (vi) eliminating specialty drug coverage for weight loss, (vii) a reduction in pharmacy drug rebates and (viii) requiring provider mandates for quality incentive payment program eligibility.

- *Revenues/Borrowing* – $7.8 billion in additional revenues and borrowings through (i) $1.3 billion of support from the managed care tax approved in November of 2024 (Proposition 35) in fiscal year 2025-26 for Medi-Cal rate increases, as well as $263.7 million of such support in fiscal year 2026-27, (ii) a loan of $4.4 billion across the three-year budget window, including $1 billion for fiscal year 2025-26 from the medical providers interim payment fund loan, (iii) a loan of $150 million in fiscal year 2025-26 from the unfair competition law fund loan (iv) a loan of $400 million in fiscal year 2025-26 from the labor and workforce development fund loan and (v) $1.5 billion in additional special fund and internal borrowing.
- *Fund Shifts* – $1.2 billion in total solutions for fiscal year 2025-26 primarily through shifting the costs for Cal Fire operations from the general fund to the greenhouse gas reduction fund. The 2025-26 State Budget estimates additional savings in shifting the costs to the greenhouse gas reduction fund of $1.3 billion in fiscal year 2026-27 and $500 million in both fiscal years 2027-28 and 2028-29.

For fiscal year 2024-25, the 2025-26 State Budget projects total general fund revenues and transfers of $226.7 billion and authorizes expenditures of $233.6 billion. The State is projected to end fiscal year 2024-25 with total reserves of approximately $35.9 billion, including $18.3 billion in the BSA, $455 million in the PSSSA and $17.1 billion in traditional general fund reserves. The State budget for fiscal year 2024-25 authorized BSA withdrawals of $5.1 billion in fiscal year 2024-25 and $7.1 billion in fiscal year 2025-26. The 2025-26 State Budget maintains the scheduled $7.1 billion withdrawal for fiscal year 2025-26. For fiscal year 2025-26, the 2025-26 State Budget projects total general fund revenues and transfers of $215.7 billion and authorizes expenditures of $228.4 billion. The State is projected to end fiscal year 2025-26 with total reserves of approximately $15.7 billion, including $4.5 billion in the traditional general fund reserve and $11.2 billion in the BSA. The PSSSA and the Safety Net Reserve are projected to have zero balances in fiscal year 2025-26.

The 2025-26 State Budget sets total funding in fiscal year 2025-26 for all TK-12 education programs at $137.6 billion, including $80.5 billion from the State general fund and $57.1 billion from other sources. The minimum funding guarantee in fiscal year 2025-26 is set at $114.6 billion. The 2025-26 State Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2023-24 and 2024-25, setting them at $98.5 billion and $119.9 billion, respectively. The revised general fund estimates resulted in notable adjustments to the minimum funding guarantee with an increase of approximately $3.9 billion from the State budget for fiscal year 2024-25 over the three-year period.

For fiscal year 2024-25, the 2025-26 State Budget appropriates $118 billion, instead of the currently calculated level of $119.9 billion, in order to mitigate the risk of potentially appropriating more resources to the minimum funding guarantee than are available in the final calculation for fiscal year 2024-25. The minimum funding level for fiscal year 2024-25 will not be finalized until that fiscal year is certified, which is a process that will occur throughout 2026. The 2025-26 State Budget projects that Test 1 will be in effect for fiscal year 2025-26. To accommodate enrollment increases related to the continued implementation of Universal Transitional Kindergarten and property tax backfills related to the January 2025 fires in the County of Los Angeles, the 2025-26 State Budget rebenches the Test 1 percentage, from approximately 39.2% to 39.6%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to TK-12 education funding include the following:

- *LCFF* – The 2025-26 State Budget includes an LCFF COLA of 2.3%. When combined with population growth adjustments, these result in an increase of roughly $2.1 billion in discretionary funds for local educational agencies, as compared to the level set in the prior State budget. As a result, the adjusted LCFF Base Grants for fiscal year 2025-26 are as follows: (i) $11,323 for grades TK-3, (ii) $10,411 for grades 4-6, (iii) $10,719 for grades 7 and 8, and (iv) $12,746 for grades 9-12. Additionally, the adjusted TK add on rate for fiscal year 2025-26 is $5,545. The 2025-26 State Budget authorizes a mandatory deposit of $455 million into the PSSSA in fiscal year 2024-25, of which the entirety is exhausted in fiscal year 2025-26, including $405.3 million to support LCFF costs.
- *Deferrals* – The 2025-26 State Budget reflects LCFF apportionment deferrals from 2024-25 to 2025-26 of approximately $246.6 million, and from 2025-26 to 2026-27 of approximately $1.9 billion.
- *Universal Transitional Kindergarten (TK)* – The 2025-26 State Budget provides $2.1 billion (inclusive of all prior years' investments) in ongoing Proposition 98 funding to support the full implementation of universal TK so that all children who turn 4 years old by September 1 of the school year can enroll in the 2025-26 school year. The 2025-26 State Budget also provides $1.2 billion ongoing Proposition 98 funding to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom. Additionally, the 2025-26 State Budget shifts $232.9 million of ongoing Proposition 98 funding for universal TK funding that was previously allocated to community college districts as a result of the Proposition 98 statutory split to the TK-12 side of the budget.
- *Before School, After School and Summer School* – $515.5 million in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program, which seeks to implement before, after and summer school instruction and enrichment for students in grades TK-6, by increasing the number of local education agencies that offer universal access to students with an unduplicated count of 75 percent to an unduplicated count of 55 percent. The 2025-26 State Budget includes an additional $10.4 million to increase the minimum grant amounts from $50,000 to $100,000 per local educational agency.
- *Literacy Instruction* – $480 million in one-time Proposition 98 funding for the support of the English Language Arts/English Language Development framework, which includes investments such as literacy coaches, reading specialists, trainings for educators, administering screenings and providing materials. The 2025-26 State Budget also provides $10 million in one-time Proposition 98 funding for the statewide use of English language proficiency screeners to support multilingual learners in TK.
- *Teacher Preparation and Professional Development* – $300 million in one-time Proposition 98 funding to establish the Student Teacher Stipend Program, which will provide $10,000 grants to qualifying teacher candidates, $70 million in one-time Proposition 98 funding for high-quality teacher residency programs and $30 million in one-time Proposition 98 funding to extend the timeline of existing National Board Certification Incentive Program to support National Board Certified teachers to teach in high poverty schools.
- *State Preschool* – The 2025-26 State Budget provides $19.3 million Proposition 98 funding and $10.2 million non-Proposition 98 funding for the California State Preschool Program to augment provider rates, supporting the costs of care. The 2025-26 State Budget also provides authority to the Department of Education to take certain actions related to the California State Preschool program.
- *Learning Recovery Emergency Block Grant* – $378.6 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.

- *Universal School Meals Support Grant* – $145 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, training and procurement of sustainably grown food to support schools in providing more freshly prepared meals, $10 million in one-time Proposition 98 funding to recruit and retain school food service workers and $5 million in one-time Proposition 98 funding for a study of ultra-processed foods offered in California school meals.
- *Special Olympics* – $30 million in one-time general funds, available over three years, for the Special Olympics of Northern and Southern California.
- *Mathematics Professional Learning Partnership* – $30 million in one-time Proposition 98 funding for the Mathematics Professional Learning Partnership and for the Kern County Superintendent of Schools to support educator training an mathematics coaching in local educational agencies, including expanding upon collaboration with the Rural Math Collective and training mathematics coaches who can be deployed in schools with the highest need of support.
- *Summer Electronic Benefits Transfer (SUN Bucks)* – $21.9 million in additional ongoing Proposition 98 funding to support the SUN Bucks program, which provides nutrition funding to eligible students during the summer months, to provide a match to an equal amount of federal funds to support the program.
- *Children and Youth Behavioral Health Initiative Grants* – $20 million in one-time Proposition 98 funding to support the implementation of the Children and Youth Behavioral Health Initiative's all-payer fee schedule.
- *Secondary School Redesign Pilot Program* – $10 million in one-time Proposition 98 funding for the California Collaborative of Educational Excellence to administer a pilot program to redesign middle and high schools to better serve the needs of all students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.
- *TK Multilingual Learner Supplemental Funding* - $7.5 million in one-time Proposition 98 funding, available through fiscal year 2026-27, to mitigate reductions in potential LCFF apportionment to local educational agencies resulting from the exemption of TK students from the English language proficiency assessment.

For additional information regarding the 2025-26 State Budget, see the DOF website www.dof.ca.gov. However, the information presented on such website is not incorporated herein by any reference.

2026-27 Proposed State Budget. On January 9, 2026, the Governor released the proposed State budget for fiscal year 2026-27 (the "Proposed 2026-27 Budget"). The following is drawn from the DOF and LAO summaries of the Proposed 2026-27 Budget.

The Proposed 2026-27 Budget reports that the State experienced a welcome surge in revenues since the 2025-26 State Budget, with a projection approximately $42 billion higher over the three-year budget window, from fiscal year 2024-25 through 2026-27, than the projection at the 2025-26 State Budget. Much of the revenue surge is attributable to a relatively small number of technology companies that have experienced a substantial increase in their share prices due to investor enthusiasm in artificial intelligence. Additionally, the increase in revenues is due to higher cash receipts, higher stock market levels and an improved economic outlook. However, the Proposed 2026-27 Budget reports that the constitutional funding requirements, need for an adequate budget reserve and higher program costs exceed the level of increased revenues, resulting in a projected shortfall of $2.9 billion for fiscal year 2026-27. Despite the $12 billion in ongoing expenditure reductions included in the 2025-26 Budget, the State continues to be confronted with structural operating deficits that need to be addressed. The Proposed 2026-27 Budget identifies dominant risks to the State budget as stock market and asset price declines and unpredictable federal policies, including continued uncertainty regarding tariffs and immigration, as well as

their impact on inflation, the labor market, investment and overall demand. Additionally, significant federal policy changes for health and human services programs due to the adoption of House of Representatives ("H.R.") 1 of 2025, which increased projected costs for the State's Medicaid Program and Supplemental Nutrition Assistance Program in fiscal year 2026-27 by approximately $1.4 billion. The Proposed 2026-27 Budget reports a balanced budget for fiscal year 2026-27, with a discretionary reserve of $4.5 billion and projects a deficit of roughly $22 billion in fiscal year 2027-28, with additional shortfalls in the two subsequent fiscal years.

The LAO notes that the administration's revenue estimates in the Proposed 2026-27 Budget exceed LAO projections by $25 to $30 billion over the three-year budget window. The LAO revenue projections reflect an assessment that recent gains are unlikely to be sustainable as they are tied to an overheated stock market with a high risk of reversing course into a downturn in the next year or two. The LAO reports that the Proposed 2026-27 Budget relies on the increased revenue forecast in order to remain roughly balanced for fiscal year 2026-27 and continues to project alarming multiyear budget deficits, with estimates ranging between $20 billion to $35 billion annually. The LAO reports that the Proposed 2026-27 Budget does not propose material actions to address downside revenue risk.

For fiscal year 2025-26, the Proposed 2026-27 Budget projects total general fund revenues and transfers of $235.16 billion and authorizes expenditures of $237.66 billion. The State is projected to end the 2025-26 fiscal year with total reserves of approximately $41.3 billion, including $11.33 billion in the BSA, $25.45 billion in traditional general fund reserves and $4.51 billion in the PSSSA. For fiscal year 2026-27, the Proposed 2026-27 Budget projects total general fund revenues and transfers of approximately $227.39 billion and authorizes expenditures of $248.33 billion. The State is projected to end the 2026-27 fiscal year with total reserves of approximately $23 billion, including $4.51 billion in the traditional general fund reserve, $14.35 billion in the BSA and $4.10 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance across both fiscal years 2025-26 and 2026-27.

The Proposed 2026-27 Budget sets total funding in fiscal year 2026-27 for all TK-12 education programs at $149.1 billion, including $88.7 billion from the State general fund and $60.4 billion from other sources. TK-12 per-pupil funding totals $27,418, including $20,427 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2026-27 is set at $125.5 billion. The Proposed 2026-27 Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2024-25 and 2025-26, setting them at $123.8 billion and $121.4 billion, respectively. The revisions to the minimum funding guarantee represent an increase of approximately $21.7 billion over the three-year period relative to the 2025-26 State Budget. For fiscal year 2025-26, the Proposed 2026-27 Budget appropriates $117.6 billion, instead of the currently calculated level of $121.4 billion, in order to mitigate the risk of potentially appropriating more resources to the minimum funding guarantee than are available in the final calculation for 2025-26. Potential adjustments will be evaluated at the May revision to the Proposed 2026-27 Budget and will not be final until the certification of the 2025-26 minimum funding guarantee. The Proposed 2026-27 Budget projects Test 1 of the guarantee to be in effect for fiscal years 2024-25, 2025-26 and 2026-27, meaning the funding level is equal to roughly 40% of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to TK-12 education funding include the following:

- *LCFF* – The Proposed 2026-27 Budget includes an LCFF COLA of 2.41%. When combined with population growth adjustments, this would result in an increase of roughly $2 billion in discretionary funds for local educational agencies. The Proposed 2026-27 Budget fully repays budgetary deferrals of $1.9 billion in 2026-27, and includes an ongoing increase of $30.7 million to provide an increase in LCFF for necessary small schools. The Proposed 2026-27 Budget also provides $228 million in ongoing Proposition 98 funding to reflect a 2.41% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2026-27 Budget reflects a $15.6 million decrease in ongoing Proposition 98 funding to reflect ADA changes applicable to LCFF funding for county offices of education, as well as a 2.41% COLA.

- *Master Plan for Career Education/Student Support and Professional Development Discretionary Block Grant* – $100 million in one-time Proposition 98 funding to increase access to college and career pathways for high school students, including expanding access to dual enrollment and duel credit opportunities. $2.8 billion in one-time Proposition 98 funding for a discretionary block grant to implement statewide priorities including: professional development for teachers in English language arts and mathematics, teacher recruitment and retention, professional development related to transitional kindergarten and career pathways and dual enrollment expansion consistent with the Master Plan for Career Education. Additionally, $250 million in one-time Proposition 98 funding to continue teacher residency programs through fiscal year 2029-30.
- *Before School, After School and Summer School* – An additional $62.4 million in ongoing Proposition 98 funding to provide a guarantee of $1,800 per pupil for local educational agencies with less than 55 percent unduplicated pupils, bringing the total $4.7 billion in ongoing Proposition 98 funding for the Expanded Learning Opportunities Program.
- *Facilities* –$1.5 billion in one-time funds from bonds issued under Proposition 2 (2024) to support school construction projects in fiscal year 2026-27.
- *Learning Recovery Emergency Block Grant* – $757.3 million in one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- *Home-to-School Transportation* – $322 million in one-time and $239.2 million in ongoing Proposition 98 funding to reflect higher costs in the Home-to-School Transportation Program.
- *Kitchen Infrastructure and Training* – $100 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- *Reading Difficulties Risk Screening* – $40 million in one-time Proposition 98 funding to support continued implementation of student reading difficulties screenings.
- *Los Angeles County Wildfire Recovery* – $22.9 million in one-time Proposition 98 funding to support local educational agencies that are continuing to recover from the January 2025 Los Angeles County wildfires.
- *Universal and Targeted Assistance* – An additional $13.3 million ongoing Proposition 98 funding, for a total of $131.9 million ongoing, for county offices of education to provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance.
- *Financial Crisis and Management Assistance Team (FCMAT)* – $994,000 in additional ongoing Proposition 98 funding to support increased FCMAT workload.
- *Nutrition* – An ongoing decrease of $67.9 million in ongoing Proposition 98 funding to fully fund the Universal School Meals Program, reflecting a reduction in fiscal year 2025-26 estimates compared to the 2025-26 State Budget and an increase in meal reimbursement rates.
- *Local Property Tax Adjustments* – A decrease of $1.4 billion in fiscal year 2026-27 and $18 million in fiscal year 2025-26 in ongoing Proposition 98 funding for school districts and county offices of education.
- *Technology Initiatives* – $629,000 in additional ongoing Proposition 98 funding to support the K-12 High Speed Network program and $966,000 in additional ongoing Proposition 98 funding to support increased California School Information System costs.

Curriculum-Embedded Performance Tasks for Science – $890,000 in ongoing Proposition 98 funding to maintain performance task resources at the Los Angeles County Office of Education in support of inquiry-based science instruction.

Future Actions and Events. Neither the Borrower nor MERF can predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. Neither the Borrower nor MERF also can predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the Borrower and MERF will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the Borrower and MERF.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved. Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 4, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years – such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Allocation of State Funding to Charter Schools

General Purpose Entitlement. Under the Charter School Law, each charter school is calculated to have a "general purpose entitlement," which has in the past been based on the statewide average amount of State aid, local property taxes and other revenue received by school districts of similar type and serving similar pupil populations. The general purpose entitlement is calculated on a per student basis at each of four grade level ranges (grades K-3, grades 4-5, grades 6-8, and grades 9-12) and is multiplied by the charter school's Average Daily Attendance ("ADA") in each grade level range.

Each charter school's general purpose entitlement is funded from local funding in lieu of property taxes and, to the extent such funding is insufficient to fulfill the entire entitlement, from money appropriated by the State from the State's general fund for education. The local share, which must be transferred in monthly installments to the charter school by the sponsoring local educational agency in lieu of property taxes, is the average amount of property taxes per ADA received by the district, including charter school students, multiplied by the charter school's ADA.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the 2013-14 State budget, established the current system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

Funding. The primary component of AB 97, as amended by SB 91, was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of State categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans (identical to the grade spans previously used for charter school funding). Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF occurred over a period of eight fiscal years, concluding with the adoption of the State budget for fiscal year 2018-19. During the implementation period of the LCFF, an annual transition adjustment was calculated for each charter school, equal to such charter school's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, charter schools had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of the charter school's respective funding gap.

Base Grant. The Base Grants per unit of ADA for each grade span as of the first year of the LCFF's implementation, were as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. For fiscal year 2023-24, the Base Grants per unit of ADA are as follows: (i) $9,919 for grades K-3; (ii) $10,069 for grades 4-6; (iii) $10,367 for grades 7-8; and (iv) $9,329 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for cost-of-living increases by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. The LCFF also provides additional add-ons to charter schools that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

The State budget for fiscal year 2021-22 also implemented a plan to expand the LCFF to include Transitional Kindergarten ("TK") to all four-year olds. This plan is expected to phase in cohorts of TK students over a four-year period, concluding in fiscal year 2025-26. As a result, school districts and charter schools that serve TK students will be eligible to receive an add-on equal to $2,813, multiplied by second principal reporting period ADA for TK students for the current fiscal year. Beginning in fiscal year 2023-24, this add-on is subject to COLA adjustments to the same degree as LCFF Base Grants.

Supplemental Grant. Charter schools that serve students of limited English proficiency ("EL" students), students from low income families that are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI. Foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed herein separately. The LCFF authorizes a supplemental

grant add-on (each, a "Supplemental Grant") for charter schools that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such charter schools' respective percentages of unduplicated EL/LI student enrollment.

Concentration Grant. Charter schools whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such charter school's unduplicated EL/LI student enrollment in excess of the 55% threshold; provided that a charter school may not receive a Concentration Grant for a greater proportion of EL/LI than the highest percentage of any school district in which the charter school has a physical location.

For certain charter schools that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the general purpose funding such charter schools would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such charter schools in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on was paid incrementally over the eight-year LCFF implementation period.

The sum of a charter school's adjusted Base Grants, Supplemental Grants and Concentration Grants will be multiplied by the charter school's total current year ADA. This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district or charter school will amount to the difference between such total LCFF allocation and such entity's share of applicable local property taxes. Most school districts and charter schools receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts and charter schools.

Accountability. The SBE has adopted regulations regarding the expenditure of supplemental and concentration funding. These regulations include a requirement that school districts and charter schools increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts/schools on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts and charter schools can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts and charter schools are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. Charter school LCAPs are required to be included in charter petitions and updated annually. School district and charter school LCAPs must be annually updated and posted on the district or charter school's website using a State-mandated standard reporting format.

Lottery Funding. Charter schools receive funding from the State Lottery Fund, which receives all proceeds from, among other sources, the sale of lottery tickets. Lottery funding is allocated to charter schools per unit of ADA. Lottery funds are distributed quarterly by the State Controller's Office. Funding is based on annual average ADA. Lottery funds are identified as either "Proposition 20" funds or "non-Proposition 20" funds. Proposition 20 lottery funds may only be used to purchase instructional materials. Non-Proposition 20 lottery funds are unrestricted, except that they may not be used for acquisition of property, construction of facilities, financing of research, or for other non-instructional purposes. Lottery funding is not included in the charter school categorical block grant. Lottery funding is approximately 2% of public school revenues and is estimated at $249 per unit of ADA for the 2023-24 fiscal year, of which approximately $177 is "non-Proposition 20" and $72 is "Proposition 20" funding.

Categorical Funding. Charter schools may apply for and receive categorical funds for many programs that are not included in general purpose entitlement funding, if otherwise eligible, but may not receive aid for programs exclusively or almost exclusively provided by a county office of education.

Charter School Facility Grant Program Funding. In fiscal year 2024-25, charter schools that meet certain criteria are eligible to receive additional funding per unit of ADA to reimburse an amount up to 75% of their annual facilities rent and lease costs from amounts appropriated under the annual Budget Act (as defined below) under the Charter School Facility Grant ("SB740") Program. This per-ADA amount may increase in future years based on cost of living adjustments. To be eligible for SB 740 benefits: (i) 55% or more of the charter school's students must be eligible for free or reduced priced meals; or (ii) the charter school must be located in the attendance area of a public elementary school in which 55% or more of students are eligible for free or reduced priced meals and the charter school must give a preference in admissions to students who are currently enrolled in that public elementary school and to students who reside in the elementary school attendance area where the charter school is located. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

SB 740 facilities funding may be used for costs associated with facilities rents and leases (consistent with the definitions used in the California School Accounting Manual) ("Facility Rents"), and for costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites (collectively, "Other Costs"). SB 740 facilities funding is not included in the charter school categorical block grant.

SB 740 funding is subject to the annual Budget Act. In the event insufficient moneys are appropriated to the program, the available moneys are first used to reimburse for Facility Rents (on a pro rata basis if moneys are insufficient), and any remaining moneys are apportioned to reimburse for Other Costs on a pro rata basis. In addition to the risk of underfunding, should there be any changes to the free and reduced-price meal eligibility data, the amount of grant moneys, which is awarded in three disbursements, may be adjusted or transfer of moneys back to the Authority may be required.

The SB 740 program is administered by the Authority. In prior years, the program has been "undersubscribed," meaning that awards were not limited by the level of appropriation. However, the program was "oversubscribed" in fiscal years 2017-18 through 2021-22, with awards being reduced on a pro-rata basis.

Effective beginning fiscal year 2017-18, reimbursable costs under the SB 740 program are limited to either of the following conditions: (i) reimbursable facility rent or lease costs do not exceed the prior year's costs on file with CSFA as of fiscal year 2016–17, subject to a cost-of-living adjustment; or (ii) the rent or lease costs of new facility agreements are at or below market rate based on an independent appraisal paid for by the charter school. See "CERTAIN RISK FACTORS – SB 740 Funding" herein.

Set forth in the following table are historical data regarding SB 740 funding and awards for fiscal years 2019-20 through 2024-25.

HISTORICAL SB 740 GRANT AWARDS
Fiscal Years 2019-20 to 2024-25

		2019-20	*2020-21*	*2021-22*	*2022-23*	*2023-24*	*2024-25*
A.	**No. of Schools Awarded**	437	424	423	414	437[1]	453[1]
B.	**Total Amount Awarded**	$136,786,000	$136,786,000	$143,520,000	$183,387,413	$193,583,000[1]	$168,040,000[1]
	Amount awarded for lease costs	136,786,000	136,786,000	143,520,000	153,387,413	$163,583,000[1]	$168,040,000[1]
	Amount awarded for Other Costs	--	--	--	30,000,000	30,000,000	--
C.	**Total Moneys Appropriated to SB 740[2]**	$136,786,000	$136,786,000	$143,520,000	$184,273,000	$193,583,000	$168,040,000
D.	**Subscription Percentage[4]**	103%	108%	101%	99%	105%[1]	110%[1]
E.	**Total Average Daily Attendance ("ADA")[5]**	165,489	172,143	171,812	158,489	175,839[8]	186,224[8]
F.	**Average Award Per ADA[6]**	$827	$795	$939	1,154[1]	$1,111[1]	$956[1]
G.	**Maximum Award Allowed Per ADA[7]**	$1,184	$1,211	$1,232	$1,313	$1,421	$1,436

(1) Figures are current estimates as of March 3, 2026, and subject to change.

(2) Moneys annually appropriated by the State Legislature toward SB 740 grant awards. For 2022-23 and 2023-24 only, an additional amount of $30 million was provided for the reimbursement of other facility related costs.

(3) In fiscal years 2019-20, 2020-21, and 2021-22, CSFA funded lease costs at 97.47%, 92.61%, and 98.89%, respectively, and therefore was unable to fund other costs. The SB740 program was not oversubscribed in fiscal year 2022-23. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

(5) Total ADA from all schools awarded in each fiscal year.

(6) Equal to the "Amount Awarded" divided by the "Total ADA." The Average Award Per ADA is lower than the Maximum Award Allowed Per ADA because a significant number of schools do not qualify for the maximum amount allowed; instead they are capped at 75% of actual rent. For 2024-25, figures are current estimates because SB 740 applications are still being received and final awards are being calculated.

(7) SB 740 Program grant awards are calculated at the lesser of: (a) 75% of actual costs paid or (b) maximum award allowed per ADA by State law. Lease costs are capped by the lower of: (a) fair market value determined independent appraisal or (b) a cost-of-living adjustment increase based on the prior year's eligible lease costs. Pursuant to a change in State law passed by the Legislature in June 2017, the maximum award allowed by State law was increased from $750 per ADA to $1,117 per ADA, subject to cost-of-living adjustments. The maximum award for fiscal year 2024-25 was $1,436.

(8) Total ADA for fiscal year 2024-25 is provided through the California Department of Education's Certified 2024-25 Second Principal Apportionment Attendance Data.

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Annual Funding Components. The following tables describe ADA-based state funding of California charter school education for Fiscal Year 2021-22 through 2025-26:

STATE FUNDING OF CHARTER SCHOOL EDUCATION

Fiscal Year 2021-22

	Grades			
	K-3	***4-6***	***7-8***	***9-12***
Target LCFF Base Grant	$8,903	$8,215	$8,458	$9,802
CTE/CSR Add-ons	842	--	--	255
Lottery[(1)]	228	228	228	228
Total[(2)]	$9,163	$8,443	$8,686	$10,285

Fiscal Year 2022-23

	Grades			
	K-3	***4-6***	***7-8***	***9-12***
Target LCFF Base Grant	$9,166	$9,304	$9,580	$11,102
TK-3/9-12 Grade Span Add-ons	953	--	--	289
Lottery[(1)]	237	237	237	237
Total[(2)]	$10,356	$9,541	$9,717	$11,628

Fiscal Year 2023-24

	Grades			
	K-3	***4-6***	***7-8***	***9-12***
Target LCFF Base Grant	$9,919	$10,069	$10,367	$12,015
TK-3/9-12 Grade Span Add-ons	1,032	--	--	312
Lottery[(1)]	249	249	249	249
Total[(2)]	$11,200	$10,318	$10,616	$12,576

Fiscal Year 2024-25

	Grades			
	K-3	***4-6***	***7-8***	***9-12***
Target LCFF Base Grant	$10,025	$10,177	$10,478	$12,144
TK-3/9-12 Grade Span Add-ons	1,043	--	--	316
Lottery[(1)]	273	273	273	273
Total[(2)]	$11,341	$10,450	$10,751	$12,733

Fiscal Year 2025-26[(3)]

	Grades			
	K-3	***4-6***	***7-8***	***9-12***
Target LCFF Base Grant	$10,256	$10,411	$10,719	$12,423
TK-3/9-12 Grade Span Add-ons	1,067	--	--	323
Lottery[(1)]	272	272	272	272
Total[(2)]	$11,595	$10,683	$10,991	$13,018

(1) Estimated.

(2) Excludes special education, nutrition, After School Education and Safety, SB 740, Charter School Facility Grants, No Child Left Behind or Every Student Succeeds Act, class size reduction, supplemental instruction, economic impact aid, and National School Lunch Program funding and any private philanthropy, grants, or other fund-raising.

(3) The Fiscal Year 2025-26 funding amounts are preliminary, used for initial budgeting purposes in general. For specific projections with respect to the School, see "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

For a description of the Series 2026 Schools' ADA and funding related thereto, see "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING EDUCATION REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIIIA of the California Constitution. Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA limits the maximum ad valorem tax on real property to one percent of "full cash value," and provides that such tax will be collected by the counties and apportioned according to State law. Section 1(b) of Article XIIIA provides that the one-percent limitation does not apply to ad valorem taxes levied to pay interest and redemption charges on: (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district voting on the ballot proposition, but only if certain accountability measures are included in the bond proposition. Charter schools may not conduct bond elections or issue bonds payable from property taxes, but may benefit from the proceeds of bonds issued by the school district in which the charter school is located.

Section 2 of Article XIIIA defines "full cash value" to mean the county assessor's valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIIIA provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIIIA has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of local school districts.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court and in similar

lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIIIA. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place. Charter schools are not directly dependent on local property taxes. To the extent local property taxes fund the general purpose entitlement, losses in local property tax income are required to be made up by the State.

Proposition 30

On November 6, 2012, voters of the State of California approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but not over $300,000 for single filers (over $340,000 but not over $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but not over $500,000 for single filers (over $408,000 but not over $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for joint filers). The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer")

are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the Minimum Funding Guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the Minimum Funding Guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the Minimum Funding Guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated Minimum Funding Guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

2024 State School Facilities Bond

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (referred to herein as the "2024 State School Facilities Bond" was a ballot measure that was approved by State voters on November 5, 2024. The 2024 State School Facilities Bond authorizes the sale and issuance of $10 billion in State general obligation bonds for the repair, upgrade and construction of facilities at K-12 public schools, community colleges and career technical education programs, including the development of health and safety conditions.

K-12 School Facilities. The 2024 State School Facilities Bond includes $3.3 billion for the new construction of K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities. Up to $10 million of the allocation for new constructions will be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the $4 billion assigned for modernization of existing K-12 facilities, up to $115 million will be allocated for the repairment of lead in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of $1.2 billion will be available for the modernization and new construction of charter school facilities ($600 million) and technical education facilities ($600 million). The State will award funds to technical education and charter school through an application process, and charter schools must be deemed financially sound before project approval.

Community College Facilities. The 2024 State School Facilities Bond includes $1.5 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. The table below shows the expected use of bond funds under the 2024 State School Facilities Bond:

2024 STATE SCHOOL FACILITIES BOND
Use of Bond Funds
(In Millions)

K-12 Public School Facilities	
New construction	$3,300
Modernization	4,000
Career technical education facilities	600
Charter school facilities	600
Subtotal	$8,500
Community College Facilities	$1,500
Total	$10,000

Neither the Borrower nor the Lessee makes any representation or guarantees that they will either pursue or qualify for facilities funding under the 2024 State School Facilities Bond program.

Future Initiatives

Articles XIIIA, Proposition 98 and Proposition 30 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, further affecting State and local revenues for education, and the ability or obligation of these government agencies to expend revenues for charter school purposes.

CERTAIN RISK FACTORS

Investment in the Bonds involves substantial risks. The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exclusive listing of risks and other considerations which may be relevant to investing in the Bonds, and the order in which the following information is presented is not intended to reflect the relative importance of any such risks. Certain factors which could result in a reduction of revenues available to the Obligated Group and a corresponding reduction in payments made to the Authority are discussed herein.

A number of factors could have an adverse impact on the ability of MERF to generate revenues needed to meet its obligations under the Series 2025 Leases and the School Loan Agreements, which could, in turn, have

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an adverse effect on the ability of the Borrower and the Members of the Obligated Group to generate sufficient revenues to meet their respective obligations to make payments due under the Loan Agreement and Obligation No. 3. The ability of MERF to generate sufficient revenues to make payments under the Series 2025 Leases and the School Loan Agreements is dependent upon a number of elements, including State budget pressures, demand for charter schools, the ability of the Magnolia Schools to provide the educational services and classes demanded by parents or to attract students generally, changes in the level of confidence in the public school system in general or public charter schools in particular, competition, faculty recruitment, demographic changes, legislation, governmental regulations, changes in immigration policy, litigation and the Schools' ability to achieve enrollment and fundraising levels. This, in turn, is affected by numerous circumstances both within and outside the control of the Obligated Group and MERF, including a continuation of favorable governmental policies and programs with respect to public charter schools (see "CHARTER SCHOOLS" herein); the competitive appeal and perceived quality of the Magnolia Schools' curriculum; the ability and energy of the Magnolia Schools' respective faculties and administration; and the benevolence of the Magnolia Schools' supporters. There can be no assurance given that revenues of the Obligated Group or the revenues of MERF will not decrease. Any and all financial projections are only good faith estimates and are not intended as a representation or warranty as to the future financial condition of the members of the Obligated Group or MERF.

See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP," and "APPENDIX B – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF MERF AND AFFILIATES FOR THE FISCAL YEAR ENDED JUNE 30, 2025" attached hereto.

Sufficiency of Revenues

The Bonds are payable primarily from Payments which are derived from payments received under the Loan Agreement and Obligation No. 3.

The Borrower's primary expected source of the revenues for payment of its obligations under the Loan Agreement will be the School Loan Repayments that MPM Santa Ana receives from MERF pursuant to the MSA-5 School Loan Agreement. In addition, Obligation No. 3 is secured by a pledge of the Gross Revenues of the Members of the Obligated Group, which consist of Lease Payments under the Series 2025 Leases and School Loan Repayments under the School Loan Agreements. Based on present circumstances, including the successful operating history of the Magnolia Schools, MERF believes it will generate a sufficient amount of such revenues to meet its payment obligations under the Series 2025 Leases and the School Loan Agreements representing the source of payment by the Borrower and the Members of the Obligated of debt service on the Bonds. However, any of the Magnolia Schools' charters may be terminated or not extended or renewed, or the basis of the assumptions utilized by MERF and the Borrower to formulate such beliefs may otherwise change. No representation or assurance can be made that the members of the Obligated Group generate or will continue to generate sufficient revenues to meet their obligations under the Loan Agreement and Obligation No. 3 with respect to the Bonds.

Moreover, although in addition to the property subject to the Series 2025 Leases, the Borrower and its affiliates own and lease other facilities through its affiliates to other charter schools, the obligations represented by the Loan Agreement and Obligation No. 3 are not secured generally by such properties of the Borrower's affiliates.

THE BONDS ARE NOT AND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY, AND ARE NOT AND SHALL NOT BE DEEMED TO BE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. NEITHER THE STATE NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THE BONDS, OR THE REDEMPTION PREMIUM, IF ANY, OR INTEREST THEREON, EXCEPT FROM

THE FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER. NOTHING IN THE BOND INDENTURE, THE ACT OR OTHERWISE IS AN UNDERTAKING BY THE AUTHORITY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO FUND THE TRANSFERS DESCRIBED IN THE INTERCEPT NOTICE OR TO MAKE FUNDS AVAILABLE TO THE SERIES 2026 SCHOOLS IN ANY AMOUNT OR AT ANY TIME.

Outbreak of Disease; Coronavirus

An outbreak of disease or similar public health threat, such as the coronavirus ("COVID-19") pandemic, or fear of such an event, could have an adverse impact on the financial condition and operating results of MERF and the Borrower.

The spread of COVID-19 had significant negative impacts throughout the world. The World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared by the State and the United States. The purpose behind these declarations was to coordinate and formalize emergency actions and across federal, State and local governmental agencies, and to proactively prepare for the then-expected wider spread of the virus. Although the states of emergency declared by the State and the United States were subsequently ended, those declarations and actions taken in conjunction therewith had serious economic and financial consequences for businesses, public schools, and other institutions. No assurance can be made that future pandemics or outbreaks of disease will not have similar adverse effects on MERF or the Borrower.

Operating History; Reliance on Projections

See Appendix A for information regarding projected enrollment of each of the Magnolia Schools. No assurance is given that such projections will be met, or that the number of students attending the Magnolia Schools may not diminish in the future. The projections of revenues and expenses contained in Appendix A are based upon the number of students projected to be enrolled at the Series 2026 Schools and the other Magnolia Schools and were prepared by MERF for the Borrower and have not been independently verified by any party other than MERF.

No feasibility studies have been conducted with respect to operations of the Facilities pertinent to the Bonds. The projections are "forward-looking statements" and are subject to the general qualifications and limitations described herein. The Underwriter has not independently verified the Borrower's projections set forth in Appendix A or otherwise, and makes no representations nor gives any assurances that such projections, or the assumptions underlying them, are complete or correct. Further, the projections relate only to a limited number of fiscal years, and consequently do not cover the entire period that the Bonds will be outstanding.

THE LESSEE PREPARED THE PROJECTIONS BASED ON ASSUMPTIONS ABOUT FUTURE STATE FUNDING LEVELS AND FUTURE OPERATIONS OF ITS SCHOOLS, INCLUDING STUDENT ENROLLMENT AND EXPENSES. THERE CAN BE NO ASSURANCE THAT ACTUAL ENROLLMENT REVENUES AND EXPENSES WILL BE CONSISTENT WITH THE ASSUMPTIONS UNDERLYING SUCH PROJECTIONS. MOREOVER, NO GUARANTEE CAN BE MADE THAT THE PROJECTIONS OF REVENUES AND EXPENSES INCLUDED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE CAN BE NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE PROJECTIONS' UNDERLYING ASSUMPTIONS. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES (AS A RESULT OF INSUFFICIENT ENROLLMENT, REDUCED STATE OR FEDERAL AID PAYMENTS, OR OTHERWISE), EMPLOYEE RELATIONS, CHANGES IN TAXES, CHANGES IN APPLICABLE GOVERNMENT REGULATIONS, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN EDUCATION COMPETITION AND CHANGES IN LOCAL OR GENERAL ECONOMIC CONDITIONS. REFER TO APPENDIX A,

ATTACHED HERETO, TO REVIEW THE PROJECTIONS, THEIR UNDERLYING ASSUMPTIONS, AND THE OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER SIGNIFICANTLY FROM PROJECTED RESULTS. REFER TO "INTRODUCTION" ABOVE, FOR QUALIFICATION AND LIMITATIONS APPLICABLE TO FORWARD-LOOKING STATEMENTS.

Dependence on State Aid Payments that are Subject to Annual Appropriation and Political Factors

California charter schools such as the Lessee's Schools may not charge tuition and have no taxing authority. The primary source of revenue generated by charter schools is aid provided by the State for all public schools. The amount of State aid received with respect to any individual school is based on a variety of factors. The amount of aid available in any year to pay the per pupil allowance is subject to appropriation by the California Legislature. The Legislature bases its decisions about appropriations on many factors, including the State's economic performance. Moreover, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. As a result, the Legislature may not appropriate funds, or may not appropriate funds in a sufficient amount, for the Schools to generate sufficient revenue to allow the Lessee to meet its obligations under the Series 2025 Leases and the School Loan Agreements representing debt service payments on the Bonds. No liability would accrue to the State in such event, and the State would not be obligated or liable for any future payments or any damages. If the State were to withhold State aid payments for any reason, even for a reason that is ultimately determined to be invalid or unlawful, any of the Lessee's Schools could be forced to cease operations.

Possible Offsets to State Apportionment

Section 41344 of the Education Code provides that if an audit or review requires any of the Lessee's Schools to repay prior year apportionments because of significant audit exceptions, including penalty payments ("Audit Exceptions"), the Superintendent of Public Instruction (the "Superintendent") and the Director of the Department of Finance (the "Director"), or their designees, will jointly establish a plan for the annual repayment of Audit Exceptions (the "Audit Repayment Plan"), which under certain circumstances can extend for a period of up to eight equal annual payments. The State Controller withholds from the State School Fund the amounts specified in the Audit Repayment Plan. If the Superintendent and the Director do not establish an Audit Repayment Plan, the State Controller withholds the entire amount of the Audit Exceptions from the next apportionment.

Included in the principal apportionment is the general-purpose entitlement for charter schools, which are the "funds subject to intercept" pursuant to Section 17199.4 of the Education Code ("Section 17199.4"). Specifically, the funds subject to intercept are funds apportioned for purposes of the charter school block grant or the local control funding formula (as described in Section 17199.4) with respect to the Lessee's Schools.

Because the apportionments are the sum of multiple program entitlement calculations as well as prior adjustments, the amount available may be more or less than the calculated amount of funds subject to intercept. The amount available for intercept is therefore the lesser of periodic calculated funds subject to intercept and the amount of cash provided to the Lessee with respect to the Schools by the State.

The State Controller may reduce the funding available in the payment schedules for these apportionments to offset for funds owing to the State. These offsets include, but are not limited to, the following: Charter School Revolving Loan (Education Code Section 41365), Class Size Reduction (Education Code Section 52124); Audit Repayment (Education Code Sections 41341, 41344); and Accounts Receivable (Government Code Section 12419.5), in addition to other possible authorized or required offsets, or additional offsets not yet authorized by legislation. None of the foregoing offsets is currently applicable to the Lessee's Schools.

Charter School Facilities Program Intercepts

As noted above, the Intercepts for MSA-SD, MSA-SA, and MSA-5 are effectively subordinate to the CSFP Intercepts (as defined below) previously implemented with respect to MSA-SD and MSA-SA, to be implemented with respect to MSA-5, and related to the State's Charter School Facilities Program.

MSA-SA. In May 2015, the State Allocation Board approved funding for the project located at MSA-SA in the amount of $17,413,956. Facilities funded pursuant to the Charter School Facilities Program are required to have a 50% Local Matching Share for site acquisition and new construction and the State funds in an amount not to exceed 50% of the total project cost. In connection with the project at the MSA-SA Facilities, the State allocated $8,706,978 in the form of a grant through Proposition 1D. In lieu of a lump sum Local Matching Share, MERF entered into the MSA-SA CSFP Loan on behalf of MSA-SA.

As security for the MSA-SA CSFP Loan and as a condition to establish MERF's financial soundness, MERF, on behalf of MSA-SA, agreed to cause funds necessary for the loan payments under the MSA-SA CSFP Loan to be funds subject to intercept under Section 17199.4 of the Education Code (a "CSFP Intercept"). Funds subject to the CSFP Intercept for MSA-SA by the Controller are limited to funding apportioned to MERF for purposes of the charter school block grant or the Local Control Funding Formula pursuant to the Education Code. The CSFP Intercept for MSA-SA preceded the Intercept approved for the Series 2026 Schools.

MSA-SD. The State Allocation Board also previously approved funding for an earlier proposed facility to house MSA-SD. The Lessee received an advance apportionment for design and planning purposes, but the project was abandoned in 2016 after SDUSD offered the Lessee the use of the current site of the MSA-SD Facilities. The Lessee is in the process of repaying the State for the advance apportionment through a CSFP Intercept. The total amount outstanding $93,848, which is being repaid over a thirty year term, ending November 1, 2052.

MSA-5. In addition, a CSFP Intercept with respect to MSA-5 will be established for repayment of the CSFP loan for MSA-5. See " – Additional Indebtedness and Additional School Indebtedness" below.

To the extent funds are due with respect to the CSFP Intercept for MSA-5 and the Intercept for the Bonds at or about the same time, MERF expects that the CSFP Intercept for MSA-5 will precede the application of the Intercept in connection with the Bonds.

See also, "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP – OPERATING AND FINANCIAL INFORMATION – Outstanding Debt."

Default Under a Series 2025 Lease; No Assurance Regarding Subsequent Tenant

If the Lessee defaults under a Series 2025 Lease, the Members of the Obligated Group may not have sufficient funds to satisfy their obligations under the Loan Agreement and Obligation No. 3, absent re-leasing – or in appropriate cases, selling – the applicable Facility. Were the Lessee to default under a Series 2025 Lease, there is no assurance that the applicable Member would be able to find a new tenant for the applicable Facility which could generate revenues in a sufficient amount to allow the Borrower and members of the Obligated Group to make payments under the Loan Agreement and Obligation No. 3 to satisfy debt service on the Bonds or a buyer that would purchase such Facility for a sufficient amount to allow the Borrower to repay principal and interest with respect to the Loan. This risk is heightened by the fact that each of the Facilities has been improved specifically for use as a charter school campus and may be legally restricted to that use.

Survival of Leases after a Bond Default and Foreclosure

The Borrower, MPM Sherman Way, the Lessee, and the Master Trustee entered into a Subordination, Non-Disturbance and Attornment Agreement in connection with the MSA-1 Lease (the "SNDA"). The SNDA addresses the priority of the rights between the Lessee and the Master Trustee. The SNDA provided that the Lessee's rights under the MSA-1 Lease to the use, possession and enjoyment of the applicable MSA-1 Facilities will not be disturbed by the Master Trustee so long as no event of default exists under the MSA-1 Lease. The non-disturbance portion assures the Lessee that its rights to the MSA-1 Facilities will be preserved ("nondisturbed") on specified conditions within control of the Lessee if the Borrower defaults on its Loan with the Authority and the Master Trustee forecloses on the MSA-1 Facilities. The attornment component of the SNDA provides that the Lessee will continue its obligations under the MSA-1 Lease if a new landlord takes over such Lease.

Additional Indebtedness and Additional School Indebtedness

The Master Indenture permits the issuance of Additional Indebtedness on a parity basis with Obligation No. 3 if certain conditions are met. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Master Indenture – Limitations on Additional Indebtedness" herein. The Borrower expects to acquire, construct and equip additional charter schools in the future. If it does, or for certain other expenses, it may issue Additional Indebtedness which may or may not be on a parity basis with Obligation No. 1 and Obligation No. 3 and may or may not be issued through the Master Indenture. If secured on a parity basis, any such parity indebtedness would be entitled to share ratably with the holders of the Bonds and any other holder of parity debt in any moneys realized from the exercise of remedies in the event of a default by the Borrower to the extent provided in the Bond Documents. The amount of any such Additional Indebtedness is undetermined at this time. The issuance of Additional Indebtedness may adversely affect the investment security of the Bonds.

Under the Leases and School Loan Agreements, the Lessee may also issue additional indebtedness, subject to certain conditions and limitations. See "THE LEASES AND SCHOOL LOAN AGREEMENTS – Certain Related Covenants – Financial Covenants – Limitation on Liens on Program Revenues" and " – Limitations on Obligated Group Program Indebtedness" herein. The issuance of such additional Lessee indebtedness may adversely affect the investment security of the Bonds.

Grant Anticipation Notes and Related Obligations. On April 17, 2025, the Authority issued its Grant Anticipation Notes, in a principal amount not to exceed $29,500,000 pursuant to that certain Indenture, dated as of April 1, 2025, by and between the Authority and the Notes Trustee. See "INTRODUCTION – Grant Anticipation Note Financing" herein. The proceeds of the sale of the Grant Anticipation Notes were loaned to the Borrower pursuant to the Note Loan Agreement. In turn, the Borrower loaned such proceeds of the Grant Anticipation Notes to the Lessee pursuant to the Grant Anticipation Note Loan Agreement, in order to finance a portion of the costs of construction of the MSA-5 Facility. The obligations of the Lessee under the Grant Anticipation Note Loan Agreement are not a general obligation of the Lessee; rather, such obligations are payable only from the proceeds of an award pursuant to the State's Charter School Facility Program.

The State Allocation Board approved a preliminary apportionment for the Lessee in the amount of $50,832,322 (the "Preliminary Apportionment") from the State's Charter School Facility Program, for the purpose of financing a portion of the acquisition and construction of the MSA-5 Facility. Pursuant to the Charter School Facility Program, when and if received by the Lessee, 50% of the amounts of such Preliminary Apportionment will consist of a grant to the Lessee, while the remaining 50% of such amounts will consist of a loan (the "MSA-5 CSFP Loan") to the Lessee that will be repaid through an intercept of apportionment made by the State Controller. The MSA-5 CSFP Loan will constitute additional indebtedness of the Lessee.

Upon satisfaction of the applicable requirements of the Charter School Facility Program, the Lessee expects to receive the CSFP Award. The CSFP Award is expected to be wired directly to the Notes Trustee on behalf of the Lessee, and a portion of such award will be used to pay the obligations of the Lessee under the

Grant Anticipation Note Loan Agreement, before any remaining amount of the CSFP Award is made available for payment of costs related to the MSA-5 Facility. See "APPENDIX E – CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING."

Addition and Removal of Members

The Master Indenture permits the addition of Members under the Obligated Group, but it also permits the removal of Members, subject to certain conditions and limitations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Master Indenture – Withdrawal from Obligated Group" herein. Any such withdrawal of Members from the Obligated Group may decrease the revenues available for payment of debt service on the Bonds and may adversely affect the investment security of the Bonds.

No Fee Interest in Certain Facilities

While MPM Sherman Way holds a fee interest in the land and improvements constituting the MSA-1 Facilities, MPM San Diego holds no interest in the land that is the site of the MSA-SD Facilities.

The MSA-SD Ground Use License is coterminous with the MSA-SD charter term. MSA-SD Ground Use License provides that it automatically and immediately terminates upon the effective date of any termination or revocation of the MSA-SD Charter. Although MPM San Diego has granted the Master Trustee a security interest in the modular buildings that constitute the MSA-SD Facilities, such modular buildings would have to be relocated in the event of a termination of the MSA-SD Ground Use License.

Under the Series 2025 Mortgage, MPM Sherman Way's interest in the MSA-1 Facilities secures its obligations under the Master Indenture. But, no such mortgage or deed of trust secures the obligations of MSA-SD or MSA-SA under the Master Indenture. Moreover, no Member of the Obligated Group will hold any interest in the MSA-SA Facilities or the MSA-5 Facility.

State Lien and Restrictive Covenants, Conditions and Restrictions on MSA-SA Facilities and MSA-5 Facility. Pursuant to the requirements of the CSFP Program, the Lessee's interest in each of the MSA-SA Facilities and the MSA-5 Facility is subject to (i) a recorded lien in favor of the State reflecting that each of such Facilities are held in trust by the Lessee for the benefit of the State public school system, and (ii) a recorded restrictive covenant providing as follows:

1. The applicable Facilities and any facilities constructed, rehabilitated, or retrofitted at the such Facilities using funds allocated pursuant to the CSFP Program shall be used only for public school purposes as authorized in the California Constitution and statute;

2. In the event the applicable Facilities are no longer needed for charter school purposes, title to such Facilities shall vest in the school district in which the property is physically located, which the school district shall hold in trust for benefit of the State public school system. The remainder interest provided in the restrictive covenant shall be triggered when the applicable Facilities are no longer needed for charter school purposes and shall then be subject to paragraphs (2) to (6) , inclusive, of subdivision (b) of Section 17078.62 of the Education Code;

3. In the event the applicable school district disclaims its interest in the Facilities, title shall vest in the State;

4. A successor charter school, qualified pursuant to Section 17078.62(b)(2) of the Education Code (the "Lessee's successor"), shall be permitted to meet its facilities needs by occupying the applicable Facilities, for the benefit of the State public school system, on equal terms as the Lessee, including, but not limited to, assumption of fee simple title to such Facilities; and

5. The restrictive covenant shall run with the land and shall be binding upon the Lessee, its successors, and all parties having or acquiring any right, title or interest in the applicable Facilities or any part thereof, and shall inure to the benefit of the State.

Reserve Account

The Bond Indenture establishes the Reserve Account within the Revenue Fund for payment of principal of and interest on the Bonds to the extent the Payments are insufficient to make such payments. Although the Borrower believes such reserve to be reasonable and anticipates that the Payments will be sufficient to cover the debt service on the Bonds, there is no assurance that funds on deposit in the Reserve Account and future Payments will be sufficient to cover debt service on the Bonds.

Purchases and Transfers of Bonds Restricted to Qualified Institutional Buyers and Accredited Investors

As described in the "NOTICE TO INVESTORS" that precedes the Table of Contents of this Limited Offering Memorandum, the Bonds are to be sold (including in secondary market transactions) only to Qualified Institutional Buyers or Accredited Investors. The Bond Indenture contains provisions limiting transfers of the Bonds and beneficial interests therein to Qualified Institutional Buyers or Accredited Investors. The face of each Bond will contain a legend indicating that the Bond is subject to transfer restrictions as set forth in the Bond Indenture. The Bonds will be issued in minimum denominations of $25,000 and any integral multiple of $5,000 in excess thereof (or the aggregate principal amount of any maturity of the Bonds Outstanding, if lower, in integral multiples of $5,000). In light of these restrictions, purchasers should not expect that there will be an active secondary market for the Bonds.

There can be no assurance that there will be a secondary market for the purchase or sale of the Bonds, and there may be no market for the Bonds depending upon prevailing market conditions, the financial condition or market position of firms who make up the secondary market and the financial position and results of operations of the Borrower. The Underwriter is not obligated to create a secondary market for the purchase or sale of the Bonds.

Investors should be aware that they might be required to bear the financial risks of this investment for an indefinite period of time and/or that to the extent there is a secondary market for the Bonds, the secondary market price of the Bonds may be affected as a result of the restrictions. If a trading market for the Bonds develops, future trading prices of such Bonds will depend on many factors, including, among other things, prevailing interest rates and the market for similar instruments. Depending upon those and other factors, the Bonds may trade at a discount from their principal amount.

Tax Related Issues

Tax-Exempt Status of Interest on the Series 2026C Bonds. The Code imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Series 2026C Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Series 2026C Bond proceeds, limitations on the investment earnings of Series 2026C Bond proceeds prior to expenditure, a requirement that certain investment earnings on Series 2026C Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the "IRS"). The Authority, the Borrower, and MERF have covenanted in certain of the documents referred to herein that they will comply with such requirements. Failure by any of the foregoing to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series 2026C Bonds as taxable, retroactively to the date of issuance of the Series 2026C Bonds.

Existence and Maintenance of Tax-Exempt Status. The Lessee and the Borrower have been organized to provide various educational and philanthropic services. See "APPENDIX A – CERTAIN INFORMATION

REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP." The tax-exempt status of the Series 2026C Bonds depends upon the existence and maintenance by the Borrower and the Lessee of their respective statuses as organizations described in Section 501(c)(3) of the Code. The existence and maintenance of such status is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of organizations described in Section 501(c)(3) of the Code, including the operation for charitable and educational purposes and avoidance of transactions which may result in more than an insubstantial amount of unrelated business activity and/or cause the assets of either to inure to the benefit of private individuals.

In recent years, the IRS has increased the frequency and scope of its audit and other enforcement activity regarding tax-exempt organizations and, in particular, charter schools. As a result, tax-exempt organizations are increasingly subject to a greater degree of scrutiny. The primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in unlawful private benefit or more than an insubstantial amount of unrelated business activity is the revocation of tax-exempt status. Although the IRS has not frequently revoked the Section 501(c)(3) status of nonprofit corporations, it could do so in the future. Loss of tax-exempt status by the Borrower or the Lessee could potentially result in loss of tax exemption of interest on the Series 2026C Bonds and of other existing and future tax-exempt debt of members of the Obligated Group, if any, and defaults in covenants regarding the Series 2026C Bonds and other existing and future tax-exempt debt, if any, would likely be triggered.

Less onerous sanctions have been enacted which enforce rules applicable to Section 501(c)(3) organizations, but these sanctions do not replace the other remedies available to the IRS as mentioned above.

State Income Tax Exemption. The loss by MERF or the Borrower of federal tax exemption might trigger a challenge to its State income tax exemption. Such event could be adverse and material.

Unrelated Business Income. In recent years, the IRS and state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income ("UBTI"). To the extent the Lessee or the Borrower do not properly account for and report UBTI, if any, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBTI (which might be substantial) and in some cases could ultimately affect the tax-exempt status of the Borrower or the Lessee, as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2026C Bonds.

Exemption from Property Taxes. In recent years, State, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt corporations with respect to their real property tax exemptions. The management of the Borrower and the Lessee believe that the Facilities are exempt from California real property taxation.

Factors That Could Affect the Security Interest in the Facilities; Superior Liens

The Master Trustee's security interest in the Facilities may be subordinated to the interest and claims of others in several instances. Some examples of cases of subordination of prior claims are (i) statutory liens, (ii) rights arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction, (v) federal or state bankruptcy or insolvency laws that may affect the enforceability of the Loan Agreement, (vi) rights of third parties in amounts not in the possession of the Trustee, (vii) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the California Uniform Commercial Code as from time to time in effect, and (viii) mechanics liens.

No Appraisal

No appraisal has been obtained for the MSA-1 Facility. There can be no assurance that, should the Members of the Obligated Group default in the making of the payments due under Obligation No. 3, the MSA-1 Facility could be foreclosed upon and sold for the amounts owed under the Loan Agreement, Obligation No. 3, or any other future Obligations issued under the Master Indenture.

Limitations on Value of the Facilities and to Remedies Under the Mortgages

Maintenance of Value. The Facilities are located in a region that has experienced significant real property market volatility over the past several years. There can be no assurance made that, should the Members of the Obligated Group default in making the payments due under Obligation No. 3 or any of the Prior Obligations, including in the event MERF defaults in making the Rent payments due under the Leases, the Facilities could be foreclosed upon and sold for the amounts owed under the Obligations.

Hazardous Substances. While governmental taxes, assessments and charges are common claims against the value of property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized is a claim with regard to hazardous substances. In general, the Members may be required by law to remedy conditions of a Facility relating to release of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. California laws with regard to hazardous substances are stringent and similar to certain federal acts. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) had or has anything to do with the creation or handling of the hazardous substance. The effect, therefore, should a Facility be affected by a hazardous substance, is generally to reduce the marketability and value of the parcel by the cost of remedying the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling the hazardous substance. Any of these potentialities could significantly affect the value of the Project that would be realized upon a default and foreclosure.

See " – Environmental Risks and Prior Environmental Inspections" below for a description of certain environmental reports regarding the Facilities.

Foreclosure. There are two methods of foreclosing on a deed of trust or mortgage under California law, by nonjudicial sale and by judicial sale. Foreclosure under a deed of trust may be accomplished by a nonjudicial trustee's sale under the power of sale provision in the deed of trust. Prior to such sale, the trustee must record a notice of default and election to sell and send a copy to the trustor, to any person who has recorded a request for a copy of the notice of default and notice of sale, to any successor in interest of the trustor and to certain other parties discernable from the real property records. The trustee then must wait for the lapse of at least three months after the recording of the notice of default and election to sell before establishing the trustee's proposed sale date and giving a notice of sale (in a form mandated by California statutes). The notice of sale must be posted in a public place and published once a week for three consecutive calendar weeks, with the first such publication preceding the trustee's sale by at least 20 days. Such notice of sale must be posted on the property and sent, at least 20 days prior to the trustee's sale, to the trustor, to each person who has requested a copy, to any successor in interest of the trustor, to the beneficiary of any junior deed of trust and to certain other parties discernable from the real property records. In addition, the notice of sale must be recorded with the county recorder at least 14 days prior to the date of sale. The trustor, any successor in interest of the trustor in the trust property, or any person having a junior lien or encumbrance of record may, during the statutory reinstatement period, which extends to five days prior to the sale date, cure any monetary default by paying any delinquent installments of the debt then due under the terms of the deed of trust and certain other obligations secured thereby (exclusive of principal due by virtue of acceleration upon default) plus costs and expenses actually incurred in enforcing the obligation and certain statutorily limited attorneys' and trustees' fees.

Following a nonjudicial sale, neither the trustor nor any junior lienholder has any right of redemption, and the beneficiary may not ordinarily obtain a deficiency judgment against the trustor.

Should foreclosure under a deed of trust be sought in the form of a judicial foreclosure, it is generally subject to most of the delays and expenses of other lawsuits, and may require several years to complete. The primary advantage of a judicial foreclosure is that the beneficiary is entitled, subject to other limitations, to obtain a deficiency judgment against the trustor to the extent that the amount of the debt is in excess of the fair market value of the property. Following a judicial foreclosure sale, the trustor or its successors in interest may redeem the property for a period of one year (or a period of only three months if the proceeds of sale are sufficient to satisfy the debt, plus interest and costs). In addition, in order to assure collection of any rents assigned as additional collateral under a Mortgage, a receiver for the applicable Facilities may be appointed by a court.

Damage, Destruction or Condemnation. Although the Borrower will be required to cause the Members to obtain certain insurance against damage or destruction as set forth in the Loan Agreement and the Series 2025 Mortgage related to the MSA-1 Facility, there can be no assurance that any portion of the Facilities will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which a Series 2025 Landlord, as a result of damage or destruction to the applicable Facilities, cannot generate revenues, will not exceed the coverage of such insurance policies.

If the Facilities, or any portion thereof, are damaged or destroyed, or are taken in a condemnation proceeding, the proceeds of insurance or any condemnation award for the Facilities, or any portion thereof, must be applied as provided in the Loan Agreement to restore or rebuild the Facilities or to redeem Bonds. There can be no assurance that the amount of revenues available to restore or rebuild the Facilities, or any portion thereof, or to redeem Bonds will be sufficient for that purpose, or that any remaining portion of the Facilities will generate revenues sufficient to pay the expenses of the Borrower and the Loan Repayments.

Seismic Activity. The Facilities are located in seismically active regions of California. The occurrence of severe seismic activity could result in substantial damage to any of such Facilities, which could adversely affect the ability of the Lessee to operate such Facilities or make payments due under the corresponding Series 2025 Lease or School Loan Agreement and/or the ability of the Borrower to make the Loan Repayments and could adversely affect the value of such Facilities. Neither the Borrower nor the Members are obligated by the Loan Agreement or Master Indenture to maintain earthquake insurance on any portion of the Facilities and there can be no assurance that the Borrower or the Members of the Obligated Group will obtain such coverage in the future.

None of the Facilities are located within an Alquist-Priolo Earthquake Fault Zone, which is an area in the vicinity of an active fault that constitutes a potential hazard to structures from surface faulting or fault creep as determined in accordance with applicable provisions of the State's Public Resources Code.

Flood. Under the Master Indenture, each Member covenants and agrees that it will maintain (or cause to be maintained) appropriate flood insurance as required under the National Flood Insurance Act of 1968, Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994 as amended or as recommended by the Insurance Consultant if the applicable Facility is determined to be in a Special Flood Hazard Area. However, none of the Facilities are located in special flood hazard areas as designated by the Federal Emergency Management Agency.

Wildfires. Major wildfires have occurred in recent years in different regions of the State, including significant fires throughout the fall of 2020, the summer of 2021, and the winter of 2025. Serious and significant property damage has resulted in other areas of the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates.

Neither of the Borrower nor the Lessee can make any representation regarding the effects that future wildfires may have on their respective operations or finances, or to what extent any such wildfires could cause disruptions to economic activity in the vicinity of the Facilities.

Sea Level Rise. Various State and local agencies have produced reports or assessments in connection with planning for the potential effects of sea level rise, which increases the potential for severe flooding caused by the occurrence of coastal and inland flooding. Neither of the Borrower nor the Lessee are able to predict whether sea level rise, or associated impacts thereof, will occur, and if any such events occur, whether they will have a material adverse effect on their respective operations and financial condition, or more generally affect the region's economy.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects generally on the economy and communities surrounding the Facilities, and on the value of the Facilities themselves. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, droughts, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the control of the Borrower and the Lessee. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, neither of the Borrower nor the Lessee is able to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Environmental Risks. There are potential risks relating to liabilities for environmental hazards with respect to the ownership of any real property, including those described above under " – Hazardous Substances." If hazardous substances are found to be located on a property, owners of such property may be held liable for costs and other liabilities related to the removal of such substances which costs and liabilities could exceed the value of the Facilities or any portion thereof.

The Lessee obtained a Phase I Environmental Site Assessment for the Site by Alta Environmental, doing business as NV5 ("NV5"). In that connection, NV5 prepared a report dated March 7, 2022 (the "MSA-5 Environmental Report"). The MSA-5 Environmental Report states that its purpose was to identify conditions indicative of releases and threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances on, at, in, or adjacent to the Site, such issues being considered recognized environmental conditions (each an "REC"). The MSA-5 Environmental Report identified no evidence of a REC, a controlled REC, or historic REC in connection with the Site.

Various environmental inspections have been performed for the MSA-1 Facilities in the past, as follows. The Lessee received from California Environmental Geologists & Engineers, Inc. ("California Environmental") an Environmental Site Assessment Report – Phase I dated October 13, 2016 (the "2016 MSA-1 Environmental Report"). California Environmental noted in its 2016 MSA-1 Environmental Report that no recognized environmental conditions ("RECs"), historical recognized environmental conditions ("HRECs"), or Controlled Recognized Environmental Conditions ("CRECs") were identified in connection with the MSA-1 Facilities. However, California Environmental cautioned that a dry cleaner operation, which is located at 18235 Sherman Way, is a potential source of volatile organize compounds ("VOCs") contamination that could impact the subject property subsurface. Accordingly, California Environmental recommended a limited soil-gas assessment to test for VOCs in shallow soil gas beneath the property. California Environmental noted that there were two additional properties within a one-quarter mile radius of the subject property that could have environmental concerns. However, California Environmental stated that, due to their distance from the subject property and their groundwater gradient, it is unlikely that either property would impact the subject property subsurface.

The 2016 MSA-1 Environmental Report did not find any indication of the following environmental factors at the Facilities, among others: surface drains, catch basins, sumps or standing water, past use, treatment,

storage, disposal or generation of hazardous substances, significant hazardous substance use, existing aboveground or underground storage tanks, clarifiers, sumps, or grease interceptors, onsite disposal or landfill of solid waste material, wastewater treatment or disposal systems, or strong, pungent or noxious odors. The 2016 MSA-1 Environmental Report was prepared for the Lessee and intended for the purpose of determining site conditions through limited research and investigation and can in no way be considered a conclusive site characterization. No warranty, express or implied of any kind is made or intended in connection with the 2016 MSA-1 Environmental Report.

The Lessee also received from California Environmental an Environmental Site Assessment Report – Phase I Update and Screening Soil Evaluation – Phase II dated May 2017 (collectively, the "2017 MSA-1 Environmental Report"). California Environmental reports that the dry-cleaning and laundry business, which remains the nearest listed environmental concern site, is located approximately 150 feet to the northwest of the subject property. California Environmental indicated that no known solvent releases had been reported for the MSA-1 Facilities. The 2017 MSA-1 Environmental Report stated that the nearest listed contaminated site to the subject property was approximately 656 feet to the southwest and the listing related to a January 1984 gasoline release to soil. Due to the distance from the subject property and a southeasterly groundwater gradient, California Environmental stated that it was unlikely that this off-site release had impacted the MSA-1 Facilities subsurface. California Environmental noted that a second contaminated site was located approximately 798 feet east of the subject property. Due to the distance from MSA-1 Facilities and a southeasterly groundwater gradient, California Environmental found it unlikely for the off-site release to impact the MSA-1 Facilities subsurface.

The 2017 MSA-1 Environmental Report stated that no RECs, HRECs, or CRECs were identified at the MSA-1 Facilities. In addition, California Environmental conducted soil gas sampling at the subject property on May 10, 2017 to evaluate the presence of VOCs associated with the dry cleaners located at 18235 Sherman Way. Based on a review of all samples collected, California Environmental indicated that all such samples were below the applicable reporting threshold set forth by the Environmental Protection Agency. Accordingly, California Environmental stated that additional assessment was not recommended.

In May 2017, the Lessee received from California Environmental an Environmental Site Assessment – Phase I (the "MSA-SD Environmental Report") with respect to the MSA-SD Facility. California Environmental noted in its MSA-SD Environmental Report that it had found no evidence of RECs, HRECs, or CRECs in connection with the property. California Environmental included a finding that the property is listed on a database related to the generation of asbestos containing waste produced in 2004. However, California Environmental stated that such asbestos waste was likely associated with remodeling or renovation activities and was not considered an environmental concern. Based on California Environmental's review of the surrounding area, the nearest listed contaminated site to the subject property had an unauthorized release of petroleum hydrocarbons in 1993. However, California Environmental stated that it is unlikely that such offsite release impacted the subject property due to the distance between the release and the site.

The MSA-SD Environmental Report did not find any indication of the following environmental factors at the MSA-SD Facility, among others: surface drains, catch basins, sumps or standing water, past use, treatment, storage, disposal or generation of hazardous substances, significant hazardous substance use, existing aboveground or underground storage tanks, clarifiers, sumps, or grease interceptors, onsite disposal or landfill of solid waste material, wastewater treatment or disposal systems, or strong, pungent or noxious odors. The MSA-SD Environmental Report was prepared for the Lessee and intended for the purpose of determining site conditions through limited research and investigation and can in no way be considered a conclusive site characterization. No warranty, express or implied of any kind is made or intended in connection with the MSA-SD Environmental Report.

The environmental reports described above speak only as of their respective dates and the providers of such reports have not been asked to perform any additional assessments with respect to the subject properties. Such environmental reports are subject to numerous limitations and disclaimers stated therein.

Bankruptcy

The rights and remedies of the Beneficial Owners of the Bonds are subject to various provisions of the Federal Bankruptcy Code (the "Bankruptcy Code"). If the Borrower, any Member or the Lessee were to become a debtor in a bankruptcy case, its revenues and certain of its accounts receivable and other property created or otherwise acquired after the filing of such petition and for up to 90 days prior to the filing of such petition may not be subject to the security interest created under the applicable Mortgage for the benefit of the Beneficial Owners of the Bonds. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against such entity, and its property, and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over such property. If the bankruptcy court so ordered, the property of the Borrower or a Member, including accounts receivable and proceeds thereof, could be used for the financial rehabilitation of such entity despite the security interest of the Trustee therein. While the Bankruptcy Code requires that the interest of the Trustee as lien owner be adequately protected before the collateral may be used by the Borrower or a Member, such protection could take the form of a replacement lien on assets acquired or created after the bankruptcy petition is instituted. The rights of the Trustee to enforce liens and security interests against the Borrower's or Member's assets could be delayed during the pendency of the rehabilitation proceedings.

The Borrower or the Lessee could file a plan for the reorganization of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two thirds in dollar amount and more than one half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

Factors Associated with the Magnolia Schools' Operations

General Factors. There are a number of factors affecting schools generally that could have an adverse effect on the Lessee's financial position and ability to operate the Facilities as charter schools and, consequently, on the Borrower's ability to make Loan Repayments necessary to make debt service payments on the Bonds. These factors include, but are not limited to: (i) failure to qualify for statutory reimbursement under state programs; (ii) increasing costs of compliance with federal, state or local laws or regulations, including, but not limited to, laws or regulations concerning environmental quality, work safety and accommodation of persons with disabilities; (iii) taxes or other charges imposed by federal, state or local governments; (iv) the ability to attract a sufficient number of students; (v) changes in existing statutes pertaining to the powers of the Magnolia Schools and disruption of such charter schools' operations by real or perceived threats against such charter schools, their staff members or students; and (vi) decline in the reputation of any such charter school or the ability of such a charter school and its management to provide educational services desired and accepted by the population it serves.

Changes in Law and Governmental Authorities. In the Summer of 2023, the Oklahoma Statewide Virtual Charter School Board (the "Oklahoma Authorizer Board") approved the nation's first openly religious public charter school, St. Isidore of Seville Virtual Catholic Charter School ("St. Isidore"). Subsequently, the Oklahoma Attorney General sued the Oklahoma Authorizer Board seeking the rescission of the St. Isidore charter on the basis that it violated the Oklahoma Constitution. After a June 2024 decision by the Oklahoma Supreme Court against St. Isidore, the Oklahoma Authorizer Board rescinded its charter. However, St. Isidore and its supporters argue that the rescission of the charter violates the free exercise clause of the First Amendment to the U.S. Constitution. In January 2024, the U.S. Supreme Court granted certiorari to two related cases regarding the St. Isidore matter. If the U.S. Supreme Court holds in favor of St. Isidore, the decision may open the door to allowing religious public charter schools in all states, including California. Such a decision could

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fundamentally change the landscape, funding and operations of public charter schools nationally. It could also allow current religious private schools to receive charter school funding, increasing competition for existing charter schools, including the Magnolia Schools, or result in other unknown consequences.

In addition, on January 27, 2025, the U.S. Office of Management and Budget ("OMB") issued a memorandum directing federal agencies to temporarily pause all activities related to the obligation or disbursement of federal financial assistance, and other relevant activities, that may be implicated by recent executive orders issued under the Trump Administration. On January 29, 2025, OMB rescinded the memorandum. Following the rescission, the White House press secretary noted that the recission of the memorandum was "[not] a recission of the federal funding freeze." The U.S. Department of Education released a letter, dated February 14, 2025, notifying schools and colleges to eliminate diversity, equity, and inclusion programs and initiatives by the end of the month or risk losing federal funding.

A portion of the Lessee's revenue is derived from federal funding, which may be further impacted by the executive order signed by President Trump on March 20, 2025, to begin dismantling the U.S. Department of Education. Neither the Lessee nor the Borrower are able to predict the extent of such impact at this time and whether any such impact will materially affect their finances and operations.

Potential purchasers should be aware that the Lessee faces constant competition for students and there can be no assurance that its charter schools will continue to attract and retain the number of students that are needed to generate revenues sufficient to make payments on the Series 2025 Leases and the School Loan Agreements that are the source of revenue to pay debt service on the Bonds. Neither the Borrower nor the Lessee can assess or predict the ultimate effect of the foregoing factors on their respective operations or financial results of their operations or on the ability of the Lessee to make payments required under the Series 2025 Leases and the School Loan Agreements, or on the ability of the Borrower and the Members to make payments required under the Loan Agreement and Obligation No. 3.

See also, " – Specific Risks of Charter Schools" below.

Dependency on State Finances

Charter schools, like all public schools, depend on revenues from the State for a large portion of their operating budgets. The availability of State funds for public education is a function of constitutional and statutory provisions affecting school district revenues and expenditures, the condition of the State economy (which affects total revenue available to the State School Fund) and the annual State budget process. Decreases in State revenues may adversely affect education appropriations made by the Legislature. As noted, the Legislature bases its decisions about appropriations on many factors, including the State's economic performance, and, because some public officials, their constituents, commentators and others have viewed charter schools as controversial, political factors may also come to bear on charter school funding. See "CERTAIN RISK FACTORS – Dependence on State Aid Payments that are Subject to Annual Appropriation and Political Factors" above.

The State has previously experienced severe financial difficulties. In prior years, the State's response to its financial difficulties has had a significant impact on Proposition 98 funding and settle-up treatment, as further described in "STATE FUNDING OF EDUCATION." In the past, the State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. The State has also sought to avoid increases in the minimum guarantee through various mechanisms by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current-year increases; by deferring State aid payments from one fiscal year to the next; and by suspending Proposition 98. Continued decreases in State revenues may adversely affect education appropriations made by the Legislature. None of the Borrower, the Lessee or any other party to the Bond transaction can predict how State income or State education funding will vary over the entire term of the Bonds. No party to the Bond transaction takes any responsibility for informing owners of the Bonds about any such changes.

Information about the financial condition of the State, as well as its budget and spending for education, is available and regularly updated on various State-maintained websites, including those of the LAO, the Department of Finance and the California State Controller. Such information is prepared by the respective State entity maintaining each such website and not by any of the parties to this transaction. The parties to this transaction take no responsibility for the accuracy, completeness or timeliness of such information or the continued accuracy of the internet addresses noted herein, and no such information is incorporated herein by these references.

Budget Delays and Restrictions on Disbursement of State Funds during a Budget Impasse

The State Constitution specifies that an annual budget will be proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues for the ensuing fiscal year. State law also requires the Governor to update the Governor's Budget projections and budgetary proposals by May 14 of each year (the "May Revision"). The May Revision is normally the basis for final negotiations between the Governor and Legislature to reach agreement on appropriations and other legislation to fund State government for the ensuing fiscal year (the "Budget Act").

The Budget Act must be approved by a majority vote of each House of the Legislature and must be in balance. The budget becomes law upon the signature of the Governor. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, currently under the heading "California Budget." Analyses of budgets are prepared by the Legislative Analyst's Office at www.lao.ca.gov. Such information is prepared by the respective State entity maintaining each such website and not by any of the parties to this transaction. The parties to this transaction take no responsibility for the accuracy, completeness or timeliness of such information or the continued accuracy of the internet addresses noted herein, and no such information is incorporated herein by these references.

The State Legislature is required to approve a State Budget Act no later than June 15 of each year. The State Legislature has failed to approve the State Budget Act by the deadline therefor in a number of years. Failure by the State to adopt a Budget Act restricts the California State Controller's ability to disburse State funds after the beginning of the ensuing fiscal year. See "STATE FUNDING OF EDUCATION – General – Adoption of Annual State Budget" herein regarding the ability of the State Controller to disburse State funds in such situations. Any State budget delay would delay the State's appropriation of funds and could negatively impact the Lessee's ongoing viability and its ongoing ability to make payments under the Leases representing debt service on the Bonds.

Key Management

The creation of, and the philosophy of teaching in, charter schools generally initially may reflect the vision and commitment of a few key persons on the board of directors and/or the upper management of the charter school or its management organization ("Key Directors/Managers"). Loss of any such Key Directors/Managers, and the inability of the Borrower, the Lessee, or the Lessee to find comparable qualified replacements, could adversely affect their respective operations or financial results." See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto for information regarding the management and leadership of the Borrower, the Lessee, the Series 2026 Schools, and the other Magnolia Schools.

Other Limitations on Enforceability of Remedies

There exists common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's

own motion or pursuant to a petition of a state attorney general or other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

In addition to the foregoing, the realization of any rights under the Loan Agreement, the Bond Indenture and the Mortgages upon a default depends upon the exercise of various remedies specified in the Loan Agreement, the Bond Indenture and the Mortgages. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Loan Agreement, the Bond Indenture and the Mortgages may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Bond Indenture or a Mortgage. Accordingly, the ability of the Authority, the Trustee or the Master Trustee to exercise remedies under the Loan Agreement, the Bond Indenture and the Mortgages, as applicable, upon an Event of Default could be impaired by the need for judicial or regulatory approval.

Amendment of Legal Documents; Minority Bondholder Risks

The Bond Indenture permits certain modifications to be made thereto with the consent of Holders of a majority in interest of the aggregate principal amount of the Bonds then outstanding; provided that, no such modification may (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such supplemental indentures or (3) extend the time of payment or (4) permit the creation of any lien on the Payments or the assets pledged under the Bond Indenture prior to or on a parity with the lien of the Bond Indenture or (5) deprive the Holders of the Bonds of the lien created by the Bond Indenture upon the Payments or the assets pledged herein, without the consent of the Holders of at least 80% of the aggregate principal amount of the Bonds then outstanding.

The Loan Agreement permits certain modifications to be made thereto with the consent of the Holders of a majority in interest of the aggregate principal amount of the Bonds then outstanding; provided that, no such modification may reduce the amount of Loan Repayments payable to the applicable Issuer, or extend the time for making such payments, without the written consent of the Holders of at least 80% of the aggregate principal amount of the applicable Bonds then outstanding.

Similarly, the Master Indenture permits certain modifications to be made thereto with the consent of Related Indebtedness Holders holding a majority in interest of the Related Indebtedness then outstanding; provided that no such modification may (1) extend the stated maturity of or time for paying interest on any Obligation or reduce the principal amount of or the redemption premium or rate of interest or method of calculating interest payable on any Obligation without the consent of the Related Indebtedness Holders of at least 80% of the aggregate principal amount of the Related Indebtedness outstanding with respect to such Obligation, (2) modify, alter, amend, add to or rescind any of the terms relating to defaults under the Master Indenture so as to affect the right of the Holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Related Indebtedness Holders of at least 80% of the aggregate principal amount of the Related Indebtedness then outstanding, or (3) reduce the aggregate Principal Amount of Obligations then outstanding the consent of the Related Indebtedness Holders of which is required to authorize such modification, without the consent of the Related Indebtedness Holders of at least 80% of the aggregate principal amount of the Related Indebtedness then outstanding.

Accordingly, significant modifications to the foregoing documents may affect the rights of Holders of the Bonds without their consent; and any holder of less than 20% in interest of the aggregate principal amount of the Related Indebtedness outstanding may be unable to prevent such modifications. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS" attached hereto.

Specific Risks of Charter Schools

Charter School Law. The Charter School Law is evolving. Amendments are made relatively frequently and legislative and public attitudes are still forming. Certain amendments have been described elsewhere in this Limited Offering Memorandum. It is likely that additional changes will be made in the future, some of which may be adverse to charter schools in general may affect the financial viability of the Schools.

Non-Renewal or Revocation of Charters. The Charter School Law enables charter authorizers to grant five-year charters which may be renewed after evaluation and can be revoked at any time because of either educational non-performance or fiscal mismanagement. See "CHARTER SCHOOLS" herein. In addition, the management of the Lessee believes that it has stable relationships with representatives on the State Board of Education, representatives of the governing boards of several school districts, and representatives of several county boards of education, each of which, under appropriate circumstances, is authorized to grant charters under the Charter School Law. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP – MISSION, EDUCATIONAL PHILOSOPHY AND APPROACH – Charter Renewal History" herein.

Legal Challenges. In addition to non-renewal or revocation, a charter may also be subject to challenge by an interested third-party. No assurance can be given that a Series 2025 School's charter will not be subjected to legal challenge. See "ABSENCE OF MATERIAL LITIGATION – The Borrower" herein and "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP – FINANCIAL INFORMATION AND CASH FLOWS – Litigation." Any failure of the Lessee to have a charter for each of its schools in place could well have a material adverse effect on the Members or the Borrower and their ability to generate revenues necessary to make payments under the Loan Agreement and Obligation No. 3 which are expected to provide sufficient revenues to satisfy the debt service requirements for the Bonds.

Budgetary Constraints. Charter schools are funded primarily from State and local tax revenues and budgetary pressures at the State or local level may jeopardize future funding levels, which may adversely affect the ability of the Borrower and the Members of the Obligated Group to make payments under the Loan Agreement and Obligation No. 3. See "STATE FUNDING OF EDUCATION" above.

Enrollment Levels. The Lessee's revenues and financial strength will depend in part upon maintaining certain enrollment levels at its charter schools. A reduction in enrollment for any such charter school may have the result of reducing revenues available to pay amounts due under the Series 2025 Leases and the School Loan Agreements. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto.

Risk of Reduction in ADA Funding. Since the majority of funds for the Lessee's charter school operations come from the State on the basis of ADA, each such charter is subject to State funding reductions or restrictions that might affect all public school districts and charter schools. Among other such risks, over time the State may not increase ADA-based funding commensurate with increases in the cost of school operations, or the State may even decrease ADA-based funding.

ADA-based funding is determined by actual attendance, and not by student enrollment data. Regardless of the statewide level of ADA-based funding, the Magnolia Schools are subject to loss of revenue if enrollment should decrease, or if average daily attendance should decrease even if enrollment remains steady, whether due to student illness, truancy or other factors. Such a loss of revenues could adversely affect the ability of the Lessee to make payments due under the Series 2025 Leases and the School Loan Agreements and, consequently, the ability of the Borrower and the Members of the Obligated Group to make payments under the Loan Agreement and Obligation No. 3.

In addition, the Charter School Law prohibits a charter school from imposing fees or charges for its educational services. Therefore, the Lessee is dependent upon receipt of ADA-based funding, as well as philanthropic support. There is little the Lessee or the Borrower can do to increase revenues, other than for the Magnolia Schools to admit a larger number of students.

Compliance with the Elementary and Secondary Education Act. Prior to the adoption of the ESSA (defined below), the No Child Left Behind Act of 2001 (the "NCLB") served as the primary federal law with respect to K-12 education. NCLB employed the concept of Adequate Yearly Progress ("AYP") to measure and hold schools and school districts responsible for student achievement. In California, the NCLB subjected California schools to an annual AYP determination. AYP was calculated by using a formula set by the California Department of Education. It measured participation rates, math and reading performance, and graduation rate targets for the elementary, middle and high school levels. In connection with the adoption of ESSA, the federal government has repealed the AYP requirement.

Under California law, if a school received Title I funds and did not make AYP for two consecutive years, the school was placed on "Program Improvement" status and the school was required to develop a school improvement plan. If the school did not achieve AYP goals for a third year, "corrective action" was undertaken, which could include the provision of supplemental educational services for low-performing, low-income students. A school that continued to fail to make AYP was required to take corrective action and undergo restructuring plans. Failure to meet AYP for years subsequent to the second year carried further consequences under the NCLB. Under California law, the right to operate a charter school may be terminated if the school fails to make or meet reasonable progress toward achievement of goals, objectives, content standards, pupil performance standards or applicable federal requirements.

In March 2014, the State of California was granted a one-year waiver by the U.S. Department of Education from using test results of academic assessments to calculate AYP under the then-existing NCLB, in order to facilitate the state's transition to the new California Assessment of Student Performance and Progress ("CAASPP") system. In March 2015, the California State Board of Education requested another one-year waiver from the U.S. Department of Education. In May 2015, the U.S. Department of Education granted the additional one-year waiver, with certain conditions.

In December 2015, the Every Student Succeeds Act of 2015 ("ESSA") was passed by Congress and signed by the President in connection with the amendment and reauthorization of the Elementary and Secondary Education Act of 1965. With the passage of ESSA, states are no longer required to produce AYP, but were required to develop new accountability systems by 2017-18. See "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP" attached hereto. ESSA, among other things, prohibits officers and employees of the federal government from mandating, directing or controlling a state, local education agency or school's specific instructional content, academic standards and assessments, curriculum, or program of instruction, as a condition of eligibility to receive funds under ESSA.

State Retirement Systems. The Lessee is currently a member employer of the State's STRS and PERS retirement systems (see "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP – FINANCIAL INFORMATION AND CASH FLOWS – Retirement Systems" attached hereto). Although the Lessee does not anticipate withdrawing from or otherwise terminating its membership in STRS or PERS, there can be no assurance that State law or Federal law under the Code, including IRS rulings and other guidance, will permit charter schools to continue to participate in the STRS or PERS Governmental Plans (as defined in Section 414(d) of the Code).

The STRS and PERS retirement systems each have substantial system-wide unfunded liabilities. If the Lessee were to withdraw from STRS or PERS, voluntarily or otherwise, it could be liable for its share of the unfunded liabilities of the systems. Neither the Lessee nor the Underwriter can predict what liabilities, if any,

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would result if the Lessee's member employer status in the retirement systems were to terminate, or what impact any such a termination would have on the Lessee's finances and operations.

Claims and Insurance Coverage

Litigation could arise from the corporate and business activities of the Magnolia Schools or the Borrower. Such litigation may result as a result of either the Lessee's or the Borrower's status as an employer. Many of these risks are covered by insurance, but some are not. For example, claims arising from wrongful termination or sexual molestation claims and business disputes may not be covered by insurance or other sources. Such claims may, in whole or in part, constitute a significant liability of the Lessee or the Borrower if determined or settled adversely, as may any additional claims for other torts, accidents, or environmental enforcement actions, to the extent such claims exceed the limits of applicable insurance coverage.

The Borrower and the Lessee covenant and agree in the Loan Agreement, the Series 2025 Leases and the Prior School Loan Agreement that they will maintain, or caused to be maintained, property, general liability and business interruption insurance with respect to the applicable Facilities at levels set forth therein. The Borrower and the Lessee are not obligated by the Loan Agreement, the Series 2025 Leases or the School Loan Agreements to maintain earthquake insurance and there can be no assurance that the Borrower or the Lessee will obtain such coverage in the future. See "APPENDIX C – SUMMARY OF PRINCIPAL BOND DOCUMENTS – LOAN AGREEMENT" herein.

Risk of Noncontinued Philanthropy or Grants

In the past, the Lessee has received some income from unrestricted gifts and donations or grants to supplement operating revenues to finance operations and capital needs. Gifts, grants and donations are expected to continue. However, there can be no assurance that projections of this non-operating revenue will be realized or will not decrease, adversely affecting the financial condition of the Lessee.

Failure to Provide Ongoing Disclosure

The Borrower and the Lessee will enter into a Continuing Disclosure Agreement with KNN Public Finance, LLC, as dissemination agent, pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule") in connection with the issuance of the Bonds. Any material failure to comply with the Continuing Disclosure Agreement and the Rule in the future may adversely affect the liquidity of the affected Bonds and their market price in the secondary market.

Use of Facilities

No assurance can be given as to whether a challenge to the educational use of any of the Facilities brought would result in an interruption of the Series 2026 Schools' operations and have a material negative impact on the revenues of the Lessee. Any court order prohibiting the educational use of the MSA-1 Facilities would entitle the Master Trustee to submit a claim on the lender's title insurance policy. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Mortgages and Security Agreements" herein.

SB 740 Funding

Effective beginning the 2017-18 fiscal year, reimbursable costs under the SB 740 program are limited to either of the following conditions: (i) reimbursable facility rent or lease costs do not exceed the prior year's costs on file with the Authority as of the 2016–17 fiscal year, subject to a cost-of-living adjustment; or (ii) the rent or lease costs of new facility agreements are at or below market rate based on an independent appraisal paid for by the charter school.

In order to be eligible for the SB 740 program, a charter school must be in good standing with its chartering authority and be in compliance with the terms of its charter at the time of application submission, and without interruption throughout the term of the grant. The Authority relies on information from the chartering authority regarding a school's good standing and compliance with the terms of its charter.

The Lessee has received SB 740 funding in the past, and expects to continue receiving such funding relating to facilities costs of certain of its charter school facilities. However, there can be no assurances that the Lessee will continue to qualify for or receive SB 740 funding, or that such funding will not be reduced or eliminated by the State in the future. See "STATE FUNDING OF EDUCATION – SB 740 Facilities Grant Program Funding" and "CERTAIN RISK FACTORS – Specific Risks of Charter Schools" herein, and "APPENDIX A – CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP – SB 740" attached hereto. The financial projections set forth in Appendix A attached hereto assume the receipt of SB 740 funding relating to certain of the Lessee's in fiscal year 2025-26 and future fiscal years, and a failure to receive such funding would negatively affect the Lessee's finances.

Cybersecurity

The Lessee, like many other public and private entities, relies on a technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Lessee is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Lessee's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that the Lessee's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Lessee. The Lessee carries cybersecurity insurance.

ABSENCE OF MATERIAL LITIGATION

The Authority

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Bonds, the completeness or accuracy of this Limited Offering Memorandum or the existence or powers of the Authority relating to the sale of the Bonds.

The Borrower

To the knowledge of the Borrower, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Borrower seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Borrower taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Borrower in connection with the Bonds, the completeness or accuracy of this Limited Offering Memorandum or the existence or powers of the Borrower relating to the sale of the Bonds.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Tax-Exempt Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX H – FORM OF OPINION OF BOND COUNSEL" attached hereto.

The following discussion summarizes certain United States federal income tax considerations generally applicable to U.S. Holders (as defined in the Taxable Bonds discussion, below) of the Tax-Exempt Bonds that acquire their Tax-Exempt Bonds in the initial offering, and does not address tax considerations applicable to any investors in the Tax-Exempt Bonds other than investors that are U.S. Holders.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The Authority, the Borrower, and the Lessee have made certain representations and covenanted to comply with certain

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restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied on, among other things, the opinion of Musick, Peeler & Garrett LLP, counsel to the Borrower and the Lessee ("Borrower's Counsel"), regarding the current qualification of each of the Borrower and the Lessee as an organization described in Section 501(c)(3) of the Code and the intended operation of the facilities to be financed by the Tax-Exempt Bonds as substantially related to the Borrower's and Lessee's charitable purposes under Section 513(a) of the Code. Such opinion is subject to a number of qualifications and limitations. Furthermore, Borrower's Counsel cannot give and has not given any other opinion or assurance concerning Section 513(a) of the Code and neither Bond Counsel nor Borrower's Counsel can give or has given any other opinion or assurance about the future activities of the Lessee or the Borrower, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or changes in enforcement thereof by the IRS. Failure of the Lessee to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Tax-Exempt Bonds in a manner that is substantially related to the Lessee's charitable purposes under Section 513(a) of the Code, may result in interest payable with respect to the Tax-Exempt Bonds being included in federal gross income, possibly from the date of the original issuance of the Tax-Exempt Bonds.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, the Borrower and the Lessee, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority, the Borrower and the Lessee have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Borrower, the Lessee or the beneficial owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority, the Borrower or the Lessee legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the Authority, the Borrower, the Lessee or the beneficial owners to incur significant expense.

Payments on the Tax-Exempt Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Tax-Exempt Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Tax-Exempt Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Tax-Exempt Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Taxable Bonds

Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Taxable Bonds.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at

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which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

For U.S. Holders of Taxable Bonds

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum

marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the Authority defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

For Non-U.S. Holders of Taxable Bonds

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the Beneficial Owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA,")—U.S. Holders and Non-U.S. Holders," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the Beneficial Owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the Beneficial Owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Beneficial Owner provides the certification, the

certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury.

Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders of Taxable Bonds

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

APPROVAL OF LEGALITY

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, the approval of certain matters for the Authority by the Honorable Rob Bonta, Attorney General of the State, the approval of certain matters for the Underwriter by Stradling Yocca Carlson & Rauth LLP, as Underwriter's counsel, and the approval of certain matters by Musick, Peeler & Garrett LLP, as counsel to the Borrower. Bond Counsel, the Underwriter and its counsel will receive compensation contingent upon the sale and delivery of the Bonds. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix H hereto. Neither Bond Counsel nor the Attorney General undertakes any responsibility for the accuracy, completeness or fairness of this Limited Offering Memorandum. Musick, Peeler & Garrett LLP will also render certain opinions pertaining to MERF as described herein under "TAX MATTERS."

RATING

Moody's Investors Service ("Moody's") has assigned the Bonds a rating of "Baa3" with a stable outlook. Such rating reflects only the views of Moody's and any explanation of the significance of the rating should be obtained from Moody's, at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007.

Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. A rating is not a recommendation to buy, sell or hold securities. There is no assurance that any rating or outlook will continue for any given period of time or that it will not be

revised downward or withdrawn entirely by Moody's if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

The Borrower and MERF have covenanted in a Continuing Disclosure Agreement to file on the Electronic Municipal Market Access ("EMMA") website operated by the Municipal Securities Rulemaking Board notices of any rating changes on the Bonds. See "CONTINUING DISCLOSURE" herein and "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the Borrower or MERF and prior to the date the Borrower and MERF are obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

LIMITED OFFERING OF BONDS

The Bonds are exempt from registration under federal securities law but are being offered only to a limited number of sophisticated investors and will be sold only to purchasers who are Qualified Institutional Buyers or Accredited Investors. By purchasing the Bonds, each investor is deemed to have made the acknowledgments, representations, warranties and agreements set forth under the heading "TRANSFER RESTRICTIONS" herein.

CONTINUING DISCLOSURE

The Borrower, MERF and KNN Public Finance, LLC, as Dissemination Agent, will execute and deliver one or more Continuing Disclosure Agreements pursuant to which the Borrower and MERF will, for the benefit of the Beneficial Owners of the Bonds, periodically compile and deliver to the Trustee certain financial information and operating data relating to the operations of the Borrower, the Members of the Obligated Group, and the Schools, and provide notices of the occurrence of certain enumerated events. These covenants have been made to assist the Underwriter in complying with the Rule. A form of the Continuing Disclosure Agreement is attached hereto as Appendix F.

The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell Bonds and the Authority will not provide any such information. The Authority shall have no liability to the Holders of the Bonds or any other person with respect to the Rule.

Prior Undertakings. MERF and the Borrower previously entered into continuing disclosure undertakings pursuant to the Rule in connection with the issuance of (i) the Authority's Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Draw Down Series 2017A, (ii) the Prior Bonds, and (iii) the Grant Anticipation Notes, and MERF and MPM Sherman Way entered into a continuing disclosure undertaking pursuant to the Rule in connection with the issuance of the Authority's School Facility Revenue Bonds (Magnolia Science Academy-1, Reseda Project) Series 2014A and Series 2014B (Taxable) (collectively, the "Prior Undertakings"). Within the last five years, none of the Borrower, MERF, nor MPM Sherman Way have failed to file reports or material required under the Prior Undertakings. However, portions of the annual reports required under the Prior Undertakings for fiscal years 2020 and 2021 were filed 268 days and 92 days late, respectively. Portions of the annual reports for fiscal years 2019 and 2023 were filed one day late. In addition, quarterly reports due under the Prior Undertakings were filed late for four quarters during the last five years, ranging from one day to 46 days. In addition, in connection to the undertaking related to the Grant Anticipation Notes, a portion of the annual report was filed 16 days late.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $_____ (being the principal amount of the Bonds, plus/less aggregate net original issue premium/discount of $_____, less an Underwriter's discount of $_____). The Bond Purchase Agreement ("Bond Purchase Agreement") pursuant to which the Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Underwriter may offer and sell the Bonds to certain dealers, institutional investors, banks, and others at prices different from the prices stated on the inside cover page of this Limited Offering Memorandum. The offering prices may be changed from time to time by the Underwriter. The Underwriter is not obligated to create a secondary market for the purchase or sale of the Bonds and there may, in fact, be no market for the Bonds depending upon prevailing market conditions, the financial condition or market position of firms who make up the secondary market and the financial position and results of operations of the Borrower and MERF.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Authority, the Borrower or the Lessee and to persons and entities with relationships with the Authority, the Borrower or the Lessee, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority or the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority, the Borrower or the Lessee.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority, the Borrower or the Lessee.

MUNICIPAL ADVISOR

Buck Financial Advisors LLC (the "Municipal Advisor") has acted as Municipal Advisor to MERF and the Borrower in conjunction with the issuance of the Bonds. The Municipal Advisor has assisted the Borrower in preparation of this Limited Offering Memorandum and in other matters related to the planning, structuring, and issuance of the Bonds. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the Bonds.

The Municipal Advisor has not audited, authenticated or otherwise independently verified the information set forth in the Limited Offering Memorandum, or any other information related to the Bonds with respect to the accuracy or completeness of disclosure of such information. The Municipal Advisor makes no guaranty, warranty or other representation respecting the accuracy or completeness of this Limited Offering Memorandum or any other matter related to this Limited Offering Memorandum.

MISCELLANEOUS

The foregoing and subsequent summaries and descriptions of provisions of the Bonds and the Bond Indenture and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and reference is made to said documents for full and complete statements of their provisions. The appendices attached hereto are a part of this Limited Offering Memorandum. Copies, in reasonable quantity, of the Bond Indenture and Loan Agreement may be obtained during the offering period upon request directed to the Underwriter.

NONE OF THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY OTHER THAN THE INFORMATION UNDER THE CAPTIONS "THE AUTHORITY" AND "ABSENCE OF MATERIAL LITIGATION – THE AUTHORITY." THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY (OTHER THAN IN THE SECTIONS IDENTIFIED ABOVE) OR COMPLETENESS OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM.

The distribution of this Limited Offering Memorandum has been approved by the Authority, the Borrower and MERF.

MAGNOLIA PROPERTIES MANAGEMENT, INC., as Borrower

By:_____
Alfredo Rubelcava
President

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION, as Lessee

By:_____
Alfredo Rubelcava
Chief Executive Officer and Superintendent

APPENDIX A

CERTAIN INFORMATION REGARDING MERF, THE SERIES 2026 SCHOOLS, THE BORROWER AND THE MEMBERS OF THE OBLIGATED GROUP

APPENDIX B

CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF MERF AND AFFILIATES FOR THE FISCAL YEAR ENDED JUNE 30, 2025

APPENDIX C

SUMMARY OF PRINCIPAL BOND DOCUMENTS

APPENDIX D

SUMMARY OF THE LEASES AND THE SCHOOL LOAN AGREEMENTS

APPENDIX E

CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING

Leroy F. Greene School Facilities Act of 1998

General. The State's Leroy F. Greene School Facilities Act of 1998 (the "Greene Act") established, among other things, funds in the State Treasury known as the 1998 State School Facilities Fund approved by Proposition 1A, the 2002 State School Facilities Fund approved by Proposition 47, the 2004 State School Facilities Fund approved by Proposition 55, the 2006 State School Facilities Fund approved by Proposition 1D, the 2016 State School Facilities Fund approved by Proposition 51, and the 2024 State School Facilities Fund approved by the voters of the State on November 5, 2024 (each, a "State School Facilities Fund"). Pursuant to the Greene Act, all money in each of the respective State School Facilities Funds, including any money deposited in such State School Facilities Fund from any source, is continuously appropriated without regard to fiscal years for expenditure pursuant to the Greene Code.

The following public agencies and bodies are involved in implementing portions of the Greene Act in connection with the State School Facilities Funds.

State Allocation Board. The State Allocation Board determines the allocation of State resources including, among other things, proceeds of general obligation bonds and other designated State funds for new construction and modernization of public school facilities. The State Allocation Board is authorized to make apportionments from amounts on deposit in the applicable State School Facilities Fund and any amount of bonds that the State School Building Finance Committee has authorized but the State Treasurer has not sold. The State Allocation Board is permitted to make disbursements pursuant to any apportionment made from any funds in the applicable State School Facilities Fund irrespective of whether there exists at the time of the disbursement an amount in such State School Facilities Fund sufficient to permit payment in full of all apportionments previously made.

Office of Public School Construction. The Office of Public School Construction (the "Office of Public School Construction") serves as staff to the State Allocation Board. The Office of Public School Construction verifies that all applicants meet specific criteria based on the type of eligibility of funding which is being requested and to work with applicants to assist them through the process.

Division of the State Architect. The Division of the State Architect (the "Division of the State Architect") reviews plans and specifications to ensure that they comply with the State's building codes, including, but not limited to, those relating to structural and seismic safety. The Division of the State Architect's approval is required prior to the execution of a construction contract for which the applicant seeks State funding.

School Facilities Planning Division. The California Department of Education's School Facilities Planning Division (the "School Facilities Planning Division") reviews and approves school district and public school sites and construction plans to ensure, among other things, the proposed facility is adequate for education and whether the needs of students and faculty will be met.

California School Finance Authority. With respect to charter schools, the Authority is required under the Greene Act to make a determination as to each applicant's financial soundness as a condition to eligibility for the program. See " – Charter School Facilities Program – Financial Soundness Requirement" herein.

State School Facilities Bonds

Proposition 47. The Class Size Reduction Kindergarten – University Public Education Facilities Bond Act of 2002 appeared on the November 5, 2002 ballot as Proposition 47 ("Proposition 47") and was approved by State voters. Proposition 47 authorized the sale and issuance of $13.05 billion in general obligation bonds by

the State to fund construction and renovation of K-12 school facilities ($11.4 billion) and higher education facilities ($1.65 billion). Proposition 47 includes $6.35 billion for land acquisition and new construction. To be eligible for bond proceeds under Proposition 47, K-12 school districts are required to pay 50% of the costs for land acquisition and new construction with local revenues. Proposition 47 also provided that up to $100 million would be allocated for charter school facilities.

Proposition 55. The Kindergarten-University Public Education Facilities Bond Act of 2004 appeared on the March 2, 2004 ballot as Proposition 55 ("Proposition 55") and was approved by State voters. Proposition 55 authorizes the sale and issuance of $12.3 billion in general obligation bonds by the State for funding construction and renovation of public K-12 school facilities ($10 billion) and public higher education facilities ($2.3 billion). Under Proposition 55, a school district is required to provide a 50% matching share for new construction or a 60% matching share for modernization projects with local resources unless it qualifies for state hardship funding. Proposition 55 also allocates up to $300 million of new construction funds for charter school facilities.

Proposition 1D. The Kindergarten-University Public Education Facilities Bond Act of 2006 was approved by State voters at the November 7, 2006 ballot as Proposition 1D ("Proposition 1D"). Proposition 1D authorizes the sale and issuance of $10.4 billion in general obligation bonds by the State for funding the construction and renovation of public K-12 school facilities ($7.3 billion) and public higher education facilities ($3.1 billion). Proceeds of bonds issued by the State under Proposition 1D are required to be deposited in the 2006 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 1D includes $1.9 billion for land acquisition and construction of new school buildings. Under Proposition 1D, a school district is required to pay for 50% of costs with local resources unless it qualifies for state hardship funding. Proposition 1D also allocates $500 million for charter school facilities.

Proposition 51. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 ("Proposition 51") was approved by voters of the State on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in State general obligation bonds by the State for new construction and modernization of K-12 and community college facilities. Proceeds of bonds issued by the State under Proposition 51 are required to be deposited in the 2016 State School Facilities Fund established in the State Treasury under the Greene Act and allocated by the State Allocation Board. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. Proposition 51 allocates $500 million for charter school facilities.

2024 State School Facilities Bond. The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (the "2024 State School Facilities Bond" was a ballot measure that was approved by State voters on November 5, 2024. The 2024 State School Facilities Bond authorizes the sale and issuance of $10 billion in State general obligation bonds for the repair, upgrade and construction of facilities at K-12 public schools, community colleges and career technical education programs, including the development of health and safety conditions. The 2024 State School Facilities Bond includes $3.3 billion for the new construction of K-12 facilities and an additional $4 billion for the modernization of existing K-12 facilities. A total of $600 million will be available for the modernization and new construction of charter school facilities. However, the Project is not eligible for funds related to the 2024 State School Facilities Bond, as only new applicants may receive such funds.

Charter School Facilities Program

This section describes the general process by which a charter school project may qualify for funding under the State's Charter School Facilities Program. For specific information on the current status of the funding for the MSA-5 Facility under the CSFP program, please see " – MSA-5 – Milestones Achieved and Current Status Under the Charter School Facilities Program" below.

The Charter School Facilities Program allows charter schools to access state facility funding for new construction and is jointly administered by (i) the Office of Public School Construction, on behalf of the State Allocation Board, and (ii) the Authority. Of awards under the Charter School Facilities Program in respect of an eligible project, 50% will be received in the form of a grant from the State, while the remaining 50%, constituting the Local Matching Share (defined herein), will be in the form of a loan that will be repaid to the State through level payments over 30 years. See " – MSA-5 – Milestones Achieved and Current Status Under the Charter School Facilities Program – Loan for Local Matching Share; Interest Rate."

Charter School Facilities Accounts. Although the Greene Act was approved in 1998 in conjunction with the passage of a State school facilities bond authorized as Proposition 1A, no funds were allocated for charter schools under Proposition 1A. It was only in 2002, with the passage of Proposition 47, that the Charter School Facilities Program (the "Charter School Facilities Program") was established to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils. In accordance therewith, the Greene Act established a 2002 Charter School Facilities Account within the 2002 State School Facilities Fund, a 2004 Charter School Facilities Account within the 2004 State School Facilities Fund, a 2006 Charter School Facilities Account within the 2006 State School Facilities Fund, a 2016 Charter School Facilities Account within the 2016 State School Facilities Fund, and a 2024 Charter School Facilities Account within the 2024 State School Facilities Fund (each, a "Charter School Facilities Account"). Pursuant to the Greene Act, amounts on deposit in each Charter School Facilities Account are to be continuously appropriated for the purposes set forth in the Greene Act for charter schools.

Funding under the Charter School Facilities Program is available to school districts applying on behalf of charter schools that are physically within the boundaries of such school district and to charter schools, so long as the charter school has provided notice to the superintendent and governing board of the school district in whose boundaries the charter school is located.

Local Matching Share. Facilities funded pursuant to the Charter School Facilities Program are required to have a 50% local share matching obligation for site acquisition and new construction (the "Local Matching Share"). The State will fund an amount not to exceed 50% of the total project cost. Site acquisition costs may include up to 50% of the cost for the review, approval and oversight of the Phase I Environmental Site Assessment and the Preliminary Endangerment Assessment. The Local Matching Share can be provided through a lump sum payment or payments or through lease or loan payments to the State. If the applicant expects to receive a significant contribution from a third party, the applicant is required to provide information describing whether it proposes to use the contribution to cover costs which are in excess of the eligible costs as determined by the State Allocation Board or to meet the applicant's Local Matching Share or both. See " – MSA-5 – Local Matching Share" herein.

Governmental Approvals. Projects eligible to be funded under the Charter School Facilities Program are limited to new construction or rehabilitation of school facilities for charter school pupils and are required to comply with all requirements regarding public school construction, plan approvals, toxic substance review, site section and site approval, including regulations adopted by the Division of the State Architect. The approval granted by the Division of the State Architect must be current as of the time of submittal. In addition, all plans and specifications for new construction or rehabilitation of any school building require the Division of the State Architect's approval prior to signing a construction contract. In the event that the applicant enters into a contract for construction prior to receiving approval from the Division of the State Architect, the project may not be approved. See " – MSA-5 – Governmental Approvals" herein.

The Charter School Facilities Program requires any plans submitted to the Office of Public School Construction to have the approval of the California Department of Education (the "Department of Education"). The final plan approval letter from the Department of Education must accompany the funding application. If the proposed project site has not previously received the approval of the Department of Education, the Department of Education must approve the proposed site for any new construction project (the "CDE Site Approval"). In addition to the Department of Education's site approval letter, the Office of Public School Construction requires each applicant to provide an appraisal (an "Appraisal") dated within six months of the application submittal and an escrow closing statement or court order of condemnation proceedings.

The Government Code sets forth certain requirements with respect to hiring design professionals and standards. The applicant is required to adhere to regulations regarding procurement and prevailing wage rules. If the Office of Public School Construction determines that the applicant has not complied with such rules, the applicant is permitted to appeal to the State Allocation Board. However, the applicant may be penalized or lose the requested Apportionment in its entirety.

The application process requires the charter school to submit a Form SAB 50-09 and supporting documents, which provide the Office of Public School Construction with general project information to determine the future new construction or rehabilitation adjusted grant, the grade level of the project, and the number of pupils to be served by the project. Once the Office of Public School Construction receives the preliminary application, it will conduct an initial review to ensure that the pupil grants or rehabilitation square footage requested is commensurate with the project being built.

Financial Soundness Requirement. The Greene Act requires the Authority to make a determination for each applicant pursuant to the Greene Act (a "Financial Soundness Determination"). The Greene Act mandates that, in order to be eligible for the Charter School Facilities Program, a charter school demonstrate, over a period of time determined by the Authority, but not less than 24 months immediately preceding the submission of the application, that the applicant has operated as a financially capable concern in the State, as measured by criteria established by the Authority. A charter school that cannot demonstrate that it has been a financially capable concern for at least 24 months immediately preceding the submission of the application, due solely to not having operated as a charter school for at least 24 months, may meet the 24-month requirement if the charter school is managed by staff who have at least 24 months of documented experience, as measured by criteria established by the Authority and the charter school has an educational plan, financial resources, facilities expertise, management expertise, and has been a financially capable concern for at least 24 months, as established by the Authority. See " – MA-5 – Financial Soundness Requirement" herein.

A Financial Soundness Determination by the Authority is valid for twelve months. A valid Financial Soundness Determination is required for a Preliminary Apportionment, each Advance Apportionment, and for an Unfunded Approval. See " – Unfunded Approvals" below.

Preliminary Apportionment. The Charter School Facilities Program requires each applicant to submit a certification from the governing board of the district within which the charter school is physically located of the number of unhoused pupils for that district determined pursuant to the Greene Act that will be housed by the project for which the preliminary application has been submitted. The Authority is required to consider whether the applicant is financially sound and, if so, to make a Financial Soundness determination (defined herein) and to make a recommendation to the State Allocation Board. The State Allocation Board may approve the preliminary application and a Preliminary Apportionment for funding pursuant to the Greene Act. The term "Preliminary Apportionment" means an apportionment or reservation of funds made by resolution of the State Allocation Board for eligible applicants under the Charter School Facilities Program, in advance of full compliance with all of the application requirements otherwise required for an apportionment pursuant to Charter School Facilities Program. In addition, the State Allocation Board may authorize the release of funds for planning and site acquisition prior to the approval of the project by the Department of General Services pursuant to the Field Act. See " – MSA-5 – Preliminary Apportionment" herein.

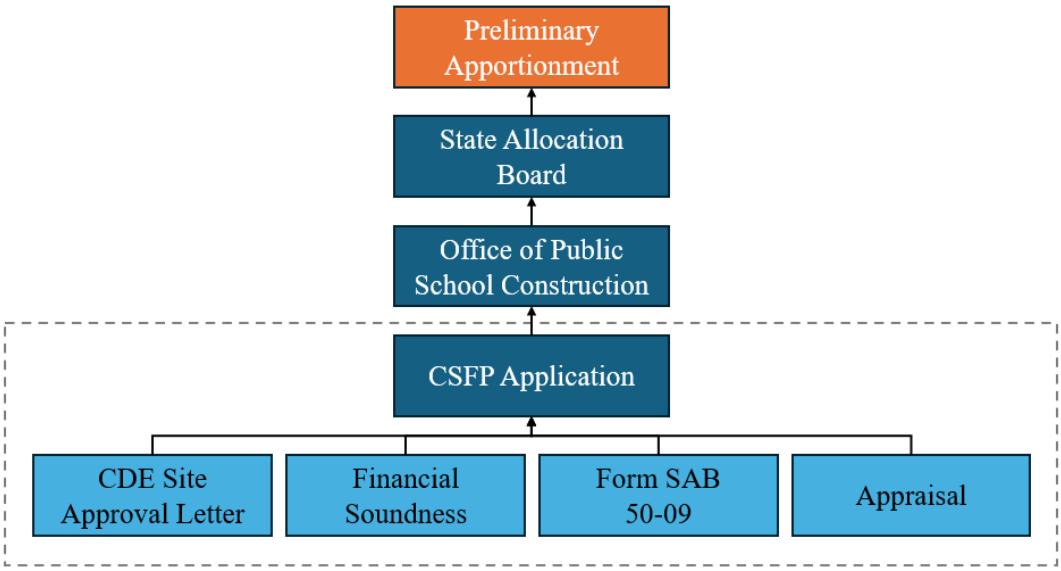
Preliminary Apportionment Process. If the estimated total apportionment of applicants with a Financial Soundness Determination exceeds the funds available, the State Allocation Board will allocate Preliminary Apportionments or Final Apportionments by seeking to ensure that, when considered as a whole, the approved applications are fairly representative of (i) various geographical regions of the State, (ii) urban, rural, and suburban regions of the State, (iii) large, medium, and small charter schools throughout the State, and (iv) the various grade levels of the pupils served by charter school applications. Within each of the aforementioned categories, the State Allocation Board is required to give preference to charter schools in overcrowded school districts, charter schools in low-income areas, charter schools operated by nonprofit entities, and charter schools that use existing district facilities.

To the extent that the value of the eligible applications exceeds the amount that the State Allocation Board has available for providing Preliminary Apportionments or Final Apportionments, the Office of Public School Construction will use a process to determine the priority of each project (the "Priority Funding Process"). The preference point system allows applicants to receive up to 160 points, which includes 40 points for status as a nonprofit, 40 points for rehabilitation projects, a sliding scale of zero to 40 points for charter schools in low income areas, and a sliding scale of zero to 40 points for charter schools in overcrowded school districts.

The Preliminary Apportionment serves as a reservation of funds for a project during the period in which the applicant solicits approvals from the various State entities for such project.

The following diagram reflects the requirements and process to obtain a Preliminary Apportionment.

FIGURE 2
REQUIREMENTS AND PROCESS TO PRELIMINARY APPORTIONMENT



Source: The Borrower.

State Allocation Board Applications and Charter School Agreements. In order to receive an advance release of the Preliminary Apportionment (an "Advance Apportionment") or Final Apportionment for site acquisition, an applicant is required to submit an application to request authorization for fund release ("Form SAB 50-05"), have a current Financial Soundness Determination and execute each of the Charter School Agreements (defined herein) to the extent applicable. The agreement setting forth the terms of use of program funds and project facilities and identifying the respective roles and responsibilities of each party involved in the project (the "Memorandum of Understanding"), the agreement describing the terms of payment of the Local Matching Share (the "Funding Agreement"), and the agreement between the school district/local government

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entity and the charter school pertaining to the use of the facility (the "Use Agreement") are, collectively, referred to herein as the "Charter School Agreements." In addition, the applicant must receive a CDE Site Approval, provide an Appraisal, and submit an application for Preliminary Apportionment ("Form SAB 50-09"). If the charter school holds title to the property, the charter school must also provide executed covenants, conditions, and restrictions, a preliminary title report, and an insurance policy.

Conversion and Unfunded Approvals. Eligible applicants for the Charter School Facilities Program have four years to convert their Preliminary Apportionments to an Unfunded Approval. Applicants are permitted to apply for a single one-year extension, which the State Allocation Board may grant at its discretion. If an extension is sought, the State Allocation Board requires applicants to provide evidence that the Department of Education has made a contingent or final CDE Site Approval of the proposed site and the Division of the State Architect has confirmed it has received the final project plans for review and approval, or other evidence satisfactory to the State Allocation Board justifying the extension.

To place a proposed project on the Unfunded List, an eligible applicant must complete the following steps pursuant to which a Preliminary Apportionment becomes eligible for conversion by the State Allocation Board to a Final Apportionment: (i) receipt of a Financial Soundness Determination from the Authority applicable to the Final Apportionment, (ii) entry into the Charter School Agreements described above, (iii) the Division of the State Architect approval of the applicant's project plans and specifications and issuance of a Notice to Proceed, (iv) applicant has filed Form SAB 50-04 Application for Funding with the California Department of General Services, Office of Public School Construction, and (v) compliance with all rules and regulations of the Charter School Facilities Program, now or hereafter created, applicable to applicant's Application or Applications (collectively, "Conversion").

Upon completion of the Conversion process by the applicant, and approval of the final project costs by the State Allocation Board, the applicant has an "Unfunded Approval," which means that the State Allocation Board has resolved to make a Final Apportionment in accordance with the Greene Act once funds are available in the State School Facilities Funds. In addition, the State Allocation Board will place the proposed project on the "Unfunded List."

To the extent that the State issues general obligation bonds, which include amounts allocable to the State School Facilities Bonds, amounts may be deposited in the State School Facilities Funds. The allocation of the Final Apportionment is subject to the ability of the State Allocation Board to apportion those funds. The approval of a project and the placement of such project on the Unfunded List do not constitute a guarantee or commitment of future State funding and may not be relied on in any manner as any kind of representation or indication of future State funding. Since the commencement of the Charter School Facilities Program, the State has appropriated funding for every project that has been listed on the Unfunded List (except that funding has not yet been appropriated for the projects listed as Unfunded Approvals on Table 3 below).

Final Apportionment. To receive a Final Apportionment, the applicant must submit a complete request within four years of the date of the Preliminary Apportionment unless the applicant has received approval of an extension pursuant to Section 1859.166.1 of Title 2 of the California Code of Regulations. If the request for Final Apportionment is equal to or less than the Preliminary Apportionment, the Final Apportionment will be funded entirely. The State Allocation Board will transfer the difference between the Final Apportionment and the Preliminary Apportionment to the Unrestricted Charter School Fund in the appropriate Charter School Facilities Account. The Final Apportionment will become the full and final apportionment for the project.

If the request for Final Apportionment is greater than the Preliminary Apportionment, the State Allocation Board has the authority to convert the Preliminary Apportionment to a Final Apportionment by either (a) funding the Final Apportionment entirely if the balance in the Unrestricted Charter School Fund in the appropriate Charter School Facilities Account is greater than the difference in the Final Apportionment and the Preliminary Apportionment or (b) funding the Final Apportionment using any remaining balance in the Unrestricted Charter School Fund in the appropriate Charter School Facilities Account if the balance in the

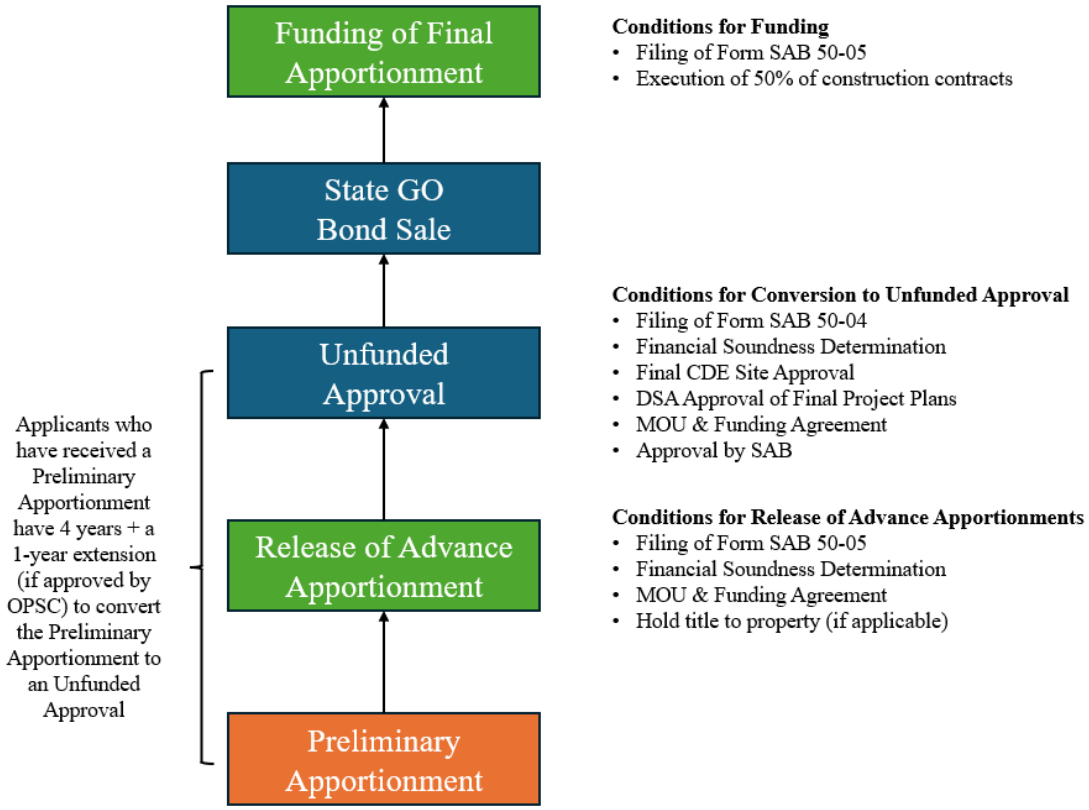
Unrestricted Charter School Fund in the appropriate Charter School Facilities Account is less than the difference in the Final Apportionment and the Preliminary Apportionment. In either case, such Final Apportionment will be the full and final apportionment for the project.

The amount of any Unfunded Approval will not exceed the funds on deposit in the applicable State School Facilities Fund together any amount of bonds which the State School Building Finance Committee has authorized but the State Treasurer has not yet sold. See " – Allocation of State General Obligation Bond Proceeds" and "CERTAIN RISK FACTORS" herein.

If the applicant fails to complete the request for a Final Apportionment in a timely manner, the State Allocation Board will rescind the applicant's Preliminary Apportionment, including any portion that has been released as an Advanced Release of funds as provided in Section 1859.164.2 of the California Code of Regulations. Such amounts will be transferred to the Unrestricted Charter School Fund within the appropriate Charter School Facility Account.

Historical Awards and Funding. To date, Final Apportionments under the Charter School Facilities Program have been received in response to 108 applications, funding facilities projects for 86 charter schools. Since the commencement of the Charter School Facilities Program, the State has appropriated funding for every project that has been listed on the Unfunded List (except that funding has not yet been appropriated for the projects listed as Unfunded Approvals on Table 3 below). To date, only six applicants that have received an Advance Apportionment later abandoned the applicable project without converting to a Final Apportionment. The following diagram reflects the requirements and process to obtain funding for a Final Apportionment.

FIGURE 3
REQUIREMENTS AND PROCESS TO FINAL APPORTIONMENT



Source: The Borrower.

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MSA-5 – Milestones Achieved and Current Status Under the Charter School Facilities Program

This section describes the specific progress of MERF in seeking funding for the MSA-5 Facility under the Charter School Facilities Program requirements initially described above under " – Charter School Facilities Program."

The following timeline indicates the completion of various steps by MERF in seeking funding for the MSA-5 Facility under the Charter School Facilities Program. MERF is pursuing certain approvals and funding for the Project in three phases or "increments" as follows: the 1st increment, consisting of site work; the 2nd increment, consisting of construction of the academic building; and the 3rd increment, consisting of construction of the gymnasium.

Date	*Event/Description*
May 2022	**Application Submittal:** MERF submitted its initial application for a Preliminary Apportionment through the Charter School Facilities Program to the Office of Public School Construction in May 2022.
October 2022	**Financial Soundness Determination:** On October 24, 2022, the Authority adopted a resolution approving a Financial Soundness Determination for MERF which was applicable for a Preliminary Apportionment and an Advance Apportionment for the Project.
October 2022	**Allocation of Preliminary Apportionment:** On October 26, 2022, the State Allocation Board allocated to MERF a Preliminary Apportionment in the amount of $50,832,332 for the acquisition and development of the MSA-5 Facility. MERF is currently in the process of Conversion to receive a Final Apportionment for the MSA-5 Facility.
March 2024	**Financial Soundness Determination:** On March 28, 2024, the Authority adopted a resolution approving a Financial Soundness Determination for MERF for the purpose of an Advance Apportionment.
June-July 2024	**Submission of Plans to DOE:** MERF submitted plans and specifications relating to the MSA-5 Facility to the Department of Education for final site approval in June 2024 and final plan approval in July 2024.
September 2024	**Site Approval:** The Department of Education provided to MERF its final site approval for the MSA-5 Facility on September 16, 2024.
September 2024	**Division of the State Architect Approval** – 1st Increment: The Division of the State Architect approved the Project plans and specifications for the 1st increment of the Project on September 25, 2024.
January 2025	**Plan Approval:** The Department of Education provided to MERF its final plan approval for the MSA-5 Facility on January 3, 2025.
June 2025	**Division of the State Architect Approval** – 2nd Increment: The Division of the State Architect approved the Project plans and specifications for the 2nd increment of the Project in June 2025.
January 2026	**Division of the State Architect Approval** – 3rd Increment: The Division of the State Architect approved the Project plans and specifications for the 3rd increment of the Project in January 2026.

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Date	*Event/Description*
February 2026	**Submission of Form SAB 50-04** – MERF submitted Form SAB 50-04 in February 2026, well in advance of the October 26, 2026 deadline. Form 50-04 includes, among other things, MERF's final requests for Project funding for the applicable increment, reflecting all adjustments and revisions to Project costs since the Preliminary Apportionment. The total amount of apportionment expected to be received is currently $49,878,660.

For projected completion of remaining steps in the process to receive a Final Apportionment for the MSA-5 Facility, see " – Allocation of State General Obligation Bond Proceeds" below.

Funding to Date. Since the date of the Preliminary Apportionment, MERF has received approximately $13,832,733 from the State Allocation Board, which includes $3,952,733.20 for design costs and $9,880,000 for site acquisition and preparation costs. Pursuant to the Greene Act, MERF is required to effect the Conversion (defined herein) of the Preliminary Apportionment to a Final Apportionment by October 26, 2026; provided that, if an extension is approved, the deadline for the Conversion may be as late as October 26, 2027. See "CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING – Charter School Facilities Program – Preliminary Apportionment" herein.

Loan for Local Matching Share; Interest Rate. Of the total funding received under the Charter School Facilities Program in respect of the MSA-5 Facility, 50% will be received in the form of a grant, while the remaining 50%, constituting the Local Matching Share, will be in the form of a loan that will be repaid to the State through level payments over 30 years. See " – Charter School Facilities Program – Local Matching Share" above. Given the amount reflected in the Form SAB 50-04 submitted for the MSA-5 Facility of $49,878,660, the loan for MERF's Local Matching Share would be in the amount of $24,939,330.

Pursuant to Education Code Section 17078.57, the interest rate in respect of this loan will be the lower of (i) the rate paid on moneys in the State's Pooled Money Investment Account as of the date of disbursement of the funding, or (ii) a rate equal to 50% of the interest rate paid by the State on the most recent sale of State general obligation bonds, in each case with such interest rate computed according to the true interest cost method.

Current Status of the Conversion Process by MERF

Financial Soundness Determination. Pursuant to the Charter School Facilities Program, MERF must receive a Financial Soundness Determination from the California School Finance Authority applicable to the Final Apportionment. MERF has received Financial Soundness Determinations in the past. However, the Authority's regulations for the Charter School Facilities Program provide that a Financial Soundness Determination will be valid for a period of 12 months for purposes of the State Allocation Board's approval of an application for Final Apportionment. MERF expects to receive its next Financial Soundness Determination in March 2026, which may be in place through MERF's completion of the Conversion process.

Execution of the Charter School Agreements. In connection with the Unfunded Approval of a disbursement of the loan portion of the Final Apportionment, the Borrower is required to enter into Charter School Agreements to the extent applicable. See "– State Allocation Board Applications and Charter School Agreements." MERF executed the Funding Agreement, dated as of June 23, 2023, among the State Allocation Board, the Authority and MERF. The Borrower also executed the Memorandum of Understanding, dated as July 12, 2023, by and among the State Allocation Board, the Authority and MERF, as operator of MSA-5.

Approval by the California Department of Education. On April 24, 2023, the Department of Education provided to MERF its Initial CDE Evaluation. The Department of Education requires, among other things, approval of the MSA-5 Facility by the Department of Toxic Substances Control ("DTSC") in order to grant the CDE Site Approval. DTSC approved the Project in October 2023; and the Department of Education provided

its final site approval for the MSA-5 Facility in September 2024. See "CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING – Allocation of State General Obligation Bond Proceeds."

Approval by the Division of the State Architect. As of the date hereof, the Division of the State Architect has received MERF's Project plans and specifications for all three increments of the Project and has issued plan approval for all three increments of the Project. See "CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING – Allocation of State General Obligation Bond Proceeds."

Execution of Binding Construction Contracts. MERF is required to execute binding contracts for at least 50% of the construction included in the plans and specifications applicable to the Project. Pursuant to the Charter School Facilities Program, the approval of the Division of the State Architect is a condition precedent to the execution of any construction contract. MERF had entered into binding construction contracts for the 2nd increment by November 2025, and such contracts with respect to the 1st increment and 2nd increment constitute greater than 50% of the construction included in the plans and specifications applicable to the Project. See "THE PROJECT – Construction Agreements" in the forepart of this Limited Offering Memorandum. Notwithstanding the foregoing, neither (i) execution of binding construction contracts for the entire Project, nor (ii) completion of construction of the 2nd increment are necessary to complete the Conversion process and to receive its Final Apportionment.

Filing of Form SAB 50-04. To complete the Conversion process, MERF is required to file Form SAB 50-04, the "Application for Funding," and submit such application to the State Allocation Board through the Office of Public School Construction. MERF submitted Form SAB 50-04 in February 2026, well in advance of the October 26, 2026 deadline. Form SAB 50-04 includes, among other things, MERF's final requests for Project funding for the applicable increment, reflecting all adjustments and revisions to Project costs since the Preliminary Apportionment. See "CHARTER SCHOOL FACILITIES PROGRAM AND AWARD FUNDING – Allocation of State General Obligation Bond Proceeds." The total amount of apportionment expected to be received in accordance with the Form SAB 50-04 submitted by MERF is currently $49,878,660.

MERF's Form SAB50-04 and the supporting materials submitted therewith will be reviewed by staff of the Office of Public School Construction before the project is considered for approval and placement on the Unfunded List by the State Allocation Board. MERF expects the State Allocation Board to consider its application in May 2026. Approval by the State Allocation Board in May 2026 would position the Project to be considered under the Priority Funding process in November 2026, and to receive proceeds of a Fall 2026 bond sale by the State. However, any delay in (i) consideration by the State Allocation Board, (ii) placement of the Project on the Unfunded List, or (iii) availability of proceeds of State general obligation bonds, may delay MERF's eligibility to receive such funding.

MERF expects the Project to be placed on the Unfunded List and expects to participate in the Priority Funding Process prior to the receipt of a Final Apportionment. Since the commencement of the Charter School Facilities Program, the State has appropriated funding for every project that has been listed on the Unfunded List (except that funding has not yet been appropriated for the projects listed as Unfunded Approvals on Table 3 below).

Allocation of State General Obligation Bond Proceeds

This Limited Operating Memorandum sets forth the projected date of the Unfunded Approval and the Final Apportionment, other applicants to the Charter School Facilities Program and their Preliminary Apportionments and current Conversion deadlines, and the State Allocation Board's remaining authorization for the Charter School Facilities Program as of the date hereof. The schedule by which MERF expects to receive its Unfunded Approval and the Final Apportionment for the Project involves known and unknown risks, uncertainties and other factors such as the completion of the Conversion process by other applicants and the

State's issuance of general obligation bonds that may cause actual results, performance or achievements to be materially different from those projected in the Limited Offering Memorandum.

MERF expects the State to issue general obligation bonds in 2026. The State will use the proceeds of such general obligation bonds to finance grants to various programs including, it is anticipated, MSA-5. The following table sets forth the Borrower's projected schedule of events and tasks culminating in receipt of its Final Apportionment.

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TABLE 1
THE PROJECT
Milestone Events and Tasks for Final Apportionment[(1)]

	1st Increment Dates	2nd Increment Dates	3rd Increment Dates
Submission of Project to the Division of the State Architect	June 2024	December 2024	April 2025[(2)]
Department of Education Approval	September 2024 (Site Approval) / January 2025 (Plan Approval)		
Division of the State Architect Approval	September 2024	June 2025[(2)]	January 2026[(2)]
Submission of Form SAB 50-04[(2)]	February 2026[(2)]		
State Allocation Board Approval; Placement of the Project on the Unfunded List	April 2026[(3)]		
Office of Public School Construction Approval	May-June 2026[(3)]		
Sale of General Obligation Bonds by the State of California and Funding of the State School Facilities Funds and Charter School Facilities Accounts[(4)]	Fall 2026[(3)]		
Submission of Form SAB 50-05 by MERF	Fall 2026[(2)] (following State G.O. Bond Sale)		
Funds Released – Final Apportionment paid to MERF	Fall 2026[(2)] (following submission of SAB 50-05)		

(1) The Project comprises the following three phases or "increments": 1st Increment, consisting of site work; 2nd increment, consisting of the academic building; and 3rd increment, consisting of the gymnasium.
(2) See "– Current Status of the Conversion Process by MERF" herein.
(3) Projected.
(4) To the extent the proceeds from the sale of State's general obligation bonds, which are expected to be issued in the Fall of 2026, are not sufficient to finance the Borrower's Final Apportionment, MERF is eligible to receive proceeds from a subsequent issuance of general obligation bonds. Neither MERF nor the Borrower can predict whether or when the State may issue State general obligation bonds.

Source: MERF.

To qualify for funding from proceeds of general obligation bonds, projects must be on the Unfunded List. In order to be placed on the Unfunded List, a project must receive a Preliminary Apportionment and complete the Conversion process. The following table sets forth the State Allocation Board's remaining unallocated authority to provide Final Apportionments, the Unfunded Approvals under each State School Facility Bond, and the remaining authority to provide Final Apportionments less the Unfunded Approvals.

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TABLE 2
CHARTER SCHOOL FACILITIES PROGRAM
Funding Authority for Charter School Facilities
($ in millions)

Bond Authorization	Original Funding Authority	[A] Remaining Funding Authority Excluding Unfunded Approvals (as of Jan. 28, 2026)	[B] Funding Reserved for Current Applicants[1]	[A-B] [C] Remaining Unallocated Authority[2] (as of Jan. 28, 2026)
Proposition 47	$100.0	3.4	2.7	0.7
Proposition 55	300.0	21.7	20.9	0.8
Proposition 1D	500.0	68.2	56.0	12.2
Proposition 51	500.0	77.0	66.6	10.4
Subtotal – Prop. 47 through Prop. 51	$1,400.0	$170.3	$146.2	$24.1
2024 State School Facilities Bond[4]	600.0	594.3	--	594.3
Total[3]	$2,000.0	$764.6	$146.2	$618.4

(1) Includes Unfunded Approvals and submitted applications for Unfunded Approvals (as reflected in Table 3 below), and current applicants (as reflected in Table 4 below).
(2) The State Allocation Board has not allocated the amounts set forth in the column titled "Remaining Unallocated Authority Including Unfunded Approvals" to any specific project.
(3) Includes $36,999,599 in respect of the Final Apportionment for the Project.
(4) The Project is not eligible for funding under the 2024 State School Facilities Fund. Only new applicants may qualify for such funding.
Source: Office of Public School Construction.

In the event that the proceeds available to finance grants under the Charter School Facilities Program are not sufficient to finance all projects on the Unfunded List, the State Allocation Board will fund projects in order of their State Allocation Board approval date and in order within each source of bonds. See "– State School Facilities Bonds."

On October 26, 2022, the Project received a Preliminary Apportionment from the State Allocation Board in the amount of $50,832,332, of which the State Allocation Board has disbursed $13,832,733. MERF expects that the Final Apportionment in the amount of $36,045,927 will be sufficient to pay principal of the Grant Anticipation Notes when due. This remaining amount of the Preliminary Apportionment is reserved for the Project until and unless MERF either fails to complete the Conversion process prior to the applicable deadline, or after having completed the Conversion process and with the Project placed on the Unfunded List, fails to timely submit a priority funding request.

The following table sets forth the aggregate amount of Final Apportionments approved by the State Allocation Board and aggregate amount of Preliminary Apportionments for applicants that have submitted Form SAB 50-04 to the State Allocation Board for approval.

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TABLE 3
CHARTER SCHOOL FACILITIES PROGRAM
Unfunded Approvals
As of December 3, 2025

	Number of Applicants	Apportionment
Applicants with Unfunded Approvals	7	$25,440,594.10[(1)(2)]

(1) These projects are presently awaiting funding from proceeds of State general obligation bonds. Includes $11.3 million for preliminary apportionments for design and site funding for four projects.
(2) As of December 3, 2025, there were no applicants with pending SAB 50-04 submissions.
Source: Office of Public School Construction.

As of December 3, 2025, there were ten applicants with Preliminary Apportionments that were left to Convert and are eligible for an aggregate Final Apportionment of approximately $120.5 million once they Convert.

TABLE 4
CHARTER SCHOOL FACILITIES PROGRAM
Allocation for Current Applicants
As of December 3, 2025

School District	Charter School	Application Date	Conversion Deadline	Allocation Amounts
Los Angeles Unified SD	**Magnolia Science Academy 5**	**5/2/2022**	**10/26/2026[(1)(2)]**	**$36,999,598.80**
Cascade Union Elementary SD	Tree of Life International Charter School	5/11/2022	10/26/2026[(1)(2)]	2,279,250.00
Natomas Unified SD	Natomas Charter School	6/1/2022	10/26/2026[(2)]	11,561,869.00
Natomas Unified SD	Natomas Charter School	6/1/2022	10/26/2026[(2)]	6,066,703.60
Sacramento City Unified SD	California Montessori Project - Capitol Campus	6/3/2022	10/26/2026[(2)]	6,994,092.30
San Diego Unified SD	King Chavez Academy of Excellence	6/3/2022	10/26/2026[(2)]	6,436,435.50
Shasta Union High SD	California Heritage YouthBuild Academy	5/2/2022	05/31/2027[(2)]	18,965,610.40
San Diego Unified SD	Kavod Charter School	6/3/2022	12/04/2027[(2)]	11,328,468.30
San Diego Unified SD	Kavod Charter School	6/3/2022	12/04/2027[(2)]	3,388,932.00
Twin Rivers Unified SD	Community Outreach Academy	6/3/2022	02/28/2028[(2)]	16,520,256.00
Total				$120,541,215.90

(1) Since December 3, 2025 (the effective date of this table), a Form SAB 50-04 has been submitted for this applicant and project.
(2) Such applicant is eligible for a one-time, one-year extension. However, neither MERF nor the Borrower can predict whether any or all of such applicants will complete the Conversion process prior to MERF.
Source: Office of Public School Construction.

The sum of (i) the CSFP award allocation for current applicants without Unfunded Approvals shown in Table 4 above (approximately $120.5 million) and (ii) the total apportionment for current Unfunded Approvals set forth in Table 3 above (approximately $55.4 million), equals approximately $146.0 million, which does not exceed the remaining funding authority for the applicable State School Facilities Funds reflected in Table 2 ($170.3 million). Thus, the State Allocation Board has sufficient authority under the Charter School Facilities Program to fully fund the Project and to place the Project on the Unfunded List when MERF completes the Conversion process. The State has not yet issued general obligation bonds to fund any of the projects reflected in Table 3 or Table 4.

While the voters in the State have approved the issuance of general obligation bonds to generate the necessary funds for the State Allocation Board to fund all of the current CSFP projects shown in Table 3 and Table 4 above, a number of additional procedural actions are required, including approval of the State School Building Finance Committee. MERF expects the Project to be placed on the Unfunded List upon the completion of the Conversion process and to receive a Final Apportionment from proceeds of general obligation bonds issued by the State in 2026 subject to availability of such funds. See "CHARTER SCHOOL FACILITIES PROGRAM – MSA-5 – Milestones Achieved and Current Status Under the Charter School Facilities Program."

History of Award Funding. As noted above, since the commencement of the Charter School Facilities Program, the State has appropriated funding for every project that has been listed on the Unfunded List (except that funding has not yet been appropriated for the projects listed as Unfunded Approvals on Table 3 above). No assurance can be made as to the date by which the State may issue general obligation bonds for the purpose of funding any award pursuant to the Charter School Facilities Program, including any award in respect of the MSA-5 Facility.

Issuance of State General Obligation Bonds. State general obligation bonds to fund awards under the Charter School Facilities Program are issued under the applicable voter approved bond act (see " – State School Facility Bonds" above) and a bond resolution approved by the State School Building Finance Committee. The timing of the bond sales is determined by the State Treasurer. The Public Finance Division of the State Treasurer's Office ("PFD") manages the State's debt portfolio, overseeing the issuance of debt, and monitors and services the State's outstanding debt. PFD also handles the sale of general obligation bonds and other forms of debt.

Generally, because of certain blackout periods, the State issues general obligation bonds (i) in the spring, from the beginning of March through mid-April, and (ii) in the fall, from late August through mid-November. As noted above, no assurance can be made as to the date by which the State may issue general obligation bonds for the purpose of funding any award pursuant to the Charter School Facilities Program, including any award in respect of the MSA-5 Facility. See "CERTAIN RISK FACTORS – Availability of State General Obligation Bond Proceeds."

Lien and Covenants, Conditions, and Restrictions pursuant to the Education Code

State Lien. The State has recorded a notice of lien pursuant to Section 17078.63(a) of the Education Code stating that the MSA-5 Facility is held in trust by MERF for the benefit of the State public school system.

Covenants, Conditions and Restrictions. MERF has recorded a restrictive covenant pursuant to Section 17078.63(a) of the Education Code that provides the following:

1. The MSA-5 Facility and any facilities constructed, rehabilitated, or retrofitted at the MSA-5 Facility using funds allocated pursuant to the Greene Act shall be used only for public school purposes as authorized in the California Constitution and statute;

2. In the event the MSA-5 Facility is no longer needed for charter school purposes, title to the MSA-5 Facility shall vest in the school district in which the property is physically located, which the school district shall hold in trust for benefit of the State public school system. The remainder interest provided in the restrictive covenant shall be triggered when the MSA-5 Facility is no longer needed for charter school purposes and shall then be subject to paragraphs (2) to (6) , inclusive, of subdivision (b) of Section 17078.62 of the Education Code;

3. In the event the District disclaims its interest in the Facilities, title shall vest in the State;

4. A successor charter school, qualified pursuant to Section 17078.62(b)(2) of the Education Code (the "MERF's successor"), shall be permitted to meet its facility needs by occupying the MSA-5 Facility, for the

benefit of the State public school system, on equal terms as MERF, including, but not limited to, assumption of fee simple title to the MSA-5 Facility; and

5. The restrictive covenant shall run with the land and shall be binding upon MERF, MERF's successors, and all parties having or acquiring any right, title or interest in the MSA-5 Facility or any part thereof, and shall inure to the benefit of the State.

MERF does not expect the MSA-5 Facility to be developed in a manner sufficient for the operation of a charter school or a traditional public school until completion of the Project. MERF cannot predict whether the State, the District, or another charter school operator would accept the MSA-5 Facility in its present condition or if the Project were completed. If such entities decline to take possession of the MSA-5 Facility, it is possible that the MSA-5 Facility could be disposed in a manner that is applicable to the disposal of surplus public school sites. See "CERTAIN RISK FACTORS – Prior Lien on the MSA-5 Facility" herein.

As security for the payment of the Grant Anticipation Notes, the Authority in the Note Indenture assigns to the Trustee certain of the Authority's rights under the Note Loan Agreement, including the right to receive Payments under the Note Indenture, but excluding any deposits to the Rebate Fund; and the Borrower will assent to such assignment and agrees to make payments from Grant Anticipation Note Loan Agreement Revenues directly to the Trustee, without defense or set off by reason of any dispute between the Borrower and the Authority or the Trustee. By virtue of such assignment and certain obligations of the Borrower to the Trustee, the Trustee shall be a third-party beneficiary of the Note Loan Agreement and will have the right to enforce the obligations of the Borrower under the Note Loan Agreement, subject to the limitations hereof, including the limitations set forth in the Note Loan Agreement.

No lien on the MSA-5 Facility secures MERF's obligations under the Grant Anticipation Note Loan Agreement, or the Borrower's obligations under the Note Loan Agreement. See "CERTAIN RISK FACTORS – No Fee Interest in Certain Facilities."

Limitation on Disposition of Property, Plant and Equipment and the Project. Pursuant to the Grant Anticipation Note Loan Agreement, MERF covenants and agrees that it will not sell or otherwise dispose, including any disposition by lease, of the property, plant and equipment consisting of all or any part of the MSA-5 Facility, except for disposition or transfers:(a) of property, plant and equipment no longer necessary for the operation of the MSA-5 Facility; (b) of property, plant and equipment replaced by property, plant and equipment of similar type and/or of substantially equivalent function with a substantially equivalent value; or (c) of property, plant and equipment sold or disposed of at a price equal to their fair market value.

Under the Note Loan Agreement, MERF may not cause or permit any portion of the MSA-5 Facility that is part of the Project to be used or operated in any manner except in conjunction with a school under the Charter School Law.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of November 1, 2026, is executed and delivered by and between Magnolia Properties Management, Inc., a California nonprofit public benefit corporation (the "Borrower"), Magnolia Educational & Research Foundation, a California nonprofit public benefit corporation ("MERF") and KNN Public Finance, LLC, as dissemination agent (the "Dissemination Agent") in connection with the issuance by the California School Finance Authority (the "Authority") of its (i) Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C (the "Series 2026C Bonds") and (ii) Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026D (Taxable) (the "Series 2026D Bonds" and together with the Series 2026C Bonds, the "Bonds"). The Bonds are being issued pursuant to an Indenture dated as of November 1, 2026 (the "Bond Indenture") by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). The proceeds of the Bonds are being loaned by the Authority to the Borrower pursuant to a Loan Agreement dated as of November 1, 2026 (the "Loan Agreement"). Pursuant to the Loan Agreement, the Borrower has covenanted and agreed to provide the continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events.

Section 1. Purpose of Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower and MERF for the benefit of the Registered Owners of the Bonds (for such purpose beneficial owners of the Bonds shall also be considered Registered Owners of the Bonds) and to assist Stifel, Nicolaus & Company, Incorporated (the "Participating Underwriter"), in complying with the Rule.

Section 2. Defined Terms. In addition to the definitions set forth in the Bond Indenture, the Lease (as herein defined) or the Loan Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by MERF pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Authority" means the California School Finance Authority, its successors and assigns.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Indenture" means the Indenture, dated as of November 1, 2026, between the Authority and the Trustee.

"Bonds" means the Series 2026C Bonds and the Series 2026D Bonds.

"Borrower" means Magnolia Properties Management, Inc., a California nonprofit public benefit corporation.

"Disclosure Representative" shall mean the chief financial officer of MERF or such other officer, agent or employee as MERF shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" means KNN Public Finance, LLC, as dissemination agent under this Disclosure Agreement, its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system operated by the MSRB and the primary portal for complying with the continuing disclosure requirements of the Rule.

"Events Notices" means the notices required to be given by MERF pursuant to Section 5 of this Disclosure Agreement.

"*Financial Obligation*" means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Repository consistent with the Rule.

"Fiscal Year" means the twelve month accounting period used with respect to the operations of MERF ending June 30 of each year; provided, however, MERF, by resolution duly passed, may change such accounting period to end on another date if such change is found and determined to be necessary or appropriate for budgetary or other fiscal purposes.

"Lease" means those certain Lease Agreements, each dated as of April 1, 2025, by and between MERF, as tenant, and each of MPM Sherman Way and MPM San Diego, as lessors.

"Listed Event" means any of the events listed in subsection (a) and subsection (b) of Section 5 hereof.

"Limited Offering Memorandum" means the Limited Offering Memorandum dated as of October __, 2026, relating to the Bonds.

"Magnolia Schools" shall mean each of the public charter schools operated by MERF.

"Master Trust Indenture" means that certain Master Indenture of Trust, dated as of April 1, 2025, by and among the Borrower, the Members, as initial Members of the Obligated Group, and UMB Bank, National Association, as Master Trustee thereunder.

"Member" shall have the meaning ascribed thereto in the Master Trust Indenture; as of the date hereof, the only Members are MPM Sherman Way LLC, MPM San Diego LLC, and MPM Santa Ana LLC, each of which is a California limited liability company the sole member of which is the Borrower.

"MSRB" means the Municipal Securities Rulemaking Board, located at 1300 I Street NW, Suite 1000, Washington, DC 20005, its successors and assigns.

"Operations Report" means the financial information and operating data required to be transferred by MERF to the Dissemination Agent pursuant to the Section 3(a)(3) of this Disclosure Agreement.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated, as original purchaser of the Bonds, its successors and assigns.

"Quarterly Report" means the financial information and operating data required to be transferred by MERF to the Dissemination Agent pursuant to the Section 3(a)(2) of this Disclosure Agreement.

"Repository" means EMMA.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as amended or supplemented by the SEC from time to time.

"School Loan Agreement" shall mean that certain Loan Agreement, dated as of November 1, 2026, by and between MPM Santa Ana LLC, as lender, and MERF, as borrower.

"SEC" means the Securities and Exchange Commission, its successors and assigns.

"Series 2026C Bonds" means the Authority's Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C.

"Series 2026D Bonds" means the Authority's Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026D (Taxable).

"Trustee" means UMB Bank, National Association, its successors and assigns.

Section 3. Provision of Annual Reports.

(a) MERF shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than six months after the end of MERF's Fiscal Year, commencing with the Fiscal Year ending June 30, 2026 (except as hereinafter provided), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the consolidated audited financial statements of MERF (and any information determined from the audited financial statement) may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If MERF's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). The Borrower hereby agrees to provide to MERF any information required from the Borrower for the Annual Report. The Annual Report shall be submitted on a standard from in use by industry participants or other appropriate form and shall identify Bonds by name and CUSIP number, if available.

(b) MERF shall be responsible for the preparation of the Annual Report. Not later than five (5) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, MERF shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact MERF to determine if MERF is or expects to be in compliance with the first sentence of subsection (a) above.

(c) The Dissemination Agent shall transmit the Annual Report to the MSRB in electronic format accompanied by identifying information as prescribed by the MSRB.

Section 4. Content of Annual Reports.

(a) The Annual Report shall be in a format suitable for filing with the MSRB and shall contain or include by reference the following:

(i) The audited financial statements of MERF, prepared in accordance with generally accepted accounting principles applicable to nonprofit corporations from time to time, if available.

(ii) An Executed Certificate for Annual Filing of Certain Financial and Operating Covenants completed substantially in the form attached hereto as Exhibit A.

(iii) The enrollment data with respect to the Magnolia Schools provided to the State of California under the Charter School Law, and (B) a copy of all annual charter school reports with respect to the Magnolia Schools required to be prepared by MERF under California law.

(b) Any or all of the items listed above may be included by specific reference to other documents, including any official statement or prospectus of debt issues for the benefit of the Magnolia Schools or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. MERF shall clearly identify each such other document so included by reference. MERF and the Borrower are solely responsible for the content and format of the Annual

Report, and the Dissemination Agent shall have no liability or responsibility for content, format, accuracy or completeness of such Annual Report.

(c) Any or all of the Annual Reports may be incorporated by reference from other documents, including official statements, which have been submitted to the Repository. If the Annual Report information is changed or this Disclosure Agreement is amended in accordance with its terms, then MERF is to include in the next Annual Report to be delivered thereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, MERF shall give, or cause to be given, notice of the occurrence of any of the following events with respect to Bonds, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Bond holders;

(iii) Bond calls;

(iv) unless described in Section 5(b)(vii) below, other material notices or determinations with respect to the tax exempt status of Series 2026C Bonds or other events affecting the tax exempt status of Series 2026C Bonds;

(v) release, substitution or sale of property securing repayment of Bonds;

(vi) the consummation of a merger, consolidation or acquisition involving any the Borrower, Member or MERF or the sale of all or substantially all of the assets of the Borrower, any Member or MERF (other than in the ordinary course of business) or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions other than in accordance with its terms;

(vii) appointment of a successor or additional trustee or change in name of a trustee; or

(viii) incurrence of a Financial Obligation of the Borrower, MERF or any Member, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, MERF or any Member, any of which affect security holders.

(b) Pursuant to the provisions of this Section 5, MERF shall give, or cause to be given, notice of the occurrence of any of the following events with respect to Bonds:

(i) principal and interest payment delinquencies;

(ii) defeasances;

(iii) rating changes;

(iv) unscheduled draws on debt service reserves reflecting financial difficulties;

(v) unscheduled draws on any credit enhancements reflecting financial difficulties;

(vi) substitution of credit or liquidity providers, or their failure to perform;

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(vii) adverse tax opinions affecting the tax exempt status of Series 2026C Bonds, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB);

(viii) tender offers;

(ix) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, MERF or any Member, any of which reflect financial difficulties; and

(x) bankruptcy, insolvency, receivership or a similar proceeding by the Borrower or MERF.

For purposes of the event identified in clause (x) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for MERF or the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of MERF or the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of MERF or the Borrower.

(c) Upon the occurrence of a Listed Event specified in Section 5(a), MERF shall as soon as possible determine if such event would be material. The Dissemination Agent shall have no responsibility for such determination.

(d) If MERF has determined that the occurrence of a Listed Event specified in Section 5(a) would be material, or upon the occurrence of a Listed Event specified in Section 5(b), MERF shall notify the Dissemination Agent in writing within three business days of the occurrence of such event in a format suitable for filing with the MSRB, with instructions to the Dissemination Agent to file a notice of the occurrence of such Listed Event pursuant to subsection (e).

(e) If the Dissemination Agent has been instructed in writing by MERF to report the occurrence of a Listed Event and has received a notice of the occurrence in a format suitable for filing with the MSRB, the Dissemination Agent shall file such notice with the MSRB with a copy to the Participating Underwriter and the Authority in a timely manner not in excess of ten business days after the occurrence of the event.

(f) The Borrower hereby agrees to provide to MERF notice of any events specified in this Section 5 of which it has actual notice within five (5) days of receipt of such notice by the Borrower.

Section 6. Provision of Quarterly Reports.

(a) MERF agrees to provide, or shall cause the Dissemination Agent to provide, to the MSRB, not later than 60 days after the end of each of MERF's fiscal quarters, commencing with the fiscal quarter ending December 31, 2025, a Quarterly Report which is consistent with the requirements of Section 7 of this Disclosure Agreement. The Quarterly Report may be submitted as a single document or as separate documents constituting a package, and may include by reference other information as provided in Section 7 of this Disclosure Agreement. The Borrower hereby agrees to provide to MERF any information required from the Borrower for the Quarterly Reports.

(b) MERF shall be responsible for the preparation of the Quarterly Report. Not later than five (5) business days prior to the date specified in subsection (a) for providing the Quarterly Report to the MSRB,

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MERF agrees to provide the Quarterly Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Quarterly Report, the Dissemination Agent shall contact MERF to determine if MERF is or expects to be in compliance with the first sentence of subsection (a) above.

(c) The Dissemination Agent shall transmit the Quarterly Report to the MSRB in electronic format accompanies by identifying information as prescribed by the MSRB.

Section 7. Content of Quarterly Reports.

(a) MERF's Quarterly Report shall be in a format suitable for filing with the MSRB and shall contain or include by reference the following:

(i) For the Obligated Group, the Officer Certificate executed in connection with any addition or withdrawal of a Member pursuant to Sections 3.11 and 3.12, respectively, of the Master Trust Indenture, if applicable.

(ii) The unaudited financial statements and operating data for MERF for the previous fiscal quarter of the type and in the format provided in audited financial statements of MERF for the prior Fiscal Year.

(iii) For the Magnolia Schools, enrollment data by school for the previous quarter.

(iv) For the final fiscal quarter of each Fiscal Year, a copy of MERF's budget for the subsequent Fiscal Year.

(v) A year-to-date comparison of the revenues and expenditures in the unaudited financial statements to the annual budget for MERF.

(vi) Recommendations of any consultant received in accordance with the Master Trust Indenture during such fiscal quarter.

(vii) Notice of any threatened termination of any license, charter or other official approval or accreditation which is material to the activities of MERF or the Magnolia Schools, or of the commencement of any litigation or other governmental or judicial proceeding in which an outcome adverse to MERF could result in a judgment in excess of available insurance coverage or otherwise have a material adverse effect on the operations or financial condition of MERF, and any other event which reasonably could be expected to have a material adverse effect on the operations or financial condition of MERF.

(viii) Management discussion of any significant variance between budgeted and actual revenues and expenditures during the previous fiscal quarter.

(ix) Any change in Key Management Personnel for MERF's Executive Team as shown on pages A-34 through A-37 of Appendix A to the Limited Offering Memorandum.

(b) Any or all of the items listed in subsection (a) above may be included by specific reference to other documents, including any official statement or prospectus of debt issues for the benefit of MERF or related public entities, which have been submitted to each of the MSRB. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. MERF shall clearly identify each such other document so included by reference. MERF is solely responsible for the content and format of the Quarterly Report, and the Dissemination Agent shall have no liability or responsibility for content, format, accuracy or completeness of such Quarterly Report.

Section 8. Use of EMMA. Any filings required to be made with or notices to be given to the MSRB under this Disclosure Agreement shall be effected by sending the filing or notice to EMMA at www.emma.msrb.org in an electronic format accompanied by identifying information as prescribed by the MSRB, or to such other entity and in such other format as may be designated under the Rule. The Dissemination Agent agrees to comply with the provisions of EMMA in making such filings and giving such notices under this Disclosure Agreement.

Section 9. Termination of Reporting Obligation. The obligations of MERF, the Borrower and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, prepayment or payment in full of all of Bonds. If such termination occurs prior to the final maturity of Bonds, MERF shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) hereof.

Section 10. Annual Conference Calls. MERF shall schedule annual conference calls (following the end of the 2024-25 Fiscal Year) for Beneficial Owners to be held during normal business hours (for both prevailing Eastern Time and prevailing Pacific Time), and shall provide the Dissemination Agent and the Participating Underwriter with a notice of date and time for such call and contact telephone information.

Section 11. Failure to File. If MERF does not provide to the Dissemination Agent a copy of an Annual Report or a Quarterly Report by the applicable dates required in Section 3(a) or Section 6(a) above, the Dissemination Agent in a timely manner shall send a notice to the Borrower, MERF and the Participating Underwriter in substantially the form attached as Exhibit B. If the Borrower or MERF files any report directly with MSRB, the Borrower or MERF shall promptly provide the Dissemination Agent with a confirmation or documentation reasonably required by the Dissemination Agent confirming that the filing of such report was made in a timely manner on or before the date required herein (or if not as of such date, specifying the date of filing) and that such filing contained the information required by this Disclosure Agreement.

Section 12. Dissemination Agent. MERF may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by MERF pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, MERF shall be the Dissemination Agent. The initial Dissemination Agent shall be KNN Public Finance, LLC. Any person succeeding to all or substantially all of the Dissemination Agent's business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any paper or any further act. The Dissemination Agent may resign its duties under this Disclosure Agreement upon 60 days prior written notice to MERF.

Section 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, MERF, the Borrower and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original execution and delivery of Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver either (i) is approved by the Holders of Bonds in the same manner as provided in the Bond Indenture for amendments to the Bond Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel or another party unaffiliated with MERF, materially impair the interests of the Holders or Beneficial Owners of Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, MERF shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by MERF. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Listed Event under Section 5(d).

Section 14. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent MERF from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If MERF chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, MERF shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 15. Default. In the event of a failure of MERF, the Borrower or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent (at the written direction of the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding and upon being indemnified to its satisfaction therefor, shall, or the Participating Underwriter or any Holder of Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause MERF or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under Bonds, the Bond Indenture, or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of MERF or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance. The Dissemination Agent shall not be required to take any action whatsoever to cause MERF to comply with its obligations under this Dissemination Agreement other than those specifically set forth in Section 3 hereof.

Section 16. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants or obligations of the Dissemination Agent shall arise in this Disclosure Agreement. MERF and the Borrower agree jointly and severally to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, fees, expenses and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Agreement or arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, as the case may be. The obligations of MERF under this Section shall survive resignation or removal of the Dissemination Agent, termination of this Disclosure Agreement and payment of Bonds. The Dissemination Agent shall have no liability for MERF's failure to report any event or any financial information or operating data as to which MERF has not provided an information report in format suitable for filing with the MSRB. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in a fiduciary capacity. The obligations of MERF under this Section shall survive resignation of the Dissemination Agent or the termination of this Dissemination Agreement. In the absence of bad faith on its part, the Dissemination Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Dissemination Agent by the Disclosure Representative and conforming to the requirements of this Disclosure Agreement. In the case of any Annual Reports or description of any Listed

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Events, or any opinions which by any provision hereof are specifically required to be furnished to the Dissemination Agent, the Dissemination Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Disclosure Agreement, but shall be under no duty to verify independently or investigate the accuracy or completeness of any information contained therein or the correctness of any opinion furnished hereunder. No provision of this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other paper or document believed by it to be genuine and to have been signed or presented by the Disclosure Representative. The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to MERF. MERF shall not be liable for the fees and expenses of any such counsel consulted by the Dissemination Agent without the prior consent of MERF. The Dissemination Agent shall not be bound to make any investigation into the facts or matters stated in and Annual Report or description of a Listed Event. To the extent not otherwise provided in this Disclosure Agreement, the Dissemination Agent shall be entitled to discharge its obligation hereunder in like manner as specified in the Bond Indenture for the discharge of the obligations of the Trustee thereunder.

Section 17. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To MERF or the Borrower:
Magnolia Educational & Research Foundation
Attn:
250 East 1st Street
Los Angeles, California 90012

To Dissemination Agent:
KNN Public Finance, LLC

e-mail: tfrydendall@knninc.com

A copy of each notice shall be sent to the Participating Underwriter as follows:

Stifel, Nicolaus & Company, Incorporated
Attn: John Kim
2121 Avenue of the Stars, Suite 2150
Los Angeles, CA 90067

A copy of each notice under Section 5 hereof shall be sent to the Authority as follows:

California School Finance Authority
State Treasurer's Office
304 S. Broadway, Suite 8500
Los Angeles, California 90013

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 18. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of MERF, the Dissemination Agent, the Participating Underwriter, the Trustee and Holders and Beneficial Owners from time

to time of Bonds, and shall create no rights in any other person or entity, except that the Authority is a third-party beneficiary for purpose of notice of Listed Events under section 5(e).

Section 19. Fees and Expenses. Except to the extent limited by Section 15 hereof, the Dissemination Agent shall be entitled to payment and reimbursement from MERF for its services rendered hereunder and all rightful advances and other expenses reasonably made or incurred by the Dissemination Agent.

Section 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 21. Choice of Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California, provided that to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 22. Severability. If any portion of this Disclosure Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible (i) the remainder of this Disclosure Agreement shall be considered valid and operative, and (ii) effect shall be given to the intent manifested by the portion held invalid or inoperative.

Section 23. Other Instruments. MERF and the Dissemination Agent covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out this Disclosure Agreement.

Section 24. Captions, Titles, and Headings. The captions, titles, and headings used in this Disclosure Agreement are for convenience only and shall not be construed in interpreting this Disclosure Agreement.

Section 25. Entire Agreement. This Disclosure Agreement contains the entire understanding among the parties and supersedes any prior understandings or written or oral agreements between them respecting the subject matter of this Disclosure Agreement.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Continuing Disclosure Agreement as of the date first written above.

KNN PUBLIC FINANCE, LLC, as Dissemination Agent

By: _____
Its: Authorized Officer

MAGNOLIA PROPERTIES MANAGEMENT, INC., a California nonprofit public benefit corporation

By: _____
Its: Authorized Officer

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION, a California nonprofit public benefit corporation

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE FOR ANNUAL FILING OF CERTAIN FINANCIAL AND OPERATING COVENANTS

Name of Issuer:	California School Finance Authority
Name of Bond Issue:	California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C and Series 2026D (Taxable)
Dissemination Agent:	KNN Public Finance, LLC
Name of Borrower:	Magnolia Properties Management, Inc.
Date of Issuance:	November __, 2026

The undersigned authorized representative of Magnolia Educational & Research Foundation ("MERF"), is providing to the Dissemination Agent the following operational information as required under Section 4 of the Continuing Disclosure Agreement, dated as of November 1, 2026 (the "Disclosure Agreement"), between the Dissemination Agent, the Borrower and MERF. The Disclosure Agreement requires that this information be provided to the Dissemination Agent within six months of the end of each fiscal year. Defined terms used in this certificate and not defined herein shall have the meaning granted to such terms in the Disclosure Agreement or, if not defined therein, in the Master Trust Indenture. The information contained below is unaudited.

1. The undersigned is familiar with the provisions of the Leases and the School Loan Agreement, and based on such review and familiarity, MERF has fulfilled all of its obligations thereunder throughout Fiscal Year preceding the date hereof, and there have been no Defaults or Events of Default under any Lease or School Loan Agreement (or, if there has been a Default or Event of Default in the fulfillment of any such obligation in such Fiscal Year, attached hereto as Appendix I is additional information specifying each such Default or Event of Default known to the undersigned and the nature and status thereof and the actions taken or being taken to correct such Default or Event of Default).

2. All insurance required by the Leases and the School Loan Agreement is in full force and effect as of the date hereof.

3. Obligated Group – Financial Covenants As of June 30, 20__:

   (a) The Debt Service Coverage Ratio pursuant to Section 3.__ of the Master Indenture for the Fiscal Year ended June 30, 20__ was ___x.

4. Obligated Group Schools – Financial Covenants As of June 30, 20__:

   (a) The Days Cash on Hand of MERF as of June 30, 20__ was ___ days, which [does/does not] comply with the liquidity covenant in the Leases and School Loan Agreement.

   (b) The Consolidated Base Rent Coverage Ratio of MERF for the Fiscal Year ended June 30, 20__ was ___ days, which [does/does not] comply with the liquidity covenant in the Leases and School Loan Agreement.

5. The following information with respect to each Magnolia School:

(a) Total Enrollment (Actual for Prior + Projected for Two Following Years)

(b) Retention (Prior Year)

(c) Teacher Retention Rate (Prior Year)

(d) The State's Smarter Balanced Assessment scores (Prior Year), indicating for English language arts and literacy ("ELA/L") and mathematics ("Math") the aggregate percentages of students meeting or exceeding the State's standards

	Grades Served	SBAC – ELA[1]	SBAC – Math[1]
MAGNOLIA SCHOOLS[2]			
COMPARATIVE LOCAL SCHOOLS[3]			

LOCAL AND STATE			
Los Angeles Unified School District			
San Diego Unified School District			
Santa Ana Unified School District			
State of California			

(1) Represents the aggregate percentages of test-taking students that met or exceeded the SBAC standard.
(2) Any additional schools managed by MERF shall be added.
(3) Comparative public district and charter schools nearby.

(e) Wait List Data by School for 20___- 20___

	Applications Received	Open Seats	Wait List

(f) Average daily attendance and % of EL/LI student enrollment (prior year)

	ADA	Attendance Rate	% of EL/LI Enrollment

(g) California School Dashboard and Change Report and Local Indicators (prior year)

(h) Student demographics (prior year)

	Total Students	Percentage FRPM	English Learner %	% Latino	% African American	% White

(i) Employment and staffing (prior year)

School Year	Teachers	School Support Staff	School Leaders	Student to Teacher Ratio

This certificate is being provided by MERF to the Dissemination Agent on a date which is [within][outside] of six months from the end of its prior fiscal year.

Dated: _____

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION

_____

By: _____

Its: _____

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL OR QUARTERLY REPORT

Name of Issuer:	California School Finance Authority
Name of Bond Issue:	California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C and Series 2026D (Taxable)
Dissemination Agent:	KNN Public Finance, LLC
Name of Borrower:	Magnolia Properties Management, Inc.
Date of Issuance:	November __, 2026

NOTICE IS HEREBY GIVEN that the Borrower has not provided an [Annual Report][Quarterly Report] with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of November 1, 2026, between the undersigned Dissemination Agent, the Borrower and Magnolia Educational & Research Foundation The Borrower anticipates that the [Annual Report] [Quarterly Report] will be filed by _____.

Dated: _____

KNN PUBLIC FINANCE, LLC
as Dissemination Agent

By_____
Authorized Signatory

cc: Stifel, Nicolaus & Company, Incorporated

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APPENDIX G

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of each Series of Bonds, each in the aggregate principal amount of that maturity of Bonds, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrower believes to be reliable, but neither the Authority nor the Borrower take responsibility for the accuracy thereof.

APPENDIX H

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to deliver its final approving opinion with respect to the Bonds in substantially the following form:

[Date of Delivery]

California School Finance Authority
Sacramento, California

California School Finance Authority Charter School Revenue Bonds
(Magnolia Public Schools – Obligated Group), Series 2026C

and

California School Finance Authority Charter School Revenue Bonds
(Magnolia Public Schools – Obligated Group), Series 2026D (Taxable)

(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California School Finance Authority (the "Authority") in connection with the issuance of $_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026C (the "Series 2026C Bonds") and $_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026D (Taxable) (the "Series 2026D Bonds" and, together with the Series 2026C Bonds, the "Bonds"), issued pursuant to an indenture, dated as of November 1, 2026 (the "Indenture"), between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to Magnolia Properties Management, Inc. (the "Borrower"), a California nonprofit public benefit corporation, pursuant to a loan agreement, dated as of November 1, 2026 (the "Loan Agreement"), between the Authority and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Master Indenture of Trust, the Supplemental MTI for Obligation No. 3, the Intercept Notice, the School Loan Agreement, the Tax Certificate, opinions of counsel to the Authority, the Trustee, the Borrower and Magnolia Educational & Research Foundation, a California nonprofit public benefit corporation ("MERF"), certificates of the Authority, the Trustee, the Borrower, MERF and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have assumed the correctness of the opinion of Musick, Peeler & Garrett LLP, Los Angeles, California, counsel to the Borrower and MERF, regarding, among other matters, the current qualification of the Borrower and MERF as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), the use of the facilities financed or refinanced with the proceeds of the Series 2026C Bonds in activities that are not considered unrelated trade or business activities of the Borrower and MERF within the meaning of

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Section 513 of the Code, and the status of MERF as a charter school organized under the Charter School Law. We note that such opinion is subject to a number of qualifications and limitations. Failure of the Borrower or MERF to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its respective status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of the Borrower and MERF within the meaning of Section 513 of the Code, may result in interest on the Series 2026C Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2026C Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement, the Master Indenture of Trust, the Supplemental MTI for Obligation No. 3, the School Loan Agreement, the Intercept Notice and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2026C Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Master Indenture of Trust, the Supplemental MTI for Obligation No. 3, the Loan Agreement, the School Loan Agreement, the Intercept Notice and the Tax Certificate, and their enforceability, may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the Authority in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture, the Loan Agreement, the Master Indenture of Trust, the Supplemental MTI for Obligation No. 3, or the Lease, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum, dated _____, 2026, relating to the Bonds, or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Authority.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Authority. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Payments (except Payments pursuant to the Intercept Notice) and any other amounts (excluding proceeds of the sale of the Bonds) held by the Trustee in any fund or account established pursuant to

the Indenture (other than the Rebate Fund), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are further secured by apportionments from the State Controller, pursuant to Section 17199.4 of the California Education Code and the Intercept Notice, of amounts specified in the Intercept Notice and paid directly to the Trustee.

3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority.

4. Interest on the Series 2026C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Interest on the Series 2026C Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series 2026C Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We observe that interest on the Series 2026D Bonds is not excluded from gross income under Section 103 of the Code. Interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX I

FORM OF MSA-SD GROUND USE LICENSE

$_____
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP)
SERIES 2026C

and

$_____
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP)
SERIES 2026D (TAXABLE)

BOND PURCHASE AGREEMENT

October __, 2026

The Honorable Fiona Ma
Treasurer of the State of California
P.O. Box 942809
Sacramento, California 94209-0001

California School Finance Authority
300 S. Spring Street, Suite 8500
Los Angeles, California 90013

Magnolia Educational & Research Foundation
250 East 1st Street
Los Angeles, California 90012

Magnolia Properties Management, Inc.
250 East 1st Street
Los Angeles, California 90012

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the California School Finance Authority (the "Authority"), the Honorable Fiona Ma, Treasurer of the State of California (the "State Treasurer"), as agent for sale on behalf of the Authority, Magnolia Properties Management, Inc. (the "Borrower"), a California nonprofit public benefit corporation, and Magnolia Educational & Research Foundation, a California nonprofit public benefit corporation (or the "Lessee"), operating charter schools established pursuant to the Charter Schools Act of 1992, as amended. Upon the State Treasurer's and the Authority's acceptance hereof, and approval by the Borrower and the Lessee, this offer will become binding upon the State Treasurer, the Authority, the Borrower, the Lessee and the Underwriter. This offer is made subject to the written acceptance by the State Treasurer and the Authority and approval by the Borrower and the Lessee by delivery of an executed counterpart hereof at or prior to 11:00 p.m., Pacific Time, on this date or on such later date as shall have been consented to by the Underwriter. Capitalized terms used in this Bond Purchase Agreement and not defined herein shall have the meanings ascribed thereto in the Bond Indenture, as defined below.

1. Sale of the Bonds.

(a) Upon the basis of the representations, warranties and agreements herein set forth and subject to the terms and conditions contained herein, the Underwriter hereby agrees to purchase from the State Treasurer, as agent for sale on behalf of the Authority, and the State

Treasurer, as agent for sale on behalf of the Authority, hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C, in the aggregate principal amount of $_____ (the "Series 2026C Bonds") and the California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026D (Taxable), in the aggregate principal amount of $_____ (the "Series 2026D Bonds" and together with the Series 2026C Bonds, the "Bonds").

The State Treasurer, the Authority, and the Underwriter acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length, commercial transaction among the State Treasurer, the Authority, and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as an agent, advisor or fiduciary of the State Treasurer or the Authority; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the State Treasurer or the Authority with respect to this Bond Purchase Agreement, the offering of the Bonds and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the State Treasurer or the Authority on other matters); (iii) the only contractual obligations the Underwriter has to the State Treasurer and the Authority with respect to the transactions contemplated hereby are those set forth in this Bond Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the State Treasurer and the Authority; and (v) the State Treasurer and the Authority have consulted with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. Nothing in this paragraph is intended to limit the Underwriter's obligations of fair dealing under Rule G-17 promulgated by the Municipal Securities Rulemaking Board (the "MSRB").

The Borrower, the Lessee and the Underwriter acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length, commercial transaction among the Borrower, the Lessee and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Borrower or the Lessee; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Borrower or the Lessee with respect to this Bond Purchase Agreement, the offering of the Bonds and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the Borrower or the Lessee on other matters), (iii) the only contractual obligations the Underwriter has to the Borrower or the Lessee with respect to the transactions contemplated hereby are those set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Borrower and the Lessee, and (v) the Borrower and the Lessee have consulted with their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate. Nothing in this paragraph is intended to limit the Underwriter's obligations of fair dealing under Rule G-17 promulgated by the MSRB.

The Underwriter will purchase the Bonds at a price of $_____ (being the aggregate principal amount of the Bonds of $_____, minus net original issue discount of $_____, less an Underwriter's discount of $_____). The Bonds will be issued pursuant to the Constitution and laws of the State of California (the "State") and particularly under and pursuant to Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act"), and an Indenture, dated as of

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November 1, 2026 (the "Bond Indenture"), by and between the Authority and UMB Bank, National Association, as trustee (the "Trustee"). The Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, and shall be subject to redemption prior to maturity as set forth in EXHIBIT A hereto.

The Authority will loan the proceeds of the sale of the Bonds (the "Loan") to the Borrower pursuant to a loan agreement, dated as of November 1, 2026 (the "Loan Agreement"), by and between the Authority and the Borrower and accepted and acknowledged by MPM Santa Ana LLC ("MPM Santa Ana"), MPM Sherman Way II LLC ("MPM Sherman Way II") and MPM Carl Karcher Way LLC ("MPM Carl Karcher Way"), which proceeds will be used to (i) finance and/or refinance a portion of the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain public charter school facilities (a) located or to be located at 7111 Winnetka Avenue, in Winnetka, California 91306 (the "MSA-5 Gymnasium"), (b) located at 18120 Sherman Way, Reseda, California 91335 (the "MSA-7 Facility"), and (c) located at 412 W. Carl Karcher Way, Anaheim, California 92801; and (ii) pay the costs of issuance of the Bonds.

MPM Santa Ana will loan certain proceeds of the Bonds to the Lessee pursuant to an Amended and Restated Loan Agreement, dated November 1, 2026 (the "MSA-5 School Loan Agreement").

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement and Obligation No. 3 relating to the Bonds ("Obligation No. 3") issued by the Borrower in an amount equal to the aggregate principal amount of the Bonds pursuant to an Master Indenture of Trust, dated as of April 1, 2025 (the "Master Indenture"), as supplemented and amended, including by a Supplemental Master Indenture for Obligation No. 3, dated as of November 1, 2026 (the "Third Supplemental Master Indenture"), each by and between the Borrower, as representative of the Obligated Group, and UMB Bank, National Association, as master trustee (the "Master Trustee"). The Obligated Group comprises MPM Santa Ana, MPM Sherman Way LLC, MPM San Diego LLC, MPM Sherman Way II, and MPM Carl Karcher Way (each, a "Member" and collectively, the "Members"), each of which is a California limited liability company, the sole member of each of which is the Borrower.

Pursuant to a Security Agreement (the "Security Agreement") by and between MPM Santa Ana and the Master Trustee, MPM Santa Ana will grant the Master Trustee a security interest in its interest in the MSA-5 School Loan Agreement.

Simultaneously with the issuance of the Bonds, the Lessee will provide to the Controller of the State of California (the "Controller"), a notice (the "Intercept Notice") with respect to each of Magnolia Science Academy 5 ("MSA-5"), Magnolia Science Academy 7 ("MSA-7"), and Magnolia Science Academy Anaheim ("MSA-Anaheim"), including in each case schedules of transfers to the Trustee for amounts to become due and payable on the Bonds to intercept certain amounts apportioned by the State (the "Intercept") pursuant to Section 17199.4 of the Act.

To ensure compliance with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Borrower, the Lessee and KNN Public Finance, LLC, as dissemination agent, will execute and deliver a continuing

disclosure agreement (the "Continuing Disclosure Agreement") pursuant to which the Lessee will annually prepare and provide audited financial statements and specified other information, as well as provide notices of certain enumerated events.

The Authority approved the issuance of the Bonds and certain related matters pursuant to Resolution No. 26-__ adopted on September 24, 2026 (the "Resolution").

(b) The Borrower and the Lessee have cooperated in the preparation and delivery to the Underwriter of the Limited Offering Memorandum, dated the date hereof, substantially in the form of the Preliminary Limited Offering Memorandum relating to the Bonds, dated October __, 2026 (the "Preliminary Limited Offering Memorandum"), with only such changes therein as have been accepted by the Underwriter (the Preliminary Limited Offering Memorandum with such changes, and including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto, the "Limited Offering Memorandum"), executed by the Borrower and the Lessee in such quantities as the Underwriter shall reasonably request. The Borrower, on behalf of itself and the Lessee, hereby confirms its authorization to the Underwriter to use the Preliminary Limited Offering Memorandum and Limited Offering Memorandum in connection with the sale of the Bonds.

(c) At 9:00 A.M., Pacific Time, on November __, 2026, or at such other time or on such earlier or later date as we may mutually agree upon (the "Closing Date"), the Authority will deliver or cause to be delivered to such place as we may mutually agree upon, the Bonds, bearing proper CUSIP numbers, duly executed, and the other documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") in San Francisco, California; and, subject to the conditions of this Bond Purchase Agreement, the Underwriter will cause payment to be made of the purchase price thereof as set forth in paragraph (a) of this Section by federal funds wire payable to the order of the Trustee (such delivery and payment being herein referred to as the "Closing"). Upon initial issuance, the ownership of the Bonds will be registered in such names and in such denominations as the Underwriter shall specify.

(d) Not later than ten calendar days after the Closing Date, the Underwriter shall submit to the Authority the report referenced by Section 1899.532 of Article 4 of Subchapter 4 of Chapter 4, Division 2 of Title 2 of the California Code of Regulations.

(e) The Underwriter has entered into this Bond Purchase Agreement in reliance upon (i) the representations and warranties of the Authority contained herein, (ii) the representations and warranties of the Borrower and the Lessee contained herein, (iii) the certificates of the Authority, the Borrower, the Lessee and the Trustee to be delivered pursuant hereto and (iv) the opinions of Bond Counsel, counsel to the Authority, counsel to the Trustee, and counsel to the Borrower and the Lessee required to be delivered hereby.

The Bond Indenture, the Loan Agreement and this Bond Purchase Agreement are sometimes collectively referred to herein as the "Authority Documents."

The Loan Agreement, this Bond Purchase Agreement, the Continuing Disclosure Agreement, the Master Indenture, the Third Supplemental Master Indenture, Obligation No. 3, and the Tax Certificate and Agreement (the "Tax Certificate"), dated the Closing Date, by and among the Authority, the Borrower and the Lessee relating to the Series 2026C Bonds, are sometimes collectively referred to herein as the "Borrower Documents."

The Loan Agreement, this Bond Purchase Agreement, the Master Indenture, the Third Supplemental Master Indenture, the MSA-5 School Loan Agreement, and the Security Agreement, are sometimes referred to herein as the "Member Documents."

The MSA-5 School Loan Agreement, this Bond Purchase Agreement, the Continuing Disclosure Agreement and the Tax Certificate are sometimes referred to herein as the "Lessee Documents."

(f) The Underwriter acknowledges the restrictions on registration and transfer of the Bonds described in Section 2.03 of the Bond Indenture.

2. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Borrower and the Authority in establishing the issue price of the Series 2026C Bonds and shall execute and deliver to the Borrower and the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as EXHIBIT E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Borrower, the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2026C Bonds.

(b) The Borrower and the Authority will treat the first price at which 10% of each maturity of the Series 2026C Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Borrower and the Authority, with a copy to the State Treasurer, the price or prices at which it has sold to the public each maturity of Series 2026C Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2026C Bonds, the Underwriter agrees to promptly report to the Borrower and the Authority, with a copy to the State Treasurer, the prices at which it sells the unsold Series 2026C Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Series 2026C Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2026C Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Borrower, the Authority or bond counsel. For purposes of this Section, if Series 2026C Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2026C Bonds.

(c) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2026C Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Series 2026C Bonds of each maturity allocated to it, whether or not the Closing

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Date has occurred, until either all Series 2026C Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2026C Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Series 2026C Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2026C Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Series 2026C Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2026C Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2026C Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2026C of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2026C Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(d) The Borrower and the Authority acknowledge that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2026C Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2026C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026C Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2026C Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2026C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026C Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Borrower and the Authority further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for

establishing issue price of the Series 2026C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026C Bonds.

(e) The Underwriter acknowledges that sales of any Series 2026C Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2026C Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026C Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2026C Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026C Bonds to the public),

(iii) a purchaser of any of the Series 2026C Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

3. Representations and Agreements of the Authority. The Authority represents and warrants to and agrees with the Underwriter and the Borrower that:

(a) The Authority is a public instrumentality validly existing under the Constitution and laws of the State of California, has full power and authority to issue the Bonds, to adopt the Resolution, to enter into the Bond Indenture, the Loan Agreement and this Bond Purchase Agreement and to perform its obligations under the Authority Documents, and when executed and delivered by the respective parties hereto and thereto, the Authority Documents will constitute the valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, or other laws related to or affecting the enforcement of creditors' rights generally and by the application of equitable principles as the court having jurisdiction may impose, regardless of whether such proceeding is considered in a proceeding in equity or at law, and to the exercise of judicial

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discretion in appropriate cases and to the limitations on legal remedies against governmental entities in California;

(b) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has authorized and approved the distribution of the Preliminary Limited Offering Memorandum, has deemed the Authority Information (as defined herein) in the Preliminary Limited Offering Memorandum "final" for purposes of Rule 15c2-12, the distribution of the Limited Offering Memorandum, and the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Bonds and the Authority Documents and the consummation by the Authority of all other financing transactions on its part contemplated by the Limited Offering Memorandum and this Bond Purchase Agreement;

(c) There is no action, suit or proceeding, at law or in equity, before or by any court pending (with service of process having been accomplished against the Authority) or any action, suit, proceeding, inquiry or investigation before any court, governmental agency, public board or body known to the Authority to be threatened against the Authority seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or contesting any proceedings of the Authority taken concerning the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Bonds or the Authority Documents or contesting in any way the completeness or accuracy of the information under the headings "THE AUTHORITY" or "ABSENCE OF MATERIAL LITIGATION – The Authority" (collectively, the "Authority Information") in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or the existence or powers of the Authority relating to the issuance of the Bonds;

(d) As of the date thereof and as of the date hereof, the statements and information contained in the Authority Information in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum are true and correct in all material respects, and do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading, it being further understood that the Authority makes no representation or warranty regarding any other statement or information in or omissions from the Preliminary Limited Offering Memorandum and Limited Offering Memorandum;

(e) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and, subject to Section 8 and Section 11 hereof, will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Authority be required to qualify as a foreign corporation in any such state or take any action that would subject it to general, special or unlimited service of process in any jurisdiction in which it is now not so subject;

(f) To the best knowledge of the Authority, the execution and delivery by the Authority of the Bonds and Authority Documents, and compliance with the provisions on the

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Authority's part contained therein, will not in any material respect conflict with or constitute, on the part of the Authority, a breach of or default under any law, administrative regulation, court order, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents;

(g) The Authority is not in material breach of or in material default under any applicable law or administrative regulation of the State or the United States or any applicable material judgment or material decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material breach of or a material default or a material event of default under any such instrument, which breach or default would have a material adverse effect on the Authority's ability to perform its obligations under the Authority Documents;

(h) The Authority agrees to provide the Underwriter, at the expense of the Borrower, with a reasonable number of additional copies of the Authority Documents, as the Underwriter shall request. The Authority authorizes the distribution of the Authority Documents in connection with the offering, sale and distribution of the Bonds;

(i) Any certificate executed by an authorized officer of the Authority and delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein, and not a representation and warranty of the individual officer executing the same;

(j) If between the date of this Bond Purchase Agreement and up to and including the 25th day following the "end of the underwriting period" (as such term is defined in Rule 15c2-12) an event occurs, of which the Authority has knowledge, which might or would cause the information in the Authority Information contained in the Limited Offering Memorandum, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which they were made, not misleading, or if the Authority is notified by a Borrower pursuant to the provisions of this Bond Purchase Agreement or otherwise requested to amend, supplement or otherwise change the Limited Offering Memorandum, the Authority will notify the Underwriter and the Borrower, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Authority will cooperate in the amendment or supplementing of the Limited Offering Memorandum in a form and in a manner approved by the Underwriter and counsel to the Authority, provided that all expenses thereby incurred will be paid by the Borrower pursuant hereto and provided further that, for purposes of this provision, the end of the underwriting period shall be the Closing Date unless the Underwriter on or prior to the Closing provides written notice to the contrary to the Authority and the Borrower;

(k) For twenty-five (25) days from the date of the end of the underwriting period, the Authority will not participate in the issuance of any amendment of or supplement to the

Limited Offering Memorandum to which, after being furnished with a copy, the Borrower, the Trustee or the Underwriter shall reasonably object in writing or which shall be disapproved by any of their respective counsel; and

(l) The execution and delivery of this Bond Purchase Agreement by the Authority shall constitute a representation by the Authority to the Underwriter that the representations, warranties and agreements contained in this Section 3 are true as of the date hereof; provided, that as to information furnished by the Borrower or the Lessee pursuant to this Bond Purchase Agreement or otherwise and in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Authority is relying on such information in making the Authority's representations, warranties and agreements; as to all matters of law, other than federal tax and securities laws, the Authority is relying on the advice of counsel to the Authority; and as to matters of federal tax law and securities laws, the Authority is relying on the advice of Bond Counsel; and provided further, that no member of the governing body of the Authority or officer, employee or agent of the Authority shall be individually liable for the breach of any representation, warranty or agreement contained herein.

4. Representations, Warranties, and Agreements of the Borrower. The Borrower hereby represents and warrants to and agrees with each of the Authority and the Underwriter as follows**:**

(a) The Borrower is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. The Borrower has and, at the Closing Date will, have requisite corporate power and authority (i) to execute and deliver this Bond Purchase Agreement, (ii) to enter into, execute and deliver the Borrower Documents, (iii) to cause MPM Santa Ana to enter into the Member Documents and to execute and deliver on behalf of MPM Santa Ana each of such documents, (iv) to execute the Limited Offering Memorandum and to carry out and consummate all transactions contemplated by the Borrower Documents and the Limited Offering Memorandum and by proper corporate action has duly authorized the execution and delivery of the Borrower Documents and the Limited Offering Memorandum, and the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and the execution and delivery on behalf of MPM Santa Ana of the Member Documents.

(b) No portion of the proceeds of the Bonds will be used to finance or refinance any facility used or to be used for sectarian instruction or as a place for religious worship or any facility used or to be used primarily in connection with any part of the program of a school or department of divinity.

(c) The officers or other designees of the Borrower executing the Borrower Documents and the Limited Offering Memorandum and executing, on behalf of MPM Santa Ana, the Member Documents are duly and properly in office and authorized to execute and approve the same.

(d) As of the date hereof, (i) this Bond Purchase Agreement has been duly executed and delivered by the Borrower and, at the Closing Date, (ii) the Borrower Documents will be legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, and (ii) the Member Documents, the Master Indenture and the Third Supplemental Master Indenture will be legal, valid and binding obligations of the Members enforceable against the Members in accordance with their respective terms, except

as enforcement of each of such documents may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(e) The Borrower and the Members are not (i) in violation of any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, which violation would materially adversely affect the financial position or operations of the Borrower or any Member, or (ii) in default under any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Borrower or any Member is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial position or operations of the Borrower or any Member.

(f) The execution and delivery of the Borrower Documents and approval of the Limited Offering Memorandum by the Borrower, the execution and delivery of the Member Documents, on behalf of MPM Santa Ana by the Borrower, the consummation by the Borrower and the Members of the transactions herein and therein contemplated and the Borrower's and the Members' fulfillment of or compliance with the terms and conditions thereof will not (i) conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under (A) the articles of incorporation or bylaws of the Borrower or the operating agreement of any Member, (B) any indenture, mortgage, deed of trust, loan agreement, contract, lease or other agreement or instrument to which the Borrower or any Member is a party or by which it or its properties are otherwise subject or bound or (C) any law or administrative rule or regulation or any court or administrative decree or order applicable to the Borrower or any Member; or (ii) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or any Member (except for the liens or pledges created by the Borrower Documents or the Security Agreement), which conflict, violation, breach, default, lien, charge or encumbrance could reasonably be expected to have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents, the Member Documents, and the Limited Offering Memorandum or the financial condition, assets, properties or operations of the Borrower or any Member.

(g) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any Member and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except the approval of the Authority for the execution and delivery of the Bonds and in connection with Blue Sky proceedings) is necessary in connection with the execution and delivery of this Bond Purchase Agreement, the execution and delivery of the other Borrower Documents and the Member Documents at the Closing, the approval of the Limited Offering Memorandum, or the consummation of any transaction therein contemplated, except in all such cases as have been or will be obtained or made and as are or will be in full force and effect.

(h) There are no actions, suits or proceedings which have been served on the Borrower or any Member or, to the best of the knowledge of the Borrower, are otherwise pending or threatened against the Borrower or any Member:

(i) seeking to restrain or enjoin the execution or delivery of any of the Bonds, the pledge under the Loan Agreement, or the pledge under the Master Indenture and Third Supplemental Master Indenture, or any payments to be made by the Borrower pursuant to the Loan Agreement or any payments to be made by the Members pursuant to Obligation No. 3;

(ii) in any way contesting or affecting the authority for the execution or delivery of the Bonds or the Limited Offering Memorandum or the validity when executed and delivered of the Borrower Documents or the Member Documents or the collection and pledge of any Payments under the Bond Indenture or any payments to be made by Members pursuant to Obligation No. 3;

(iii) in any way contesting the existence or powers of the Borrower or any Member;

(iv) which, if determined adversely to the Borrower or any Member, could reasonably be expected to materially adversely affect the consummation of the transactions contemplated by the Borrower Documents, the Member Documents, and the Limited Offering Memorandum or the financial condition, assets or properties of the Borrower or any Member;

(v) contesting or affecting the Borrower's status as a an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or which would subject any income of the Borrower to federal income taxation to such extent as would result in loss of the exclusion from gross income for federal income tax purposes of interest evidenced and represented by any of the Bonds under Section 103 of the Code; or

(vi) contesting or affecting the status of any Member as a disregarded entity of the Borrower.

(i) The information in the Preliminary Limited Offering Memorandum as of its date and as of the date hereof (excluding any information permitted by Rule 15c2-12 to be omitted therefrom) and the Limited Offering Memorandum as of its date (excluding any information with respect to DTC and the book-entry only system, the Underwriter and the Authority Information) is true and correct in all material respects, and the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(j) The Borrower will deliver, or cause to be delivered, to the Underwriter, within seven (7) business days after acceptance hereof, but not later than the Closing Date, copies of the Limited Offering Memorandum substantially in the form of the Preliminary Limited Offering Memorandum, with only such changes therein as have been accepted by the Underwriter, signed on behalf of the Borrower by an authorized officer of Borrower (or such other officer as is acceptable to the Underwriter), in such quantities as the Underwriter shall request. The Preliminary Limited Offering Memorandum has been deemed "final" within the meaning of Rule 15c2-12. The Limited Offering Memorandum, as amended or supplemented pursuant to the Bond Purchase Agreement, if applicable, will not contain any untrue statement

of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Borrower and the Members have all necessary power and authority to conduct the business now being conducted by each of them and as contemplated by the Borrower Documents, the Member Documents, and the Limited Offering Memorandum.

(l) If between the date hereof and up to and including the 25th day following the Closing, any event shall occur which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Authority and the Underwriter; and, if in the opinion of the Borrower, the Lessee, the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Borrower will request the Authority to cooperate with the Borrower to cause the Limited Offering Memorandum to be amended or supplemented in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid by the Borrower or the Lessee.

(m) During the period described in the preceding paragraph, (i) the Borrower will not participate in the issuance of any amendment of or supplement to the Limited Offering Memorandum to which, after being furnished with a copy, either of the Underwriter or the Authority shall reasonably object in writing or which shall be disapproved by their respective counsels and (ii) if any event relating to or affecting the Authority or the Borrower, its operations and financial position or its present or proposed facilities shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter or the Authority, to amend or supplement the Limited Offering Memorandum in order to make the Limited Offering Memorandum not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Borrower will forthwith prepare and furnish to the Underwriter and the Authority (at the expense of the Borrower or the Lessee) a reasonable number of copies of an amendment of or supplement to the Limited Offering Memorandum (in form and substance satisfactory to counsel for the Underwriter and counsel to the Authority) which will amend or supplement the Limited Offering Memorandum so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Limited Offering Memorandum, as so amended or supplemented is delivered to a purchaser, not misleading. For the purposes of this subsection, the Borrower will furnish such information with respect to itself and its present and proposed facilities as any of you may from time to time reasonably request.

(n) To the extent permitted by law, the Borrower agrees to indemnify and hold harmless the Authority, the State Treasurer, the Underwriter and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended (the "Securities Act")) any of the Underwriter and the members, officers, agents and employees of the State Treasurer and the Authority (collectively, the "Indemnified Persons," and individually, an "Indemnified Person") from and against any and all judgments, losses, claims, damages or liabilities, joint or several, to which any Indemnified Person may become subject

insofar as such judgments, losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum (or any supplement or amendment thereto), or that arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Indemnified Person for any legal or other expenses incurred by such Indemnified Person in connection with investigating, defending or preparing to defend any such loss, claim, damage, liability, penalty or any action in respect thereof; provided, however, that the Borrower shall not be liable to the Authority for the information provided by the Authority in the Authority Information of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum. On the date of delivery of the Bonds, the Borrower will deliver a certificate to the effect that the Limited Offering Memorandum (except for the information provided by the Authority in the Authority Information and the information provided by the Underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum) does not contain a misstatement of a material fact or omit to state a material fact required to be stated therein in order to make the statements therein not misleading.

In case any claim shall be made or action brought against any Indemnified Person based upon the Limited Offering Memorandum, in respect of which indemnity may be sought against the Borrower, the Borrower shall be promptly notified in writing setting forth the particulars of such claim or action and the Borrower shall assume the investigation and defense thereof including the retaining of counsel selected by the Indemnified Person and the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement. Any Indemnified Person shall have the right to retain separate counsel in any such action and to participate in the investigation and defense thereof but shall bear the fees and expenses of such counsel unless: (i) the Borrower shall have specifically authorized the retaining of such counsel and has consented to pay the fees and expenses thereof, such consent not to be unreasonably withheld; or (ii) the parties to such suit include said Indemnified Person, and the Borrower and such Indemnified Person or Persons have been advised by such counsel that one or more legal defenses may be available to said Indemnified Person or Persons which may not be available to the Borrower; (iii) in the judgment of such Indemnified Person, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to an action (or inaction) of counsel; (iv) the Authority or the State Treasurer, or any Indemnified Person thereof, engages the Attorney General of the State as separate counsel; or (v) the Borrower has failed to assume the defense and employ counsel reasonably acceptable to the Indemnified Person.

(o) The Borrower hereby agrees to pay the fees and expenses described as payable by the Borrower in Section 8 of this Bond Purchase Agreement and to pay any expenses incurred in amending or supplementing the Limited Offering Memorandum pursuant to this Bond Purchase Agreement.

(p) The Borrower is a corporation described in Section 501(c)(3) of the Code and each Member is a disregarded entity treated as a 501(c)(3) corporation for federal income tax purposes.

(q) The Borrower and each Member:

(i) is in material compliance with all laws, ordinances, governmental rules and regulations to which it is subject and which are material to its properties, operations, finances or status as an organization, or disregarded entity treated as an organization, described in Section 501(c)(3) of the Code;

(ii) has obtained all licenses, permits, franchises or other governmental authorizations necessary and material to the conduct of its activities, agrees to obtain all permits and approvals or other governmental authorizations that are required and necessary for construction and operation of newly acquired facilities for the Members and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for operations in all cases where failure to obtain such licenses, permits, franchises or other governmental authorizations could reasonably be expected to materially and adversely affect its condition (financial or otherwise) or its ability to perform its obligations under the Borrower Documents or the Member Documents, as applicable; and

(iii) is in material compliance with all provisions of the Borrower Documents and Member Documents applicable to it.

(r) The Project constitutes a "project" as such term is defined in the Act, and the Borrower is a "participating party" as such terms are defined in Section 17173, subdivision (i), paragraph (1), of the Act.

(s) Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the Borrower nor any Member will have issued, and no other person will have issued in the name and on behalf of the Borrower or any Member, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Limited Offering Memorandum or otherwise consented to in writing by the Underwriter.

(t) The Borrower has complied with, shall continue to comply with, and shall cause the Lessee to comply with, all provisions of that certain Program Agreement, between the Borrower and the Authority (the "Credit Enhancement Grant Agreement"), relating to a grant made by the Authority to the Borrower pursuant to the Charter School Facilities Credit Enhancement Grant Program (the "Reserve Grant"), and all State and federal laws and regulations relating to and applicable to the Reserve Grant.

(u) The Project shall comply with Article 2 of Chapter 1 of Part 7 of Division 2 of the California Labor Code.

(v) The representations, warranties, agreements and indemnities herein shall survive the Closing and any investigation made by or on behalf of either of the Authority, the State Treasurer, or the Underwriter or any person who controls such parties of any matters described in or related to the transactions contemplated hereby and by the Borrower Documents, the Member Documents, or the Limited Offering Memorandum.

5. Representations, Warranties, and Agreements of the Lessee. the Lessee hereby represents and warrants to and agrees with each of the Authority and the Underwriter as follows:

(a) the Lessee is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California. The Lessee has and at the Closing Date will have requisite corporate power and authority (i) to execute and deliver this Bond Purchase Agreement, (ii) to enter into the Lessee Documents, (iii) to execute the Limited Offering Memorandum, and (iv) to carry out and consummate all transactions contemplated by the Lessee Documents and the Limited Offering Memorandum, and by proper corporate action has duly authorized the execution and delivery of the Lessee Documents and the Limited Offering Memorandum, and the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(b) the Lessee is an institution for elementary and secondary school public education, situated within the State of California, which, by virtue of law or charter, is a nonprofit educational institution empowered to provide a program of public education at the elementary and secondary school levels.

(c) The Lessee neither restricts entry on gender, racial or religious grounds nor requires students gaining admission to receive instruction in the tenets of a particular faith.

(d) No portion of the Facilities used by the Lessee will be used for sectarian instruction or as a place for religious worship or any facility used or to be used primarily in connection with any part of the program of a school or department of divinity.

(e) The officers or other designees of the Lessee executing the Lessee Documents are duly and properly in office and authorized to execute and approve the same.

(f) As of the date hereof, this Bond Purchase Agreement has been duly executed and delivered by the Lessee and, at the Closing Date, the Lessee Documents will be duly executed and delivered by the Lessee and will constitute legal, valid and binding obligations of the Lessee enforceable against the Lessee in accordance with their respective terms; except as enforcement of each of the Lessee Documents may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(g) The Lessee is not (i) in violation of any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree, which violation would materially adversely affect the financial position or operations of the Lessee or (ii) in default under any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Lessee is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument, which default would materially adversely affect the financial position or operations of the Lessee.

(h) The execution and delivery of the Lessee Documents and approval of the Limited Offering Memorandum by the Lessee, the consummation by the Lessee of the transactions herein and therein contemplated, and the Lessee's fulfillment of or compliance with the terms and conditions thereof will not (i) conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under (A) the articles of incorporation of the Lessee, (B) the bylaws of the Lessee, (C) any indenture, mortgage, deed

of trust, loan agreement, contract, lease or other agreement or instrument to which the Lessee is a party or by which it or its properties are otherwise subject or bound, or (D) any law or administrative rule or regulation or any court or administrative decree or order applicable to the Lessee, or (ii) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Lessee, except for the liens or pledges created by the Lessee Documents, which conflict, violation, breach, default, lien, charge or encumbrance could reasonably be expected to have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Lessee Documents, the Limited Offering Memorandum or the financial condition, assets, properties or operations of the Lessee.

(i) No consent or approval of any trustee or holder of any indebtedness of the Lessee, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except the approval of the Authority for the execution and delivery of the Bonds and in connection with Blue Sky proceedings) is necessary in connection with the execution and delivery of this Bond Purchase Agreement, the execution and delivery of the other Lessee Documents at the Closing, the approval of the Limited Offering Memorandum, or the consummation of any transaction therein contemplated, except in all such cases as have been or will be obtained or made and as are or will be in full force and effect.

(j) The Lessee's charter for the School (the "Charter") operating or to be operated in the Facilities comply with the Charter School Law and are valid and in full force and effect. The Lessee is in material compliance with the provisions of the Charter. The Lessee has the right to renew or extend such Charter, has not received oral or written notice from any Person to the contrary and will use all reasonable efforts to renew the Charter. The Lessee expects to qualify to apply for fiscal year 2025-26 funding under California Education Code Section 47614.5 for the Schools that qualify for such funding when operated at the Facilities pursuant to a lease, and will seek funding for such Schools thereunder each year to the maximum extent available or will seek funding under more favorable state or federal programs if available.

(k) There are no actions, suits or proceedings which have been served on the Lessee or, to the best of the knowledge of the Lessee, are otherwise pending or threatened against the Lessee:

(i) seeking to restrain or enjoin the execution or delivery of any of the Bonds or the pledge or collection of the Rent or any payments to be made by the Lessee pursuant to the MSA-5 School Loan Agreement;

(ii) in any way contesting or affecting the authority for the execution or delivery of Lessee Documents, the Limited Offering Memorandum or the Intercept to be delivered in connection therewith;

(iii) in any way contesting the corporate existence or powers of the Lessee;

(iv) which, if determined adversely to it, could reasonably be expected to materially adversely affect the consummation of the transactions contemplated by the Lessee Documents or the Limited Offering Memorandum or the financial condition, assets or properties of the Lessee; or

(v) contesting or affecting the Lessee's status as an organization described in Section 501 (c)(3) of the Code or which would subject any income of the Lessee to federal income taxation to such extent as would result in loss of the exclusion from gross income for federal income tax purposes of interest evidenced and represented by any of the Bonds under Section 103 of the Code.

(l) The information in the Preliminary Limited Offering Memorandum as of its date and as of the date hereof and the Limited Offering Memorandum as of its date (excluding any information with respect to DTC and the book-entry only system, the Underwriter and the Authority Information) is true and correct in all material respects, and the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum does not contain any misstatement of any material fact and does not omit any statement necessary to make the statements, in the light of the circumstances in which such statements were made, not misleading.

(m) The Lessee will deliver, or cause to be delivered, to the Underwriter, within seven (7) business days after acceptance hereof, but not later than the Closing, copies of the Limited Offering Memorandum substantially in the form of the Preliminary Limited Offering Memorandum, with only such changes therein as have been accepted by the Underwriter, signed on behalf of the Lessee by an authorized officer of the Lessee (or such other officer as is acceptable to the Underwriter), in such quantities as the Underwriter shall request. The Preliminary Limited Offering Memorandum has been deemed "final" within the meaning of Rule 15c2-12. The Limited Offering Memorandum, as amended or supplemented pursuant to the Bond Purchase Agreement, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) The Lessee has all necessary power and authority to conduct the business now being conducted by it and as contemplated by the Lessee Documents and the Limited Offering Memorandum.

(o) If between the date hereof and up to and including the 25th day following the Closing, any event shall occur which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Lessee shall notify the Authority and the Underwriter; and, if in the opinion of the Lessee, the Borrower, the Authority or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Lessee will request the Authority to cooperate with the Lessee to cause the Limited Offering Memorandum to be amended or supplemented in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid by the Lessee or the Borrower.

During the period described in the preceding paragraph, (i) the Lessee will not participate in the issuance of any amendment of or supplement to the Limited Offering Memorandum to which, after being furnished with a copy, either of the Underwriter or the Authority shall reasonably object in writing or which shall be disapproved by their respective counsels and (ii) if any event relating to or affecting the Authority or the the Lessee, its

operations and financial position or its present or proposed facilities shall occur as a result of which it is necessary, in the opinion of counsel for the Underwriter or the Authority, to amend or supplement the Limited Offering Memorandum in order to make the Limited Offering Memorandum not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Lessee will forthwith prepare and furnish to the Underwriter and the Authority (at the expense of the Lessee or the Borrower) a reasonable number of copies of an amendment of or supplement to the Limited Offering Memorandum (in form and substance satisfactory to counsel for the Underwriter and counsel to the Authority) which will amend or supplement the Limited Offering Memorandum so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Limited Offering Memorandum, as so amended or supplemented is delivered to a purchaser, not misleading. For the purposes of this subsection, the Lessee will furnish such information with respect to itself and its present and proposed facilities as any of you may from time to time reasonably request.

(p) The Lessee is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code, except with respect to any unrelated business income of the Lessee, which income is not expected to result from the consummation of any transaction contemplated by the Lessee Documents. The Lessee is not a private foundation within the meaning of Section 509(a) of the Code; and the Lessee at all times will maintain its status as an organization described in Section 501(c)(3) of the Code and its exemption from federal income tax under Section 501(a) of the Code or corresponding provisions of future federal income tax laws. To the best of the Lessee's knowledge, the facts and circumstances which formed the basis of the Lessee's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist.

(q) The audited balance sheet of the Lessee as of June 30, 2025, presents fairly, in all material respects, the financial position of the Lessee as of June 30, 2025, and there have not been any material adverse change in the assets, operations or financial condition of the Lessee since June 30, 2025, which is not described in the Limited Offering Memorandum, whether or not arising from transactions in the ordinary course of business.

(r) The Lessee:

(i) is in material compliance with all laws, ordinances, governmental rules and regulations to which it is subject and which are material to its properties, operations, finances or status as an organization described in Section 501(c)(3) of the Code;

(ii) has obtained all licenses, permits, franchises or other governmental authorizations necessary and material to the ownership of its property or to the conduct of its activities, agrees to obtain all permits and approvals or other governmental authorizations that are required and necessary for construction and operation of newly acquired facilities for the Lessee and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for its operations in all cases where failure to obtain such licenses, permits, franchises or other governmental authorizations could reasonably be expected to materially and

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adversely affect the condition (financial or otherwise) of the Lessee or its ability to perform its obligations under the Lessee Documents; and

(iii) is in material compliance with all provisions of the Lessee Documents applicable to the Lessee including, but not limited to, the requirements of the MSA-5 School Loan Agreement that the Lessee maintain certain insurance policies or programs.

(s) To the extent permitted by law, the Lessee agrees to indemnify and hold harmless each of the Indemnified Persons from and against any and all judgments, losses, claims, damages or liabilities, joint or several, to which any Indemnified Person may become subject insofar as such judgments, losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum (or any supplement or amendment thereto) or that arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse each Indemnified Person for any legal or other expenses incurred by such Indemnified Person in connection with investigating, defending or preparing to defend any such loss, claim, damage, liability or any action in respect thereof; provided, however, that the Lessee shall not be liable to the Authority for the information in the Authority Information of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum. The Limited Offering Memorandum (except for the information provided by the Authority in the Authority Information and the information provided by the Underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum) does not contain a misstatement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. On the date of delivery of the Bonds, the Lessee will deliver a certificate to the effect that the Limited Offering Memorandum (except for the information provided by the Authority in the Authority Information and the information provided by the Underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum) does not contain a misstatement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In case any claim shall be made or action brought against any Indemnified Person based upon the Limited Offering Memorandum, in respect of which indemnity may be sought against the Lessee, such Indemnified Person shall promptly notify the Lessee in writing setting forth the particulars of such claim or action and the Lessee shall assume the investigation and defense thereof including the retaining of counsel and the payment of all expenses, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Person shall have the right to review and approve or disapprove any such compromise or settlement. Any Indemnified Person shall have the right to retain separate counsel in any such action and to participate in the investigation and defense thereof but shall bear the fees and expenses of such counsel unless: (i) the Lessee shall have specifically authorized the retaining of such counsel and has consented to pay the fees and expenses thereof, such consent not to be unreasonably withheld; (ii) the parties to such suit include said Indemnified Person, and the Lessee and such Indemnified Person or Persons have been advised by such counsel that one or more legal defenses may be available to said Indemnified Person or Persons which may not be

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available to the Lessee, in which case the Lessee shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel; (iii) in the judgment of such Indemnified Person, a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to an action (or inaction) of counsel; (iv) the Authority or the State Treasurer, or any Indemnified Person thereof, engages the Attorney General of the State as separate counsel; or (v) the Lessee has failed to assume the defense and employ counsel reasonably acceptable to the Indemnitee.

(t) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the Lessee will not have issued, and no other person will have issued in the name and on behalf of the Lessee, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Limited Offering Memorandum or otherwise consented to in writing by the Underwriter.

(u) The Lessee has complied with, shall continue to comply with, all provisions of the Credit Enhancement Grant Agreement relating to the Reserve Grant, and all State and federal laws and regulations relating to and applicable to the Reserve Grant.

(v) The Project shall comply with Article 2 of Chapter 1 of Part 7 of Division 2 of the California Labor Code.

(w) The representations, warranties, agreements and indemnities herein shall survive the Closing and any investigation made by or on behalf of either of the Underwriter or the Authority or any person who controls either of such parties of any matters described in or related to the transactions contemplated hereby and by the Lessee Documents or the Limited Offering Memorandum.

6. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to cause payment of the purchase price for the Bonds on the Closing Date shall be subject to the accuracy in all material respects of the representations, warranties and agreements on the part of the Authority and the Borrower contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers, members, agents and other officials of the Authority, the Borrower and the Lessee made in any certificates or other documents furnished pursuant to the provisions hereof, and to the performance by the Authority and the Borrower of their obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the time of Closing, the Authority Documents, the Borrower Documents, the Member Documents, and the Lessee Documents shall be in full force and effect as valid, binding and enforceable agreements between or among the various parties thereto, and the Authority Documents, the Borrower Documents, the Member Documents, the Lessee Documents and the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as described herein or as may otherwise have been agreed to in writing by the Underwriter, and there shall have been taken therewith, with the execution and delivery of the Bonds and with the transactions contemplated by this Bond Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate;

(b) Between the date hereof and the Closing Date, none of the following shall have occurred:

(i) legislation enacted or introduced in the Congress or in the legislature of the State of California or recommended for passage by the President of the United States or the Governor of the State of California, as the case may be, or a decision rendered by a court established under Article III of the Constitution of the United States or under the Constitution of the State of California, as the case may be, or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official or staff statement issued or made:

(A) by or on behalf of the Treasury Department of the United States or the Internal Revenue Service, or any agency, commission or instrumentality of the State of California, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest as would be received by the holders of the Series 2026C Bonds or obligations of the general character of the Series 2026C Bonds, or State of California personal income taxation upon the interest as would be received by the holders of the Bonds or obligations of the general character of the Bonds, or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Bonds are not exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), or that the Bond Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), which, in either case, in the reasonable judgment of the Underwriter, would have a material and adverse effect on the market price or marketability of the Bonds; or

(C) which, in the reasonable judgment of the Underwriter, could have a material and adverse effect on the revenues of charter schools in California in general or the Lessee in particular;

(ii) the declaration of war or the outbreak or escalation of military hostilities involving the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of or the financial community in the United States which, in the reasonable judgment of the Underwriter, would have a material and adverse effect on the market price or marketability of the Bonds;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or other securities exchange as may be applicable;

(iv) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in

force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official or staff statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Limited Offering Memorandum, is or would be in violation of the federal securities laws as amended and then in effect;

(vi) any event occurring, or information becoming known which, in the judgment of the Underwriter, would have a material and adverse effect on the market price or marketability of the Bonds, because it makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) any legislation is passed by the legislature of the State of California or recommended for passage by the Governor of the State of California which would have the effect of amending the Charter Schools Act of 1992, as amended (constituting Part 26.8 of Division 4 of Title 2 of the California Education Code) and which, in the reasonable judgment of the Underwriter, would have a material and adverse effect on the market price or marketability of the Bonds;

(viii) any adverse event occurs with respect to the affairs or financial condition of the Authority, the Borrower, the Lessee, the Master Trustee or the Trustee, which, in the reasonable judgment of the Underwriter, would have a material and adverse effect on the market price or marketability of the Bonds.

(c) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) The Authority Documents, the Borrower Documents, the Member Documents, and the Lessee Documents, each duly executed and delivered by the respective parties;

(ii) Three copies of the Limited Offering Memorandum executed by the Borrower and the Lessee;

(iii) An approving opinion, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form attached to the Limited Offering Memorandum as Appendix H, and a supplemental opinion in a form acceptable to the Authority and the Underwriter, dated the Closing Date, in substantially the form attached hereto as EXHIBIT B;

(iv) An opinion of Musick, Peeler & Garrett LLP, counsel to the Borrower, the Members, and the Lessee, dated the Closing Date and addressed to the Authority, Bond Counsel and the Underwriter, in substantially the form attached hereto as EXHIBIT C with such changes as may be agreed to by Bond Counsel and counsel to the Underwriter;

(v) An opinion of Counsel to the Underwriter;

(vi) A certificate of an authorized official of the Authority as is acceptable to the Underwriter, dated the Closing Date, to the effect that:

(A) the Authority has fulfilled or performed each of its obligations contained in the Bond Indenture, the Loan Agreement and this Bond Purchase Agreement required to be fulfilled or performed by it as of the Closing Date;

(B) the Bonds have been duly authorized, executed, issued and delivered, and assuming due authentication by the Trustee, constitute valid and binding limited obligations of the Authority, enforceable in accordance with their terms, in conformity with, and entitled to the benefit and security of the Bond Indenture; and

(C) to the best of such official's knowledge, the representations and warranties made by the Authority in the Bond Purchase Agreement are true and correct in all material respects on the Closing Date, with the same effect as if made on and with respect to the facts as of the Closing Date.

(vii) A certified copy of the Resolution of the Authority authorizing the execution and delivery of the Authority Documents and approving the Limited Offering Memorandum;

(viii) A certificate of an authorized official of the Borrower in a form acceptable to Bond Counsel and the Underwriter, dated the Closing Date, to the effect that:

(A) the representations and warranties made by the Borrower in the Borrower Documents are true and correct in all material respects as of the Closing Date;

(B) the Borrower is not in default in the performance of any of the covenants, agreements or provisions contained in the Borrower Documents and applicable to the Borrower;

(C) to the best knowledge of such individual, no event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information (other than the information provided by the Authority in the Authority Information of the Limited

Offering Memorandum, the information provided by Stifel, Nicolaus & Company, Incorporated, as underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum and the information regarding The Depository Trust Company in the Limited Offering Memorandum) contained in the Limited Offering Memorandum or is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and

(D) any resolutions necessary in connection with the transactions contemplated by the Limited Offering Memorandum have not been amended, modified or rescinded and are effective as the Closing Date.

(ix) A certificate of an authorized official of MPM Santa Ana in a form acceptable to Bond Counsel and the Underwriter, dated the Closing Date, to the effect that:

(A) the representations and warranties made by the Member in the Member Documents are true and correct in all material respects as of the Closing Date;

(B) the Member is not in default in the performance of any of the covenants, agreements or provisions contained in the Member Documents and applicable to the Member;

(C) to the best knowledge of such individual, no event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information (other than the information provided by the Authority in the Authority Information of the Limited Offering Memorandum, the information provided by Stifel, Nicolaus & Company, Incorporated, as underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum and the information regarding The Depository Trust Company in the Limited Offering Memorandum) contained in the Limited Offering Memorandum or is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and

(D) any resolutions necessary in connection with the transactions contemplated by the Limited Offering Memorandum have not been amended, modified or rescinded and are effective as the Closing Date.

(x) A certificate of an authorized official of the Lessee in a form acceptable to Bond Counsel and the Underwriter, dated the Closing Date, to the effect that:

(A) the representations and warranties made by the Lessee in the Lessee Documents are true and correct in all material respects as of the Closing Date;

(B) The Lessee is not in default in the performance of any of the covenants, agreements or provisions contained in the Lessee Documents and applicable to the Lessee;

(C) to the best knowledge of such individual, no event has occurred since the date of the Limited Offering Memorandum which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information (other than the information provided by the Authority in the Authority Information of the Limited Offering Memorandum, the information provided by Stifel, Nicolaus & Company, Incorporated, as underwriter in the "UNDERWRITING" portion of the Limited Offering Memorandum and the information regarding The Depository Trust Company in the Limited Offering Memorandum) contained in the Limited Offering Memorandum or is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and

(D) any resolutions of the board of directors of the Lessee necessary in connection with the transactions contemplated by the Limited Offering Memorandum have not been amended, modified or rescinded and are effective as the Closing Date.

(xi) Certificates of the Borrower and the Lessee to the effect that each of the documents executed by them is legal, binding and valid, reaffirming representations and certifications herein and such other matters as may reasonably be requested by the Underwriter;

(xii) The Articles of Incorporation of the Lessee certified by the Secretary of State of the State of California (within thirty days of the Closing Date), a Certificate of Good Standing of the Lessee issued by the Secretary of State of the State of California (within 7 business days of the Closing Date), a Certificate of Good Standing regarding the Lessee issued by the Franchise Tax Board of the State of California (within seven business days of the Closing Date), and a certified copy of the resolutions authorizing the execution and delivery of the Lessee Documents and the Limited Offering Memorandum;

(xiii) The Articles of Incorporation of the Borrower certified by the Secretary of State of the State of California (within thirty days of the Closing Date), a Certificate of Good Standing issued by the Secretary of State of the State of California (within 7 business days of the Closing Date), and a Certificate of Good Standing issued by the Franchise Tax Board of the State of California (within seven business days of the Closing Date), and a certified copy of the resolutions authorizing the execution and delivery of the Borrower Documents and the Limited Offering Memorandum;

(xiv) The Articles of Organization of MPM Santa Ana certified by the Secretary of State of the State of California (within thirty days of the Closing Date), a Certificate of Good Standing issued by the Secretary of State of the State of California (within seven business days of the Closing Date), and a Certificate of Good Standing issued by the Franchise Tax Board of the State of California (within seven business days of the Closing Date);

(xv) A copy of the Charter for the School;

(xvi) Evidence that the Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

(xvii) Evidence that the Lessee is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

(xviii) An opinion of counsel to the Authority, in substantially the form attached hereto as EXHIBIT D;

(xix) Copies of (i) an ALTA lender's policy of title insurance with respect to the MSA-1 Facilities, dated the Closing Date, in an amount not less than the principal amount of the Bonds, and (ii) evidence of compliance with all other insurance-related requirements set forth in the Loan Agreement and the MSA-5 School Loan Agreement;

(xx) An opinion of counsel to the Trustee and the Master Trustee, and addressed to the Authority, in form and substance satisfactory to the Authority and Underwriter;

(xxi) "Deemed final" certificates of the Borrower, the Lessee, and the Authority, in form and substance satisfactory to the Underwriter;

(xxii) evidence satisfactory to the Underwriter that the Bonds have been rated "Baa3" with a stable outlook by Moody's Investor Service, and that such rating is in effect as of the Closing;

(xxiii) A copy of the Intercept Notice;

(xxiv) Evidence of the filing of any UCC Financing Statement necessary to perfect security interests granted by the Borrower, any Member or Lessee under the Borrower Documents, Member Documents or Lessee Documents;

(xxv) A letter from the authorizer thereof to the effect that the Charter for the School is in effect and in good standing;

(xxvi) Executed copies of the Credit Enhancement Grant Agreement and evidence of the receipt of the Reserve Grant by the Trustee;

(xxvii)A copy of a completed Policy Statement 103 Application for Exemption, executed by the Authority for submission to the State of New York Department of Law; and

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(xxviii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, the Authority or Bond Counsel may reasonably request to evidence compliance by the Authority, and the Borrower and the Lessee with legal requirements, the truth and accuracy, as of the Closing Date, of the representations (A) of the Authority contained herein, (B) of the Borrower contained herein and in the other Borrower Documents, (C) of the Lessee contained herein and in the other Lessee Documents, and (D) of MPM Santa Ana contained in the Member Documents, and the due performance or satisfaction by the Authority and the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the Borrower.

If the Authority shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall terminate, and neither the Underwriter nor the Authority nor the State Treasurer shall have any further obligation hereunder. The obligations of the Borrower set forth in Section 4(o) and Section 8 and the Lessee set forth in Section 5(s) shall survive any termination of this Bond Purchase Agreement.

7. Conditions to Obligations of the Authority. The obligations of the Authority hereunder and under the Bond Indenture to cause the preparation, execution and delivery of the Bonds on the Closing Date shall be subject to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) The Authority Documents shall have been executed by the other parties thereto;

(b) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or execution and delivery of the Bonds as contemplated hereby or by the Limited Offering Memorandum;

(c) The documents contemplated by Section 6(c) shall have been delivered substantially in the forms set forth herein or, as the case may be, in form and substance satisfactory to Bond Counsel and to the Authority; and

(d) The Authority shall have received evidence of payment or provision for payment of the fees of the Authority and the State Treasurer as agent for sale of the Bonds.

Each of the State Treasurer and the Authority, acting alone, may terminate this Bond Purchase Agreement if the Underwriter or the Borrower shall fail, by the Closing, to perform its obligations contained herein, upon written notice of such termination given to the Underwriter.

8. Fees and Expenses.

(a) The Borrower shall pay, or cause to be paid, all expenses and costs incident to the authorization, execution, sale and delivery of the Bonds to the Underwriter, including: (1) the costs of preparing, printing and delivering the Bonds and the Limited Offering Memorandum (including any supplements or amendments thereto); (2) fees and expenses of the Trustee, accountants, financial advisors or other consultants retained by the Authority, the

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State Treasurer or the Borrower; (3) fees for the title insurance; (4) expenses (included in the expense component of the spread) incurred on behalf of the employees or officers of the Borrower or the Lessee that are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals related to travel, transportation and lodging of such employees or officers; (5) any out-of-pocket disbursements of the Authority and the State Treasurer, fees and expenses of each of Bond Counsel, Counsel to the Authority, Underwriter's Counsel and the State Treasurer; and (6) any other expenses and costs of the Authority, the State Treasurer and the Borrower incident to the performance of their respective obligations in connection with the authorization, execution, sale and delivery of the Bonds, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties. All fees and expenses to be paid by the Borrower pursuant to this Bond Purchase Agreement may be paid from Bond proceeds to the extent permitted by the Bond Indenture.

(b) The Underwriter shall pay from the expense component of the Underwriter's spread all expenses incurred by it in connection with the public offering and distribution of the Bonds including, without limitation: (1) all advertising expenses in connection with the offering of the Bonds; and (2) all reasonable out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (excluding the fees and expenses of its counsel) including, CUSIP Bureau and California Debt and Investment Advisory Commission fees, if any, except as provided in subsection (a) above or as otherwise agreed to by the Underwriter, the Authority, and the Borrower.

9. Termination. This Bond Purchase Agreement may be terminated by the Underwriter if any of the conditions specified herein shall not have been fulfilled by the Closing upon written notice of such termination to the Authority and the Borrower. The Underwriter may also terminate this Bond Purchase Agreement prior to the delivery of and payment for the Bonds if, subsequent to the date hereof, there shall have occurred any event described pursuant to Section 6(b) hereof. The Authority and the Borrower may terminate this Bond Purchase Agreement if the Underwriter shall fail, by the Closing, to perform its obligations contained herein, upon written notice of such termination to the Underwriter.

Any notice of termination pursuant to this Section shall be given in the manner provided in the following section hereof. If this Bond Purchase Agreement shall be terminated as provided in the first paragraph of this Section, such termination shall be without any liability of the State Treasurer, the Authority, the Underwriter or the Borrower; provided, that the obligations of the Borrower set forth in Section 4(n) hereof and Section 8 hereof shall survive any such termination.

10. Notices. Any notice or other communication to be given to the Authority, the State Treasurer, the Lessee or the Borrower may be given by delivering the same to the address indicated on the first page hereof, any such notice or other communication to be given to the Underwriter may be given by delivering the same to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: John Kim.

11. Limitation of Liability of Authority and State Treasurer. Neither the Authority nor the State Treasurer shall be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind under any conceivable theory under this Bond Purchase Agreement or any document or instrument referred to herein or by reason of or in

connection with this Bond Purchase Agreement or other document or instrument, except to the extent it receives amounts from the Borrower available for such purpose.

12. Indemnification.

(a) The Underwriter agrees to indemnify and hold harmless the Authority and the State Treasurer and the members, officers, agents and employees of the State Treasurer and the Authority against any losses, claims, damages or liabilities to which any of them may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the "UNDERWRITING" section of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the "UNDERWRITING" section of the Preliminary Limited Offering Memorandum or Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Authority by the Underwriter expressly for use therein or reviewed without comment by the Underwriter; and will reimburse such indemnified parties for any legal or other expenses reasonably incurred thereby in connection with investigating or defending any such action or claim.

(b) Promptly after receipt by an indemnified party pursuant to subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify of the commencement thereof, and shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice to such indemnified party of its election so to assume the defense thereof, shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than costs of investigation; provided, however, that each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Underwriter shall pay the fees and expenses of such separate counsel; provided further, however, that such indemnified party may only employ separate counsel at the expense of the Underwriter if (1) the indemnified party engages the of the State as separate counsel, (2) in the judgment of such indemnified party a conflict of interest exists by reason of common representation, (3) if all parties commonly represented do not agree as to the action (or inaction) of counsel, (4) if substantially different or additional defenses apply to such indemnified party, or (5) the Underwriter has failed to assume the defense and employ counsel reasonably acceptable to the indemnified party.

13. Parties in Interest. This Bond Purchase Agreement as heretofore specified shall constitute the entire agreement between us with respect to the subject matter of this Bond Purchase

Agreement and supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter of this Bond Purchase Agreement. This Bond Purchase Agreement is made solely for the benefit of the Authority, the State Treasurer, the Borrower, the Lessee (including the successors of the Authority, the State Treasurer, the Borrower, and the Lessee) and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Bond Purchase Agreement may not be assigned by the Authority, the State Treasurer, the Borrower or the Lessee. All of the representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter, the State Treasurer or the Authority; and (ii) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement.

14. Governing Law; Venue. The laws of the State of California govern all matters arising out of or relating to this Bond Purchase Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Bond Purchase Agreement shall bring the legal action or proceeding in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement in writing. Each party agrees that the exclusive (subject to waiver as set forth herein) choice of forum set forth in this section does not prohibit the enforcement of any judgment obtained in that forum or any other appropriate forum. Each party waives, to the fullest extent permitted by law, (a) any objection which it may now or later have to the laying of venue of any legal action or proceeding arising out of or relating to this Bond Purchase Agreement brought in the Sacramento County Superior Court, Sacramento, California, and (b) any claim that any such action or proceeding brought in such court has been brought in an inconvenient forum.

15. Section Headings. Section headings have been inserted in this Bond Purchase Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Bond Purchase Agreement and will not be used in the interpretation of any provisions of this Bond Purchase Agreement.

16. Counterparts. This Bond Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this Bond Purchase Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Bond Purchase Agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this Bond Purchase Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Bond Purchase Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Bond Purchase Agreement in a usable format.

18. Rules of Construction. The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Bond Purchase Agreement. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Bond Purchase Agreement or any amendment or supplement or exhibit hereto or thereto.

[REMAINDER OF PAGE LEFT BLANK]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Underwriter the enclosed duplicate whereupon it will become a binding agreement among the Authority, the Borrower, the Lessee and the Underwriter.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By:_____
Managing Director

[Signatures continue on next page]

[Counterpart signature page to the Bond Purchase Agreement]

ACCEPTED at _____ a.m./p.m. Pacific Time this 12th day of March, 2026.

TREASURER OF THE STATE OF CALIFORNIA

By:_____
Deputy Treasurer
For California State Treasurer Fiona Ma

CALIFORNIA SCHOOL FINANCE AUTHORITY

By:_____
Executive Director

[Signatures continue on next page]

[Counterpart signature page to the Bond Purchase Agreement]

ACCEPTED at _____ a.m./p.m. Pacific Time this 12th day of March, 2026.

MAGNOLIA PROPERTIES MANAGEMENT, INC., a California nonprofit public benefit corporation

By:_____
Alfredo Rubalcava
President

[Signatures continue on next page]

[Counterpart signature page to the Bond Purchase Agreement]

ACCEPTED at _____ a.m./p.m. Pacific Time this 12th day of March, 2026.

MAGNOLIA EDUCATIONAL & RESEARCH FOUNDATION, a California nonprofit public benefit corporation

By:_____
Alfredo Rubalcava
Chief Executive Officer and Superintendent

EXHIBIT A

MATURITY SCHEDULE; REDEMPTION

$_____ Series 2026C Bonds

Maturity (July 1)	Type	Principal Amount	Interest Rate	Yield	Initial Offering Price*

$_____ Series 2026D Bonds

Maturity (July 1)	Type	Principal Amount	Interest Rate	Yield	Initial Offering Price

_____

* At least 10% of each maturity of the Series 2026C Bonds sold to the public on the sale date.

C Priced to yield to the first optional redemption date of July 1, 20__, at par.

Redemption:

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EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

November __, 2026

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

California School Finance Authority
Sacramento, California

California School Finance Authority Charter School Revenue Bonds
(Magnolia Public Schools – Obligated Group), Series 2026C

and

California School Finance Authority Charter School Revenue Bonds
(Magnolia Public Schools – Obligated Group), Series 2026D (Taxable)
(Supplemental Opinion)

Ladies and Gentlemen:

This letter is provided pursuant to Section 6(c)(iii) of the Bond Purchase Agreement, dated October __, 2026 (the "Purchase Contract"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the California School Finance Authority (the "Authority"), the Treasurer of the State of California, as agent for sale on behalf of the Authority, Magnolia Properties Management, Inc., a California nonprofit public benefit corporation (the "Borrower"), and Magnolia Educational & Research Foundation, a California nonprofit public benefit corporation ("MERF"), providing for the purchase by the Underwriter of $_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026C (the "Series 2026C Bonds") and $_____ aggregate principal amount of California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group), Series 2026D (Taxable) (the "Series 2026D Bonds" and, together with the Series 2026C Bonds, the "Bonds"). The Bonds are being issued pursuant to an indenture, dated as of November 1, 2026 (the "Bond Indenture"), between the Authority and UMB Bank, National Association, as trustee (the "Trustee"), for the stated purpose of making a loan of the proceeds thereof to the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Indenture or, if not defined in the Bond Indenture, in the Purchase Contract.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the Authority, we have reviewed the Purchase Contract, the Bond Indenture, the Loan Agreement, the Master Indenture of Trust, the Supplemental

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MTI for Obligation No. 3, the Tax Certificate, opinions of counsel to the Authority, the Trustee, the Borrower and MERF, certificates of the Authority, the Trustee, the Borrower, MERF and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein. We have assumed the correctness of the opinion of Musick, Peeler & Garrett LLP, counsel to the Borrower and MERF, regarding, among other matters, the current qualifications of the Borrower and MERF as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). We note that such opinion is subject to a number of qualifications and limitations. We have also assumed the correctness of representations of the Borrower and MERF regarding the use of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the Borrower and MERF within the meaning of Section 513 of the Code. Failure of the Borrower or MERF to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of the Borrower and MERF within the meaning of Section 513 of the Code, could negatively affect several of the opinions set forth below.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by, and constitutes a valid and binding agreement of, each party thereto other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Bond Indenture, the Loan Agreement, the Tax Certificate and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Authority in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any real or personal property described in or as subject to the lien of the Bond Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, except as expressly set forth in numbered paragraph 3 below, completeness or fairness of the Limited Offering Memorandum, dated October __, 2026 (the "Limited Offering Memorandum") or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Contract has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority.

3. The statements contained in the Limited Offering Memorandum under the captions "THE BONDS" (excluding information relating to the book-entry system, DTC and securities depositories), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS," Appendix C – "SUMMARY OF PRINCIPAL BOND DOCUMENTS," and Appendix H – "FORM OF OPINION OF BOND COUNSEL," excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Bond Indenture, the Loan Agreement, the Master Indenture of Trust, the Supplemental MTI for Obligation No. 3, and the form and content of the Bond Opinion, are accurate in all material respects.

This letter is furnished by us as bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriter of the Bonds and the Authority, is solely for your benefit in these respective capacities in connection with the original delivery of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

EXHIBIT C

FORM OF CONSOLIDATED OPINION OF COUNSEL
TO THE BORROWER AND THE LESSEE

November __, 2026

California School Finance Authority
300 S. Spring Street, Suite 8500
Los Angeles, California 90013

UMB Bank, National Association
As Trustee
650 Town Center Drive, Suite 800
Costa Mesa, CA 92626

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2050
Los Angeles, California 90067

Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105

Re: California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C, and California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026D (Taxable)

Ladies and Gentlemen:

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE AUTHORITY

November __, 2026

California School Finance Authority
Sacramento, California

Re: California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026C and

California School Finance Authority Charter School Revenue Bonds (Magnolia Public Schools – Obligated Group) Series 2026D (Taxable)

Ladies and Gentlemen:

We have acted as counsel to the California School Finance Authority (the "Authority") in connection with the issuance of the above-referenced bonds (the "Bonds"). This opinion is delivered to you pursuant to Section 6(c)(xv) of the Bond Purchase Agreement, dated November __, 2026 (the "Purchase Agreement"), among the Authority, the Treasurer of the State of California, as agent for sale on behalf of the Authority, and Stifel, Nicolaus & Company, Incorporated, as underwriter, and approved by Magnolia Properties Management, Inc. (the "Borrower") and Magnolia Educational & Research Foundation.

The Bonds are authorized to be issued pursuant to the provisions of the California School Finance Authority Act, constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California. The Bonds are being issued under a bond indenture, dated as of November 1, 2026 (the "Bond Indenture"), between the Authority and UMB bank, National Association, as bond trustee (the "Bond Trustee"). The proceeds of the Bonds are being loaned by the Authority to the Borrower pursuant to a loan agreement, dated as of November 1, 2026 (the "Loan Agreement"), between the Authority and the Borrower. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Bond Indenture.

The Authority's only source of payment for the principal of, premium, if any, or interest on the Bonds are revenues from payments by the Borrower and from certain other limited sources provided for and described in the Bond Indenture. The Authority is not obligated to pay the principal of, premium, if any, or interest on the Bonds except from such revenues and certain other limited sources provided for and described in the Bond Indenture. Neither the faith and credit nor the taxing power of the State of California or any subdivision thereof, or any local agency, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Authority has no taxing power with which to provide for payment of the principal of, premium, if any, or interest on the Bonds, nor does it have the power to commit the faith and credit or the taxing power of the State of California or any subdivision thereof, or any local agency, to the payment of the principal of, premium, if any, or interest on the Bonds.

As to questions of fact material to this opinion, we have relied upon representations contained in the Indenture, the Loan Agreement, and the Purchase Agreement] (the "Authority Documents") and in certain certificates, documents, records, statements, and opinions furnished by, or on behalf of, the Authority and the Borrower, without undertaking to verify such facts by independent investigation. We have reviewed the Authority Documents, certificates of the Authority and others, information in the Limited Offering Memorandum dated as of [date] relating to the Bonds (the "Limited Offering Memorandum") under the captions "THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION – The Authority," and such other documents, opinions, and matters to the extent deemed necessary to render the opinions set forth herein. In addition, we have assumed compliance with the covenants and agreements contained in the Authority Documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the immediately preceding paragraph hereof.

We express no opinion as to whether interest on the Bonds is excluded from gross income for federal income tax purposes or exempt from State of California personal income taxes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Although one or more Authority Documents may reference or incorporate the [Tax Certificate/Agreement], we express no opinion regarding the [Tax Certificate/Agreement]. We take no responsibility for the accuracy, completeness, or fairness of the Limited Offering Memorandum or other offering material relating to the Bonds and express no opinion with respect thereto, except as expressly set forth in numbered paragraph (2) below.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that:

1. The Authority is a public instrumentality validly existing under the Constitution and laws of the State of California.

2. The Limited Offering Memorandum has been duly authorized by the Authority, and the information contained in the Limited Offering Memorandum under the captions "THE AUTHORITY" and "ABSENCE OF MATERIAL LITIGATION – The Authority" is true and correct.

3. Resolution No. 26-__, adopted on September 24, 2026, approving and authorizing the execution and delivery of the Authority Documents, the Bonds, and the Limited Offering Memorandum, was duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

4. There is no action, suit, or proceeding pending (with service of process against the Authority having been accomplished) or any action, suit, proceeding, inquiry, or investigation before any court, governmental agency, or public board or body to our knowledge threatened against the Authority to restrain or enjoin the issuance or delivery of the Bonds, the collection of revenues pledged under the Bond Indenture, the assignment of the Loan Agreement under the Indenture, or the loaning of the proceeds of the Bonds to the Borrower under the Loan Agreement, or contesting any authority for the issuance of the Bonds, the validity of the Bonds, or the Authority Documents, or contesting the existence or powers of the Authority with respect to the issuance of the Bonds or the security therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by the Authority Documents or the validity of the Bonds (it being understood that we have made no docket search of state or federal courts nor any other similar inquiry regarding such matters).

5. The execution and delivery of the Bonds and the Authority Documents and compliance with the provisions thereof under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument known to us to which the Authority is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the Authority is subject, which would, in any such case, materially adversely affect the Authority's ability to perform its obligations under the Authority Documents; provided that no representation is made regarding compliance with any federal or state securities or "blue sky" laws.

6. The Authority Documents have been duly authorized, executed, and delivered by the Authority and, assuming due authorization, execution, and delivery by the other parties thereto, are valid and binding obligations of the Authority, and the Bonds have been duly authorized, executed, and delivered by the Authority and, assuming proper authentication by the Bond Trustee, constitute valid and binding limited obligations of the Authority, payable only from revenues and from certain other specified funds in accordance with their terms and secured as provided in the Indenture, in each case enforceable in accordance with their respective terms, subject to the laws relating to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws related to or affecting creditors' rights generally, to the application of equitable principles as the court having jurisdiction may impose, regardless of whether such enforceability is considered in a proceeding in equity or law, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability, or waiver provisions contained in the Authority Documents.

We are furnishing this letter to you as your counsel. It is being delivered to you as issuer of the Bonds, is solely for your benefit as such issuer, and is not to be used, circulated, quoted, or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

EXHIBIT E

FORM OF ISSUE PRICE CERTIFICATE

$_____
CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS
(MAGNOLIA PUBLIC SCHOOLS – OBLIGATED GROUP)
SERIES 2026C

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds").

1. ***Sale of the Bonds***. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective prices listed in Schedule I.

2. ***Defined Terms***.

(a) *Issuer* means the California School Finance Authority.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October __, 2026.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate to which this certificate is included as Exhibit B thereto and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____
Authorized Signatory

By:_____
Authorized Signatory

Dated: March 26, 2025

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CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS, SERIES 2026 C&D (TAXABLE)
(MAGNOLIA PUBLIC SCHOOLS- OBLIGATED GROUP)

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CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS, SERIES 2026 C&D (TAXABLE)
(MAGNOLIA PUBLIC SCHOOLS- OBLIGATED GROUP)

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CALIFORNIA SCHOOL FINANCE AUTHORITY
CHARTER SCHOOL REVENUE BONDS, SERIES 2026 C&D (TAXABLE)
(MAGNOLIA PUBLIC SCHOOLS- OBLIGATED GROUP)

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Coversheet

Magnolia Public Schools (MPS) Annual Authorizer Oversight Reports

Section: II. Recommended Action Items
Item: C. Magnolia Public Schools (MPS) Annual Authorizer Oversight Reports
Purpose: Vote
Submitted by:
Related Material:
II. C. Recommended Action Item Magnolia Public Schools (MPS) Annual Authorizer Oversight Reports.pdf

Agenda Item:	III.A. Information/Discussion Item
Date:	September 14, 2026
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools ("**MPS**") Board of Directors (the "**Board**")
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	David Yilmaz, Chief Accountability Officer
RE:	MPS Annual Authorizer Oversight Reports

Action Proposed:

N/A

Purpose:

It is imperative that we share authorizer oversight reports with our Board, highlight any findings, and discuss possible next steps for actions that should be taken based on the feedback provided by the authorizers.

Background:

Oversight Visits Overview
Per the Education Code, charter authorizers need to conduct at least one annual oversight visit to their authorized schools. During an oversight visit authorizers meet with the school leadership, visit classrooms, conduct interviews with staff, parents, and students, check student and staff records, interview some staff (for segregation of duties, etc.), and review a list of documents that our schools provide in physical and electronic binders. The Home Office supports the schools in preparation for the oversight visits through mock visits, document review, and attendance to the visits.

2025-26 Oversight Visits
All eleven of our schools have been visited by their respective authorizers. Following are the visit dates for 2025-26:

School	Authorizer	Visited?	Dates/Notes
MSA-1	LACOE	Yes	11/7/25 and 5/26/26
MSA-2	LACOE	Yes	11/4/25 and 5/11/26
MSA-3	LACOE	Yes	10/20/25 and 5/18/26
MSA-4	LAUSD	Yes	3/4/26
MSA-5	LACOE	Yes	11/7/25 and 5/14/26
MSA-6	LAUSD	Yes	4/10/26
MSA-7	LAUSD	Yes	3/24/26
MSA-Bell	LAUSD	Yes	5/8/26
MSA-San Diego	SDUSD	Yes	4/7/26
MSA-Santa Ana	SBE	Yes	1/30/26
MSA-OC-Anaheim	OCDE	Yes	10/7/25

Analysis:

This agenda is about oversight visit reports from LACOE and LAUSD.

LACOE:

LACOE provided two reports: Governance Review report for MPS and an Instructional Review report for each school. The full reports are attached. The following are excerpts from the summary and recommendations parts of the reports.

Summary / Recommendations from Oversight Visit Reports

GOVERNANCE REVIEW 2025-2026

Summary:

The current board consists of six voting members and a student board member. This is consistent with the approved bylaws. All regular meetings, special meetings, and committee meetings are compliant with the Brown Act. A review of audio recordings, school and board documents, and site visits indicate that parent and stakeholder involvement exist. There have been no notices of violation or documented board complaints. The board has demonstrated effective governance and the ability to take action in alignment with the school's mission and vision.

While LACOE does not approve the LCAP, engagement of educational partners, addressing the 8 State Priorities, and contributing actions were reviewed. These items require the board attention to fully comply with the LCAP.

Recommendations:

1. *The leadership and the board should consider ways to improve communication and understanding of the differences between each of its school's performances and needs.*
2. *The board should continue to closely monitor the enrollment of students and determine if any school needs additional support.*
3. *The Board should closely monitor and support of the transition to the new MSA 5 site, including final construction details, expansion of staff and students, fiscal health, and enrollment/ADA*
4. *The board should consider including more parent representation on the board to increase understanding of student, parent, and community needs.*
5. *Fiscal training is now mandatory for all board members every two years with the first training required prior to January 1, 2027.*
6. *The governing board should review the LACOE End of Year Instructional Program and Governance Reports at a regular board meeting along with any other LACOE correspondence including Business Services interim and audit letters.*
7. *The board should continue to monitor the instructional program and the schools' progress toward charter renewal.*

MAGNOLIA PUBLIC SCHOOLS

INSTRUCTIONAL PROGRAM REVIEW 2025-2026

MSA-1:

Summary
Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standards-based aligned and provided several instructional strategies and supports to assist student groups. Professional development focused on classroom environments, high behavioral expectations, predictable routines, differentiation especially for ELs, and increasing rigor. The school is continuing its PBIS work and has been recognized as a Gold program for PBIS by the State. Attendance improvement efforts included collaboration with mental health providers, a new social worker, home visits, and Saturday attendance recovery programs, which contributed to an approximately 2.4% increase in ADA. *Since the California School Dashboard currently indicates that the school continues to be performing below the state average in CAASPP ELA and Math and specific Student Groups need attention (ELs, LTELs, and SWD) in some indicators, continued focus in these areas is necessary. When developing the LCAP goals, a clear throughline from data analysis to determination of how the actions will primarily benefit unduplicated students would strengthen the plan.* *The school's NWEA data shows the school is making one-year growth for the majority of grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion, a key component of English Language Arts.* *MSA 1 shows great growth in students' academic learning through the NWEA MAP data in the areas that are tests. The school uses data from NWEA and IABs to target instruction. Further, MSA 1 uses instructional rounds to enhance teaching throughout. The school has a focus on the whole student with social emotional support and extracurricular activities. MSA 1 continues to have a high CCI and high graduation rates. The school continues to reflect on how to connect with and best serve its students. In addition, the school has provided its students and community with many opportunities to connect with each other, their community, and their elected officials.*

MSA-1:

Recommendations
1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on the Special Education program to improve CAASPP scores for SWD, CAASPP Math scores for all students and student groups, and Chronic Absenteeism for all students, and many student groups. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*

2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The school should continue its focus on the implementation of PBIS, Capturing Kids Hearts, culturally responsive teaching, and restorative practices into the schoolwide program and monitor the student social emotional needs, engagement, behaviors, and absenteeism. Additionally, the school may want to conduct an analysis of the effectiveness of current interventions, especially surrounding chronic absenteeism and suspensions.*
4. *The school leadership should continue to closely monitor progress on Dashboard data for All Students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

MAGNOLIA PUBLIC SCHOOLS

MSA-2:

Summary
Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standard-based aligned and provided several instructional strategies and supports to assist student groups. The school is continuing its PBIS work and has been recognized as a Gold program for PBIS by the State. *Since the California School Dashboard currently indicates that the school continues to be performing below the state average in CAASPP ELA and Math and specific Student Groups need attention (ELs and SWD) in some indicators, continues focus in these areas is necessary. MSA 2 continues to have a high CCI, high graduation rates, and low suspension rates. When developing the LCAP goals, a clear throughline from data analysis to determination of how the actions will primarily benefit unduplicated students would strengthen the plan.* *The school's NWEA data shows the school is making one year growth for almost all grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion of the NWEA MAP testing, a key component of English Language Arts.* *MSA 2 uses data from NWEA and IABs to target instruction as well as instructional rounds to enhance teaching throughout. The school continues to offer a dual enrollment program. The school continues to reflect on how to connect with and best serve its students. In addition, the school has provided its students and community with many opportunities to connect with each other, their community, and their elected officials.*

MSA-2:

Recommendations
1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on CAASPP data for both ELA and Math, ELD program to improve CAASPP scores for EL and LTELs, the decline in CCI for all students and student groups, and the suspension rate of ELs. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.* 2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.* 3. *The school should continue its focus on the implementation of PBIS, culturally responsive teaching, and restorative practices into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism.* 4. *The school leadership should continue to closely monitor progress on Dashboard data for all students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items in order to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

MAGNOLIA PUBLIC SCHOOLS

MSA-3:

Summary
Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standards-based aligned and provided several instructional strategies and supports to assist student groups. Many classrooms had at least two adults working with students. The school is continuing its PBIS work and has been recognized as a Bronze Program for PBIS by the State *The California Dashboard indicates that the school continues to be performing below the state average in CAASPP Math. The school declined in their ELPI score and continues to be above the state average for Chronic Absenteeism. The school has some Student Groups that are approaching numbers for numerically significant student groups (ELs, HY, and SWD) in some indicators, and monitoring these groups, even before they become a Student Group, is important.* *The school's NWEA data shows the school is making one year growth for the majority of grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion of the NWEA MAP testing, a key component of English Language Arts.* *The school should examine all its plans and create a comprehensive plan that is reflected in the school's LCAP. In development of the LCAP, including data would strengthen the argument of the need for the action and determine how the action will primarily benefit unduplicated students. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.* *The change in leadership is already showing great promise. School culture has shifted for the better, with a focus on engagement and student-centered decision making.*

MSA-3:

Recommendations
1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on the CAASPP data Math, ELD program to improve CAASPP and ELPI scores for EL and LTELs, and Chronic Absenteeism for all students and student groups. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.* 2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.* 3. *The school should continue its focus on the implementation of PBIS into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism. The Action Plan for Success mentions culturally responsive teaching and restorative practices, and school should explore incorporating these throughout its campus.* 4. *The school leadership should continue to closely monitor progress on Dashboard data for all students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items in order to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

MSA-5:

Summary
Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standard-based aligned and provided several instructional strategies and supports to assist student groups. Many classrooms had at least two adults working with students. The school is continuing its PBIS work and was recognized as a Gold program for PBIS by the State. The school has implemented a dual enrollment program, with 83% of seniors completing at least one course. *The school continues to struggle with Chronic Absenteeism, and suspension of SWD. Many interventions have remained constant and future work should analyze the effectiveness of interventions and modify accordingly.* *The school saw significant growth in CAASPP ELA and Math, as well as ELPI. The school's NWEA data shows the school is making one year growth for all grade levels for each student group in Reading and Math. The school is currently not utilizing the Language Usage portion, a key component of English Language Arts.*

The California dashboard for MSA 5 shows many areas where the school is improving and exceeding the state averages. This positive data can be attributed to the school's attention to data and utilizing formative data from NWEA and IABs to target instruction. The school has a focus on college and career readiness as well as PBIS and social emotional support to ensure students are supported in their learning process. The school continues to reflect on all goals and data to create a system of continuous improvement.

MSA 5 has also provided its students and community with some unique opportunity and services including and second year of "Tacos and Taxes event providing free tax filing services to underserved communities and continues to collaborate with a variety of community partners.

MSA-5:

Recommendations
1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on Chronic Absenteeism for all students and suspension rates for SWD. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*
2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The Central Office and Board should closely monitor and support of the transition to the new site, including final construction details, expansion of staff and students, fiscal health, and enrollment/ADA.*
4. *The school should continue its focus on the implementation of PBIS and culturally responsive teaching into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism.*
5. *The school leadership should continue to closely monitor progress on Dashboard data for All Students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, Measurable Pupil Outcomes, and LCAP goals and ensure implementation of any action items to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

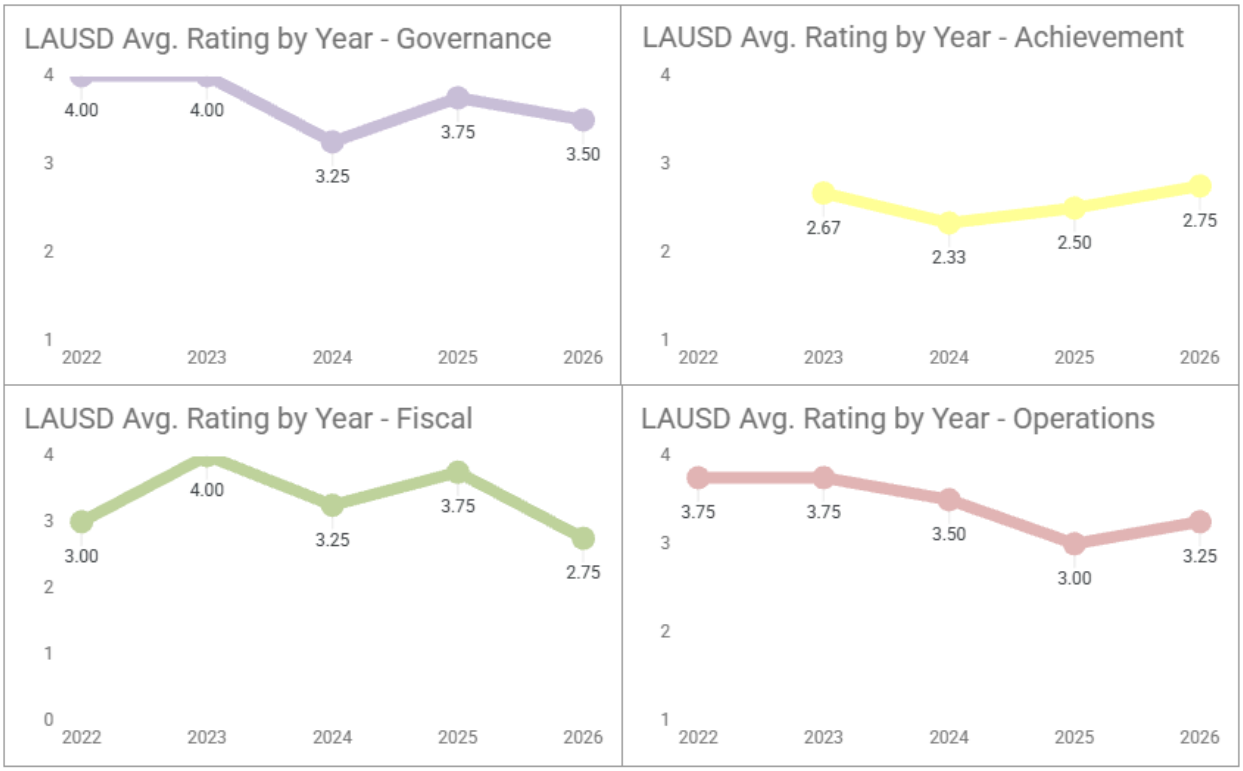
LAUSD:

The full reports are attached. In their report LAUSD provides a rating to the schools (out of 4) for the following areas: Governance, Student Achievement and Educational Performance, Organizational Management, Programs, and Operations, and Fiscal Operations. The following are ratings our LAUSD authorized schools have received in the past five years.

Authorizer Oversight Visit Reports	Governance	Student Achievement and Educational Performance	Organizational Management, Programs, and Operations	Fiscal Operations	
					Ave
2025-26					**3.06**
MSA-4	4	3	3	3	3.25
MSA-6	4	3	4	3	3.50
MSA-7	3	3	3	2	2.75
MSA-8	3	2	3	3	2.75
Ave:	3.50	2.75	3.25	2.75	
					Ave
2024-25					**3.25**
MSA-4	4	3	3	4	3.50
MSA-6	4	3	3	4	3.50
MSA-7	4	3	3	4	3.50
MSA-8	3	1	3	3	2.50
Ave:	3.75	2.50	3.00	3.75	
					Ave
2023-24					**3.13**
MSA-4	3	-	3	3	3.00
MSA-6	4	3	4	3	3.50
MSA-7	3	2	4	4	3.25
MSA-8	3	2	3	3	2.75
Ave:	3.25	2.33	3.50	3.25	
					Ave
2022-23					**3.67**
MSA-4	4	-	3	4	3.67
MSA-6	4	3	4	4	3.75
MSA-7	4	3	4	4	3.75
MSA-8	4	2	4	4	3.50
Ave:	4.00	2.67	3.75	4.00	
					Ave
2021-22					**3.58**
MSA-4	4	-	3	3	3.33
MSA-6	4	-	4	3	3.67
MSA-7	4	-	4	3	3.67
MSA-8	4	-	4	3	3.67
Ave:	4.00		3.75	3.00	

MAGNOLIA PUBLIC SCHOOLS

LAUSD OVERSIGHT VISIT RATINGS



The following are excerpts from the summary and recommendations parts of the reports.

Summary / Recommendations from Oversight Visit Reports

GOVERNANCE

MSA-4:

GOVERNANCE	RATING*
Summary of School Performance	4, Accomplished

Areas of Demonstrated Strength and/or Progress

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- The current Board of Directors of Magnolia Public Schools (MPS) is comprised of 7 directors, which is aligned with the organization's most recent Bylaws requiring no less than 3 and no more than 11 directors.
- Calendar of Governing Board meetings for the 2025-2026 school year, showing monthly meetings scheduled from July 10, 2025 to June 25, 2026
- Brown Act and Conflict of Interest training was held during the Board meeting on August 7, 2025 and September 11, 2025, respectively.

G2: DUE PROCESS

The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public.

As evidenced by information in Folder 1, some of the evidence include the following:

- Systems to provide due for students, employees, and parent including, but not limited to the following:
  - Uniform Complaint Procedures (UCP) and related forms in the student/parent handbook, as well as on the school's website
  - Procedures for resolving general stakeholder complaints within the "General Complaint Procedures Form" located at the school site, within the student/parent handbook and on the school's website. Procedures and forms are available in English and Spanish
  - Procedures/policies regarding Suspension/Expulsion (including appeals), grading policies, and student code of conduct located at the school site, within the student/parent handbook and the school's website
  - Employee handbook which includes descriptions of the school's employee Code of Conduct, Internal Complaint Review and Policy (e.g., complaints by employees against employees, complaints by third parties against employees), Open Door Policy, and employee discipline policy

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis, and discussion, etc.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- Agenda items during Board meetings regularly include updates/reports regarding student achievement and other key aspects of school performance (e.g., CAASPP, NWEA MAP, etc.) and operations from the organization's Chief Executive Officer, Chief Academic Officer, other home office officers, and school site principals.
- Some of the specific items discussed during Board meetings include the following: approval of LCAPs for all Magnolia schools on June 26, 2025; data presentation of LCAP Mid-Year Update on February 13, 2025; enrollment update, including enrollment trends and "Glows, Grows & Priorities" presentations by MSA 4 and MSA6 on May 22, 2025, MSA7 and Bell on June 18, 2025.

Areas Noted for Further Growth and/or Improvement
None at this time.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to GOVERNANCE (if applicable):
☒ Not Applicable

RATING NOTES:

- ***A charter school may receive a rating as low as one (1) in this category for any of the following reasons: 1) Evidence of conflict(s) of interest within the organization (i.e. Governing Board, staff, contracted external parties, etc.), 2) School is in breach of the operative charter, including Federal, State, and District Required Language, 3) School is "Not in Good Standing," 4) Unresolved concern(s) and/or ongoing tiered intervention (i.e., Notice of Concern and/or Notice to Cure), and/or 5) If there are serious concerns related to fiscal matters (e.g., negative financial condition, fiscal mismanagement, repeat material weaknesses, significant deficiencies, and/or significant audit findings disclosed in the charter operator's most recent annual independent audit report, etc.).***
- ***A charter school cannot receive a rating greater than three (3) in this category if it receives an overall rating of two (2) or one (1) in any other category (Student Achievement and Educational Performance; Organizational Management, Programs, and Operations; or Fiscal Operations).***

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE

MSA-4:

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (13.9 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - Latino student group (7.2 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (19.5 DFS) is higher than the state average (-35.3 DFS)

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).

The 2025 average DFS in Math for the school's:

  - Latino student group (-65.0 DFS) is higher than the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-67.0 DFS) is higher than the state average (-72.9 DFS)

A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (Grades 9-12)

- The school's 2025 percentage of students prepared for college or a career (90.6%) is higher than the state average (51.7%).

A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (Grades 9-12)

- All of the school's numerically significant student groups have CCI percentages above their respective statewide student group percentages. The 2025 percentage of the school's:
  - Socioeconomically Disadvantaged student group prepared for college or a career (90.3%) is higher than the state average (44.8%)

A9: ALL STUDENTS GRADUATION RATE INDICATOR

- The school's 2025 Graduation Rate (96.9%) is higher than the state average (87.8%).

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Blue. The school's 2025 percentage of students suspended at least one day (0.6%) is lower than the state average (2.9%).

Areas Noted for Further Growth and/or Improvement

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Yellow. The school's 2025 schoolwide Math DFS (-66.2 DFS) is lower than the state average (-42.4 DFS).
- School leadership shared strategies and steps the school is taking to increase student achievement in Math. Some include the following:
  - Master schedule continues to be designed to provide students with multiple opportunities for academic assistance throughout the day (e.g. SBAC study hours, small-group instruction). Additionally, teachers in the core mathematics classes review study questions in their classes to increase exposure to the types of questions that will be asked on the SBAC.
  - Teachers have engaged in targeted professional development designed to enhance instructional effectiveness with topics such as cooperative learning strategies and project-based learning.
  - There is ongoing coaching to teachers related to differentiating materials and instruction to meet the diverse needs of all learners.

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (30.0%) is higher than the state average (17.1%).
- School leadership shared supports being implemented to decrease Chronic Absenteeism. Some include the following:
  - The school hired an office clerk to assist with daily notifications to families of absent students. Per the principal, he school has seen a decrease in unexcused absences.
  - Continued implementation of incentive programs to encourage school attendance (e.g., weekly grade-level challenges to promote competition, etc.)
  - Multi-tiered system of support that include home visits, attendance meetings with families, and implementation of attendance intervention plans for students after they receive the first attendance warning letter.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MAGNOLIA PUBLIC SCHOOLS

MSA-6:

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (16.2 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - English Learner student group (-33.2 DFS) is higher than the state average (-59.9 DFS).
  - Latino student group (9.4 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (15.9 DFS) is higher than the state average (-35.3 DFS)

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Green. The school's 2025 schoolwide Math DFS (-17.0 DFS) is higher than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in Math for the school's:
  - English Learner student group (-57.9 DFS) is Choose an item. the state average (-86.1 DFS).
  - Latino student group (-21.8 DFS) is Choose an item. the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-18.9 DFS) higher than is the state average (-72.9 DFS)

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Yellow. The school's 2025 percentage of chronically absent students (15.9%) is lower than the state average (17.1%).

Areas Noted for Further Growth and/or Improvement

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Green. The school's 2025 percentage of students suspended at least one day (3.7%) is higher than the state average (2.9%).
- School leadership shared efforts to decrease suspension. Some of the efforts include the following:
  - Continues to implement Positive Behavioral Interventions and Supports (PBIS) to reinforce positive behavior expectations
  - Students earn PBIS raffle tickets for demonstrating behaviors aligned with schoolwide expectations and the school holds PBIS assemblies to recognize students and reinforce positive behaviors
  - School leadership participates in Professional Learning Communities (PLCs) with LACOE through meetings focused on PBIS, Social Emotional Learning (SEL), and restorative practices
  - Structured sports tournaments are held during lunch to help students engage positively and help mitigate behavioral issues

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MAGNOLIA PUBLIC SCHOOLS

MSA-7:

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (3.5 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - English Learner student group (-16.1 DFS) is higher than the state average (-59.9 DFS).
  - Latino student group (-19.2 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (-3.6 DFS) is higher than the state average (-35.3 DFS)

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Green. The school's 2025 schoolwide Math DFS (-9.7 DFS) is higher than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in Math for the school's:
  - English Learner student group (-26.3 DFS) is Choose an item. the state average (-86.1 DFS).
  - Latino student group (-22.7 DFS) is Choose an item. the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-15.1 DFS) is Choose an item. the state average (-72.9 DFS)

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Blue. The school's 2025 percentage of students suspended at least one day (0%) is lower than the state average (2.9%).

Areas Noted for Further Growth and/or Improvement

A5: ALL STUDENTS English Learner Progress INDICATOR

- The schoolwide Dashboard ELPI performance color is Yellow. The school's 2025 percentage of English Learner students making progress towards English language proficiency (41.8%) is lower than the state average (46.4%).

- School leadership shared efforts to increase the percentage of English Learners making progress towards English proficiency. Some of the efforts include the following:
  - Continued use of the *Wonders* ELD curriculum for core instruction during Designated ELD which provides focused language development support
  - Continuing the incorporation of the Write Brain program as a supplemental resource to strengthen students' writing skills, engaging EL learners in structured, interactive writing activities."
  - ELD Coordinator provides "comprehensive ELD workshop, equipping teachers with additional resources through Google Classroom to enhance Integrated ELD instruction" and strategies to aid language acquisition

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (27.3%) is higher than the state average (17.1%).
  - School leadership shared efforts to decrease Chronic Absenteeism. Some of the efforts include the following:
    - Continuation of implementing school's attendance plan that includes rewarding strong attendance (e.g., attendance raffles, awards assemblies, brag tags for perfect attendance, etc.) and parent outreach and communication to strengthen school-home partnerships
    - Continue "sending reminder letters to families, monitoring monthly absence thresholds, and contacting families when students approach or exceed absence limits, and scheduling meetings or home visits when necessary to develop individualized plans to support improved attendance."

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MSA-BELL:

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	2, Developing
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A5: ALL STUDENTS English Learner Progress The schoolwide Dashboard ELPI performance color is Blue. The school's 2025 percentage of English Learner students making progress towards English language proficiency (60%) is Choose an item. the state average (46.4%).

Areas Noted for Further Growth and/or Improvement

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA)

- The schoolwide Dashboard ELA Indicator performance color is Yellow. The school's 2025 schoolwide ELA DFS (-41.9 DFS) is lower than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA)

None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).

The 2025 average DFS in ELA for the school's:

- English Learner student group (-96.3 DFS) is lower than the state average (-59.9 DFS).
- Long-Term English Learners student group (-144.2 DFS) is lower than the state average (-104.5 DFS)
- Latino student group (-4.8 DFS) is lower than the state average (-33.7 DFS).
- Socioeconomically Disadvantaged student group (45.3 DFS) is lower than the state average (-35.3 DFS)
- Students with Disabilities student group (-92.6 DFS) is lower than the state average (-89.4 DFS)

- In response to indicators **A1** and **A2**, school leadership shared strategies and steps the school is taking to increase student achievement in ELA. Some of them include the following:
  - Additional time has been added into the daily schedule to allow for more reading. For example, in addition to the 15 minutes of Sustained Silent Reading (SSR) each morning, students now have an extra 15-20 minutes during Advisory to read or take their Accelerated Reader (AR) quizzes.
  - 30 minutes of reading each day is assigned as homework for each student
  - Adoption of the RACE strategy: Restate, Answer, Cite Evidence, and Explain across all subjects. Teaching teams have received training of this strategy through professional development, as well as training on reading strategies to use with English Language Learners (ELLs)
  - Continuous implementation of new ELA platform, *No Red Ink*, a program designed to "bolter student proficiency in writing and grammar"

A3: ALL STUDENTS MATH

- The schoolwide Dashboard Math Indicator performance color is Yellow. The school's 2025 schoolwide Math DFS (-90.6 DFS) is lower than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH

- Less than a majority of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).
  The 2025 average DFS in Math for the school's:
  - English Learner student group (-125.8 DFS) is lower than the state average (-86.1 DFS).
  - Long-Term English Learner student group (-164.3 DFS) is lower than the state average (-158.9 DFS).
  - Latino student group (-91.0 DFS) is lower than the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-92.1DFS) is lower than the state average (-72.9 DFS)
  - Students with Disabilities student group (-136.6 DFS) is lower than the state average (-120.7 DFS)
  - Homeless students (-92.6 DFS) is higher than the state average (-102.8 DFS)
- In response to indicators **A3** and **A4**, school leadership shared strategies and steps the school is taking to increase student achievement in Math. Some of them include the following:
  - Continuing to implement Houghton Mifflin Harcourt *HMH Mathematics*. Teachers have participated in professional development sessions led by HMH experts at the beginning of the school year
  - IXL Math is utilized during Advisory periods as intervention and support
  - Power Math classes are continuing this school year for 6th grade students to provide additional instructional time and support in math
  - Math teachers participate in monthly Professional Learning Communities (PLCs) and weekly meetings with the Dean of Academics. These sessions are dedicated to discussing each student's progress, identifying areas for growth, and developing targeted intervention to support individual needs.

A8: ALL STUDENTS CHRONIC ABSENTEEISM

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (27%) is higher than the state average (17.1%).
- School leadership shared supports being implemented to decrease Chronic Absenteeism. Some include the following:
  - Continue to focus on creating a welcoming environment (e.g., greeting students at the door, clean and neat learning space, creating engaging lessons, etc.)
  - Utilizing the Crisis Prevention Institute (CPI) evidence-based strategies "to identify student triggers and effectively de-escalate stressful moments in the classroom."
  - Continuous home visits and meetings with parents to share the importance of school attendance.
  - Attendance Intervention Plan is developed during meetings (parents are invited to attend) to address student needs.
  - Incentives for attendance includes shoutouts and awards during the monthly PBIS assemblies.

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Orange. The school's 2025 percentage of students suspended at least one day (6.4%) is higher than the state average (2.9%).
- School leadership shared some strategies to improve student suspension. Some of them included the following:
  - Strengthening the PBIS/MTSS program though professional learning and development of a data driven PBIS system to identify trends and inform programmatic adjustments.
  - Creation of a paper-based discipline referral to complement the digital system
  - Implementation of data-driven behavior tracking system
  - Enhance Restorative Justice Practices to address behavioral issues effectively
  - Strengthen collaboration with families
  - Promote Social Emotional Learning (SEL) by targeting SEL lessons to address conflict resolution, anger management, and decision-making skills.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS

MSA-4:

ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Sample lesson plans and curricular list (e.g., Sample Week At a Glance for 8th grade History, 9th grade ELA, and 7th grade Math)
  - Year-long professional development plan
  - WASC six-year accreditation status through June 30, 2031 with a mid-cycle report in the 2027-2028 school year
  - Focused areas observed during classroom observations included teachers modeling and communicating student behavior expectations, instructional groups, and teachers allowing students to struggle with material by facilitating the learning instead of immediately providing an answer to their questions.
  - Some professional development activities include a "Data Dive" by departments on September 24, 2025 and Plan. Do. Study. Act (PDSA Cycle) on August 27, 2025
  - College Mentor Program Parent Workshop on November 5, 2025; Winter Festival December 13, 2025

O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District.

- Some of the evidence found in Folder 3, responses to guiding questions, and per discussion with leadership include the following:
  - As evidence by the LAUSD Discipline Report for the 2024-2025 school year, the school's suspension rate is 0.76%
  - Continued Implementation of PBIS initiatives including community circles, academic and PBIS assemblies, Kickboard, and professional development on MTSS best practices
  - Professional development activities include *Social Emotional Learning 101* on January 12, 2026 and School-Wide PBIS System: S.O.A.R. (Strive for Success; Own Your Actions; Act with Patience; Respect People) on August 7, 2025

O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements.

- Some of the evidence in Folder 3 and per discussion with leadership include the following:
  - Stakeholder Engagement Yearlong calendar, including parent meeting (*MPS Strategic Plans Parent Meeting*) on January 30, 2026
  - College Mentor Program Partn Workshop on November 5, 2025
  - Agendas minutes of PAC and ELAC meetings, including member rosters

Areas Noted for Further Growth and/or Improvement

None at this time.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MSA-6:

ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	4, Accomplished

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Sample lesson plans for English
  - Year-long professional development calendar that includes activities such as the MPS Summer Symposium in August 2025, NWEA MAP Training, Classroom Expectations, and 2025-2026 School Year Orientation
  - School site STEAM Team participation and recognition in LA County Science Fair and MPS STEAM Expo
  - 2025-2026 Curricular List (e.g., HMH Into Math, Inspire Science, McGraw Hill StudySync, etc.)

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Continuous implementation of NWEA MAP assessments for Math and ELA. Spring 2025 indicates that all students met and exceeded the school Conditional Growth Index (CGI) in both Math and ELA
  - Continued implementation of a Multi-Tiered System of Supports (MTSS) that includes core instruction, targeted support, and intensive intervention for student with imbedded monitoring of each student's progress
  - Student Support and Progress Team (SSPT) process and flowchart
  - Designated ELD schedule and sample lesson plans

Areas Noted for Further Growth and/or Improvement

None noted at this time

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MSA-7:

ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Summary of key features of the educational program that includes college preparatory STEAM educational experiences (e.g., participation in STEAM Expos, etc.)
  - Community Resource Fair held on December 13, 2025. This fair featured health resources, mental health resources, and games and prizes
  - Newsletters sent to families monthly
  - Curriculum list for 2025-2026 school year that includes curriculum for all core subjects (e.g., ELA, ELD, Social Studies) and Social-Emotional Learning (e.g., Second Step).
  - Sample weekly lesson plans for 1st and 4th grade students
  - Professional Learning Calendar for the 2025-2026 school year
  - WASC accreditation through June 30, 2029 with a mid-cycle visit during the 2025-2026 school year

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis.

- Some of the evidence found in Folder 3, leadership discussion, school presentation, and responses to guiding questions include the following:
  - Tiered Interventions with intervention schedule
  - Data analysis and Goal setting per grade level. Sample of Grade 2 data analysis in Fall 2025
  - Designated ELD schedule with sample lesson plans using *Wonders* for both Designated and Integrated ELD reading
  - Professional development activities such as Understanding ELPAC on November 19, 2025 and Improving ELPI Scores & Supporting ELL Students on 11/10/2025
  - Continued used of NWEA MAP as an internal assessment for Math and ELA

Areas Noted for Further Growth and/or Improvement

None at this time.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MSA-BELL:

ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Project Based Learning Showcase on November 20, 2025
  - STEAM Expo on March 20, 2026
  - Sample Math, ELA and Social Studies lesson plans
  - Curricular List for the 2025-2026 school year (e.g., California Inspire Science, McGraw Hill IMPACT California Social Studies, HMH Into Math, Study Sync – Comprehensive English Language Arts, etc.)
  - Year-long professional learning calendar with activities such as Support English Learning in August 2025 and CA Integrated Support Project

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis.

- Some of the evidence found in Folders 2 and 3 include the following:
  - SSPT Process Flowchart (Student Support and Progress Team)
  - Small group or individual support is provided during Advisory, After School Tutoring, and Saturday 4 Success program
  - School continues to utilize NWEA MAP and IAB data to assess in the areas of math and reading
  - Designated ELD schedule and sample ELD lesson plans
  - Professional development activities include the following: ELD Program in December 10, 2025; Stronger Together: Elevating Multilingual Learners Through Collaboration; and MSA-Bell SPED for all staff on August 13, 2025

Areas Noted for Further Growth and/or Improvement

None noted at this time.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

MAGNOLIA PUBLIC SCHOOLS

FISCAL OPERATIONS

MSA-4:

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive. However, please see **Item #2** in the **Areas Noted for Further Growth and/or Improvements** section regarding the school's low student enrollment and operating loss trends.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 4	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$1,349,016	$1,448,873	$1,322,121	$1,061,838	$901,815
Net Income / (Loss)	$127,069	$99,857	($126,752)[1]	($260,283)[2]	($160,023)[3]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$1,105,035	$1,599,759	$1,265,070	$902,769	$919,727
Unrestricted Net Assets	$1,349,016	$1,448,873	$1,322,121	$1,061,838	$661,638
Norm Enrollment Reported by the School	110	101	120	133	124
FINANCIAL RATIO ANALYSIS					

Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	56.52%	56.22%	45.57%	34.86%	22.61%
Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	46.30%	62.07%	43.60%	29.64%	31.43%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	340.22%	248.10%	346.26%	332.82%	313.22%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	28.07%	39.68%	29.00%	30.14%	31.91%

According to Magnolia Educational & Research Foundation (MERF):
[1]The reported net loss of ($126,752) for Fiscal Year 2023-2024 was primarily due to unexpected operational needs and necessary staffing expenses, including costs related to substitute and Special Education staffing, certificated aids, and rent and leases. The school explained that the deficit does not indicate long-term fiscal instability but reflects a set of temporary and unanticipated cost increases.
[2]The reported net loss of ($260,283) for Fiscal Year 2024-2025 was primarily due to increases in Special Education consulting services, additional educational software, facility-related costs, and substitute services, which exceeded revenue growth for the year.
[3]The projected net loss of ($160,023) for Fiscal Year 2025-2026 is due to a decline in student enrollment and ADA percentage, which resulted in lower-than-expected revenue for the school year. See **Item#2** under the **Areas Noted for Further Growth and/or Improvement** section below.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation		
Source: Independent Audit Report for the Year Ending June 30, 2025		
# of Charter Schools	**Including related parties and charter schools**	**Excluding related parties and charter schools**

Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[4]	4[4]	$60,016,994	**($2,017,671)**[5]	$441,370	**($2,511,233)**[5]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 4 paid annual management fees of $179,169 (approximately 2% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and Special Education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[4]The other LAUSD-authorized MERF charter schools are: (1) MSA 6; (2) MSA 7; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[5]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671)**, inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	**Charter Schools**	**LLC's**	**Eliminations**[+]	**MERF**
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**

Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 4's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6			12	8	9
7			9	17	10
8			1	10	15
9	35	23	20	21	29
10	22	34	30	21	16
11	27	20	33	28	17
12	26	24	15	28	28
Total Enrollment	**110**	**101**	**120**	**133**	**124**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(9)**	**19**	**13**	**(9)**
Enrollment Growth/(Decrease) (%)	**N/A**	**(8.2%)**	**18.8%**	**10.8%**	**(6.8%)**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**14**

Accumulated increase in student enrollment percentage	**12.7%**
Current Board-approved enrollment capacity in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
Per Board-approved enrollment capacity in the school's operative charter	**360**
2025-2026 Norm Enrollment	**124**
Below Board-approved enrollment capacity in the school's operative charter	**(236)**[6]
Below Board-approved enrollment capacity percentage in the school's operative charter	**(65.6%)**

[6]See **Item#2** under the **Areas Noted for Further Growth and/or Improvement** section below.

On November 17, 2025, the LAUSD Board of Education approved MSA 4's renewal petition with a maximum enrollment capacity of 360 renewal charter term (2026-2031). The projected student enrollment for the 2026-2031 renewal term is 155, 165, 175, 185, and 195. The CS to monitor the school's student enrollment and financial condition through oversight.

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

Areas Noted for Further Growth and/or Improvement:

Through conducting fiscal oversight, the CSD requests and receives fiscal documents from the charter operator operating multiple charter sch bank statements, bank reconciliations, credit card statements, and check registers) that are currently authorized by LAUSD. The CSD reviews documents—along with a sample of checks/disbursements and credit card transactions, as applicable—across these charter schools, to assess the overall compliance with the charter operator governing board-approved fiscal policies and procedures, applicable federal, state, and local laws a District and charter requirements, and the effectiveness of the charter operator's internal controls and systems in place in alignment with best bus Any areas noted for further growth and/or improvement and other observations relating to the charter operator's and its charter schools' overall fiscal operations—including fiscal mismanagement, regulatory non-compliance, fiscal governance or internal control issues, or fiscally operation audit findings, etc. that *directly and systemically* impact the charter schools operated under the charter operator—are documented within each Annual Performance-Based Oversight Visit Report. These issues may or may not have been observed for the specific charter school under th network, based on the CSD's sampling review. Lastly, school-specific exceptions, such as the fiscal condition, unique oversight observations, o applicable to individual schools, are reviewed and documented separately for each charter school.

1. **Type of Observations: Discrepancies Between Invoices and Supporting Documentation; Absence of Management Detailed Re Approving and Processing Payments**

- **Source of Documents Reviewed: Check Register**
- **Description of Observations:** Based on the CSD's review of three (3) transactions from a total of seventeen (17) check register samples, the CSD identified discrepancies between the invoices submitted and MERF's initial supporting documentation provided to the CSD. Although MERF subsequently provided additional documentation in response to the CSD's observations and inquiries, these discrepancies suggest weakness in internal controls, particularly the lack of management review and reconciliation of billed hours, days, and amounts prior to approving and processing payments to vendors and contractors. A summary of the CSD's observations is provided in the table below.

Sample # and School	Date	Check#	Vendor Name	Invoice #	Invoice Amount	# of Hours/ Days Billed	# of Hours/ Days per Initial Supporting Documentation	Overbilled Hours/ Days	Overbilled Amount	Description of CSD Observations
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903022	$12,071.67	97.1667 hours	35 hours	62.17 hours	$7,575.67	The school provided supporting documents that did not match the hours billed by the vendor. ***Additional documentation was subsequently submitted that matched the billed hours***; however, this documentation was provided ***after the fact***, indicating weak internal controls. It further reflected a failure to verify invoices against contract terms and a lack of adequate review processes before approving and processing the payment to the vendor/contractor.
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903175	$11,464.67	93.6667 hours	47 hours	46.67 hours	$5,571.06	
#16 MSA 8	5/13/2025	800203	Nextgen Teachers LLC	9-APRIL 2025	$30,210.00	90 days	86 days	4 days	$1,336.00	The school provided sign-in sheets to support the billed service days; however, four days lacked sign-ins. Additional issues included billing inconsistencies with contract rates and duplicate charges for the

										same subject on the same day.
#17 MSA 8	5/16/2025	800207	Nextgen Teachers LLC	8-MARCH 2025	$28,524.00	85 days	85 days	-	-	Although the billed days were consistent with the days per the supporting documentation submitted to the CSD, and the school provided sign-in sheets to support billed service days, the CSD identified that some dates did not match vendor invoices, and duplicate billing was identified for the same teacher and subject on the same day. These discrepancies indicate a lack of internal controls in reviewing and reconciling invoices to supporting documentation and contractual terms.

- **Charter Operator's Fiscal Policies and Procedures:** Pages 248 and 249 (Title: PUR104 Accounts Payable and Cash Disbursements) of the MERF's Financial Policies and Procedures Manual, approved by the MERF Board on June 26, 2025, states: "Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, …." It further states: "Scope: This procedure applies to all purchases, including contractors, consultants, and merchandise and non-merchandise purchases."

- **CSD's Comments:** The CSD continues to urge MERF's leadership team to improve its process and exercise greater diligence in reviewing and verifying invoices prior to processing payments to ensure that accurate calculations and appropriate supporting documentation support all disbursements of the school funds, aligning with the organization's board-approved fiscal policies and procedures as well as best business practices.

2. **Type of Observation: Low Student Enrollment and Operating Loss Trends**
   - **Source of Documents Reviewed:** Norm Enrollment Reported by the School, Audited Financials, Interim Projections
   - **Description of Observations:** Pursuant to the District's oversight obligations, the CSD reviews the charter schools' financial condition and Norm Enrollment trends, given that they are considered key indicators of a charter school's future revenue stream and financial viability. The CSD also compares charter schools' Norm Enrollment year-by-year to the approved enrollment capacity as part of its oversight review.

As summarized in the table under the **Norm Enrollment Data and Trends** section above, MSA 4's reported Norm Enrollment was 110, 101, 120, 133, and 124 for Fiscal Years 2021-2022 through 2025-2026, respectively. Norm Enrollment of 124 students for Fiscal Year 2025-2026, which represents 236 students (or approximately 65.6%) below its approved enrollment capacity (i.e., 360 students).

As noted in the Financial Highlights section above, the school reported consecutive net losses of ($126,752) and ($260,283) for Fiscal Years 2023-2024 and 2024-2025, respectively, and continues to project an additional net loss of ($160,023) for Fiscal Year 2025-2026 based on its 2025-2026 Second Interim Financials.

Although the school maintains positive net assets, MSA's recurring operating losses, along with the decline in student enrollment in 2025-2026, raise concerns as these may negatively impact the school's long-term financial position if the trend continues.

- **Charter Operator's Fiscal Policies and Procedures: N/A**
- **Charter School's Response:** According to the school during MSA 4's renewal process in FY 2025-2026, "Beginning this year [2025-2026], MERF has revamped its recruitment approach to focus on five key factors: Focus on attrition and persistence efforts for student enrollment, working from the inside out, through strategically engaging current families, leveraging intentional community partnerships, and outreach to prospective families." The school further stated, "Through these concrete strategies, we are confident that MSA-4 will see continued growth in its current site. However, in the unlikely event that MSA-4 does not achieve its enrollment projections through these revamped efforts, MERF is prepared to support the Charter School by reducing the CMO fee if needed." Additionally, according to the school, during the FY 2025-2026 oversight process, their efforts to boost student enrollment center on enhanced recruitment strategies that increase visibility through marketing and events, build stronger community relationships, ensure access for diverse families, and leverage data to refine and improve recruitment over time.
- **CSD's Comments:** As discussed in the table under the **Charter Operator Fiscal Information** section above, MERF's Home Office reported a significant operational deficit in FY 2024-2025, leading to significantly reduced net assets, which may negatively impact its ability to provide financial support to the MERF charter schools. As noted above, MSA 4 projected 155, 165, 175, 185, and 195 students for its renewal charter term 2026-2031. The CSD will continue to monitor the school's student enrollment and its financial condition through oversight.

The governing board and leadership team of the charter school are responsible for managing the operations of the school. The CSD recommends that the Annual Performance-Based Oversight Visit Report, including the above-noted fiscal findings and observations, be discussed at the MERF's next governing board meeting, highly preferably no later than 90 days following the school's receipt of this report, so that the charter school and its governing board may address any issues early enough to implement changes in order to see results in its next fiscal year. It is the school's responsibility to provide the CSD with its action plans/steps, proof of implementation of the mitigating actions taken by the school, and/or documentation (e.g., governing board meeting agendas and approved board meeting minutes, updated fiscal policies and procedures, etc.), as applicable, prior to or during the next Annual Performance-Based Oversight Visit. The CSD will continue to monitor these issues through oversight and may take additional appropriate oversight actions. The results may be factored into the school's rating for next year.

Other Observations (Items described in this section, which may not have been addressed in the charter school's Fiscal Policies and Procedures, are recommended for improvement to align with optimal business practices).

1. **Type of Observation: 2024-2025 Audit Finding – Material Weakness Concerning Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed financial statements-related findings identified as a material weakness concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC. Details regarding the audit finding are provided below:

     "**2025-001 30000 – Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments as it Relates to the Title Transfer for the Newly Formed LLC (Material Weakness)**

     Criteria or Specific Requirements
     Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This includes designing, implementing, and monitoring controls to ensure that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are free from material misstatement, whether caused by error or fraud. As part of this responsibility, management ensures that accounting considerations related to complex or non-routine transactions, including those involving legal entity structure or ownership, are appropriately identified, documented, reviewed, and recorded prior to year-end close.

     Condition
     During the course of our engagement, we identified material misstatements of beginning balances presented within the consolidated financial position, as reported on the 2022-2023 audited financial statements. This prior period restatement due to errors resulted in an understatement of $3,774,168. In addition, we identified adjustments related to cash and cash equivalents, property and equipment, notes payable, and the related revenues and expenditures. Specifically:

     Magnolia Educational & Research Foundation
     - Cash and cash equivalents were understated by $2,000,000.
     - Property and equipment were understated by $7,600,000.
     - Intra-entity receivables were overstated by $1,308,807.
     - Intra-entity payables were understated by $427,630.
     - Interest payable was understated by $307,131.
     - Notes payable were understated by $7,825,000.

     Magnolia Science Academy 5
     - Property and equipment were overstated by $3,964,890.
     - Intra-entity receivables were understated by $1,081,742.
     - Proposition construction loans were overstated by $1,441,574.

Magnolia Science Academy 7

- Property and equipment were overstated by $1,736,437.
- Intra-entity receivables were understated by $427,630.
- Intra-entity payables were overstated by $1,308,807.

MPM, Inc/LLC

- Notes receivable were understated by $3,540,002.
- Property and equipment were understated by $1,081,742.
- Intra-entity payables were understated by $1,081,742.

These adjustments resulted in an overall understatement of $1,829,860 in Net Assets.

During the fiscal year 2024-2025, the Organization established MPM 18120 Sherman Way LLC to hold title to the property at 18120 Sherman Way. The purchase transaction was completed during the year; however, as of June 30, 2025, the formal transfer of title from MERF to the LLC had not yet been finalized.

Context
The condition identified was through inquiry with Organization personnel and through review of available Organization records related to balances reported in the Organization's cash and cash equivalents, property and equipment, interest payable, and notes payable.

Cause
The delay was due to administrative timing and coordination requirements associated with setting up the new legal entity and preparing the necessary transfer documentation, specifically to avoid triggering the Los Angeles City Measure ULA transfer tax.

Effect
The net effect of these errors resulted in misstatements that were not detected or prevented by the Organization's internal accounting control and review process.

Repeat Finding
No

Recommendation
We recommend that management and those charged with governance continue to strengthen internal controls over financial reporting related to complex, non-routine transactions, including those involving legal entity formation, ownership, and timing considerations, to ensure that financial statements are free from material misstatement. Controls should enable management, in the normal course of performing assigned functions, to identify, document, and resolve accounting considerations on a timely basis. Specifically:

- Strengthen year-end reconciliation and review procedures for significant accounts.

- Enhance pre-year-end coordination and documentation review for transactions involving legal entity structure or ownership.
- Ensure timely identification, documentation, and recording of accounting judgments related to such transactions prior to financial statement issuance.

Corrective Action Plan and Views of Responsible Officials
The Organization agrees that effective year-end review, documentation, and coordination are critical components of its internal control over financial reporting, particularly for complex or non-routine transactions involving legal entity formation or ownership. Management has implemented, and continues to implement and monitor, enhanced procedures to strengthen cross-functional coordination, pre–year-end readiness reviews, documentation of accounting judgments, and verification of legal ownership and entity structure prior to fiscal year-end. Management believes these actions will support timely identification and resolution of accounting considerations and reduce the risk of similar issues in future reporting periods."

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above. In addition, in response to the CSD's follow-up inquiries, MERF provided its action plans developed and maintained by Cafer Turan, Interim Chief Financial Officer: Management will implement stronger controls over complex and non-routine transactions by ensuring proper review, documentation, and coordination. This includes completing a formal readiness certification before major real estate or financing activities, improving collaboration across departments and with auditors, and conducting enhanced reconciliations during year-end closing. Additionally, management will maintain thorough documentation of accounting judgments and ensure appropriate technical accounting review to support accurate and consistent financial reporting. Management will monitor and implement corrective actions throughout FY 2025–26, with full implementation expected by June 30, 2026. Effectiveness will be evaluated during year-end close and ongoing audit reviews. Additionally, management will conduct a pre-year-end review of LLC-related legal, ownership, and transactional documentation to ensure completeness and alignment before the fiscal year-end.

- **CSD's Comments:** The CSD urges that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight. The results will be factored into the school's rating.**

2. **Type of Observation: 2024-2025 State Compliance Audit Finding Concerning Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed a state compliance-related audit finding identified as a significant deficiency concerning attendance reporting. Details regarding this audit finding are provided below.

     "2025-002 10000 – Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)

     Criteria

Pursuant to California Education Code Section 47612.5, the Annual Period Report of Attendance submitted to the CDE should reconcile to supporting documents to ensure that Average Daily Attendance (ADA) is reported accurately. The attendance report should be revised to reflect updates and corrections to attendance when they occur.

Condition
The ADA reported on the Annual Period Report of Attendance was inaccurate due to the Organization misclassifying classroom-based ADA and nonclassroom-based ADA. As a result, the Organization overstated classroom-based ADA by 1.20 and underreported nonclassroom-based ADA by 1.20 on the Annual Report.

Cause
The misclassification appears to have resulted from an error in categorizing instructional settings for classroom-based and nonclassroom based ADA during annual reporting.

Effect

Magnolia Science Academy San Diego
The Organization over-reported by 1.20 ADA for classroom-based and under-reported by 1.20 ADA for nonclassroom-based on its Annual Period Report Attendance, resulting in an estimated fiscal impact as follows:

Grade Span	(Over) Under Reported ADA	Derived Value of ADA by Grade Span	Penalty
Classroom-based			
4-6	(0.38)	$ 10,937.43	$ (4,156.22)
7-8	(0.82)	11,260.92	(9,233.95)
Subtotal	(1.20)		(13,390.18)
Nonclassroom-based			
4-6	0.38	$ 10,937.43	$ 4,156.22
7-8	0.82	11,260.92	9,233.95
Subtotal	1.20		13,390.18
Total	-		$ -

Questioned Costs
There were no questioned costs identified.

Repeat Finding
No

Recommendation
The Organization should ensure the Annual Period Report of Attendance is accurately completed using the correct reports from the student information system.

Corrective Action Plan and Views of Responsible Officials
The Organization acknowledges the finding and agrees that ADA was misclassified. While the variance of 1.20 ADA does not result in a questioned cost, the school recognizes the importance of accurate reporting under California Education Code Section 47612.5.

The Organization concurs with the recommendation and has initiated steps to strengthen internal controls, update policies, and train staff to ensure future compliance.

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above.
- **CSD's Comments:** The CSD recommends that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight. The results will be factored into the school's rating.**

The Charter Schools Division will continue to monitor the issues referenced above by or during the next oversight visit. The results may be factored into the school's rating for next year.

Corrective Action Required:

None noted that immediate action is required to remedy concerns in this report.

Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS (if applicable):

☐ Not Applicable

As part of the November 7, 2017 renewal petition approved by the LAUSD Board of Education (Board of Education report 178-17/18), during the 2018-2023 charter term, which, by operation of law, was extended to and expires June 30, 2026,* MSA 4 must meet the following fiscal benchmarks and take the following actions in relation to its fiscal operations:

- MERF will continue to take steps to remediate its fiscal practices and demonstrate improvement in its fiscal management and operations, based on the recommendations made by the Fiscal Crisis & Management Assistance Team and SSCal, through the end of the term of MSA 4's charter or by the end of fiscal year 2022-2023.
- MERF must provide an annual update to the Charter Schools Division starting by December 15 of each year through the end of the term of MSA 4's charter or by the end of fiscal year 2022-2023, as to its progress in improving the school's fiscal management and operations.
-

To date, MSA 4 has complied with the benchmarks cited above. On November 17, 2025, the LAUSD Board of Education approved MSA 4's renewal petition for the 2026-2031 charter term without benchmarks. The CSD will continue to monitor the school's financial operations through the oversight review process.

* Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

MAGNOLIA PUBLIC SCHOOLS

MSA-6:

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 6	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$2,440,121	$2,848,933	$2,666,531	$2,565,702	$2,606,231
Net Income / (Loss)	$29,577	$408,812	($182,402)[1]	($100,829)[2]	$40,529
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$2,434,523	$2,993,077	$2,773,148	$2,102,401	$1,971,877
Unrestricted Net Assets	$2,440,121	$2,848,933	$2,666,531	$2,565,702	$2,417,849
Norm Enrollment Reported by the School	84	89	109	126	155
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	131.46%	115.64%	108.06%	85.75%	76.67%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	131.16%	121.50%	112.38%	70.27%	62.53%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	592.50%	488.95%	609.40%	613.95%	906.33%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	16.51%	20.26%	16.48%	14.79%	10.38%

According to Magnolia Educational & Research Foundation (MERF):
[1]The reported net loss of **($182,402)** for Fiscal Year 2023-2024 was primarily due to exceeding the budgeted amount in several key areas, including substitute staffing, school and after-school programs, Special Education instruction contracts, and both instructional and non-instructional supplies. Additionally, the school incurred unanticipated expenses related to student services and technology.
[2]The reported net loss of **($100,829)** for Fiscal Year 2024-2025 was primarily due to the school experiencing a corresponding increase in staffing needs to support instructional and student services. Higher expenditures in salaries and benefits, instructional support staffing, and related operating costs outpaced revenue growth, contributing to the net loss for the year.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[3]	4[3]	$60,016,994	**($2,017,671)**[4]	$441,370	**($2,511,233)**[4]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 6 paid annual management fees of $179,169 (approximately 2% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[3]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 7; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[4]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671),** inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions are eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 6's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6	19	33	41	44	52
7	30	22	38	44	53
8	35	34	30	38	50
Total Enrollment	**84**	**89**	**109**	**126**	**155**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**5**	**20**	**17**	**29**
Enrollment Growth/(Decrease) (%)	**N/A**	**6.0%**	**22.5%**	**15.6%**	**23.0%**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**71**
Accumulated increase in student enrollment percentage	**84.5%**
2025-2026 projected enrollment per the enrollment rollout plan or budget in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
2025-2026 per the enrollment rollout plan in the school's operative charter	**192**
2025-2026 Norm Enrollment	**155**
Below 2025-2026 per enrollment rollout plan in its operative charter	**(37)**
Below 2025-2026 per enrollment rollout plan in its operative charter percentage	**(19.3%)**

Areas of Demonstrated Strength and/or Progress:

The school has complied with and met the fiscal benchmark as noted in the **Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS** section below.

MAGNOLIA PUBLIC SCHOOLS

MSA-7:

FISCAL OPERATIONS	RATING
Summary of School Performance	2, Developing

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 7	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$2,614,648	$3,259,094	$3,328,936	$3,447,230	$2,707,339
Net Income / (Loss)	$115,502	$644,446	$69,842	$118,294	($739,891)[1]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$1,783,300	$2,865,843	$3,182,955	$2,350,229	$857,148
Unrestricted Net Assets	$2,614,648	$3,259,094	$3,328,936	$3,447,230	$2,624,695
Norm Enrollment Reported by the School	279	262	281	268	269
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	55.89%	58.54%	53.20%	54.76%	37.25%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	38.12%	51.48%	50.87%	37.33%	12.17%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	348.72%	203.16%	227.75%	260.10%	465.79%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	24.06%	48.76%	42.75%	32.55%	26.05%

[1]According to Magnolia Educational & Research Foundation (MERF), "the projected net loss of ($739,891) for Fiscal Year 2025-2026 is primarily attributable to increased interest expense associated with the acquisition and financing of the school's facilities. The additional debt service costs related to the facility financing significantly increased expenditure during the fiscal year, resulting in a projected net loss."

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[2]	4[2]	$60,016,994	**($2,017,671)**[3]	$441,370	**($2,511,233)**[3]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 7 paid annual management fees of $537,507 (approximately 5.9% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[2]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 6; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[3]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233)**, contributing to an overall organizational net loss of **($2,017,671)**, inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 7's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**

TK*		15	9	19	27
K*	27	38	40	23	35
1	50	27	45	48	28
2	56	45	30	43	53
3	52	47	50	30	45
4	42	47	50	54	30
5	52	43	57	51	51
Total Enrollment	**279**	**262**	**281**	**268**	**269**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(17)**	**19**	**(13)**	**1**
Enrollment Growth/(Decrease) (%)	**N/A**	**(6.1%)**	**7.3%**	**(4.6%)**	**0.4%**

*Prior to FY 2022-2023, TK (Transitional Kindergarten) and K (Kindergarten) counts were reported together. Therefore, the K counts (if applicable) include the TK counts for the school years prior to 2022-2023.

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated decrease in student enrollment count	**(10)**
Accumulated decrease in student enrollment percentage	**(3.6%)**
2025-2026 projected enrollment per the enrollment rollout plan or budget in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
2025-2026 per the enrollment rollout plan in the school's operative charter	**292**
2025-2026 Norm Enrollment	**269**
Below 2025-2026 per enrollment rollout plan in its operative charter	**(23)**
Below 2025-2026 per enrollment rollout plan in its operative charter percentage	**(7.9%)**

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

MSA-BELL:

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

(Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy Bell	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$6,432,844	$7,604,881	$7,675,302	$7,406,151	$7,166,446
Net Income / (Loss)	$320,025	$1,172,037	$70,421	($269,151)[1]	($239,704)[2]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$3,937,972	$6,786,891	$7,305,692	$4,560,373	$2,025,892
Unrestricted Net Assets	$6,432,844	$7,604,881	$7,675,302	$7,406,150	$7,019,907
Norm Enrollment Reported by the School	393	384	402	381	394
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	96.75%	97.41%	100.00%	97.57%	100.84%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	59.23%	86.93%	95.18%	60.08%	29.10%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	714.02%	387.50%	610.02%	937.70%	1238.85%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	13.27%	25.33%	16.24%	10.62%	8.11%

According to Magnolia Educational & Research Foundation (MERF):
[1]The reported net loss of ($269,151) for Fiscal Year 2024-2025 was primarily due to the decline in overall enrollment and the ADA percentage, resulting in reduced revenue.
[2]The projected net loss of ($239,704) for Fiscal Year 2025-2026 is due to maintaining select expenditures to support modest enrollment growth despite cost-containment efforts, combined with conservative ADA projections that reduced anticipated revenues, resulting in expenditures exceeding revenues.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[3]	4[3]	$60,016,994	($2,017,671)[4]	$441,370	($2,511,233)[4]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 8 Bell paid annual management fees of $716,676 (approximately 7.8% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year.

Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[3]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 6; and (3) MSA 7. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[4]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671),** inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions are eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy Bell's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6	97	99	118	86	93
7	130	145	142	156	152
8	166	140	142	139	149
Total Enrollment	**393**	**384**	**402**	**381**	**394**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(9)**	**18**	**(21)**	**13**
Enrollment Growth (%)	**N/A**	**(2.3%)**	**4.7%**	**(5.2%)**	**3.4%**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**1**
Accumulated increase in student enrollment percentage	**0.3%**
Current Board-approved enrollment capacity in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
Per Board-approved enrollment capacity in the school's operative charter	**495**
2025-2026 Norm Enrollment	**394**
Below Board-approved enrollment capacity in the school's operative charter	**(101)**[1]
Below Board-approved enrollment capacity percentage in the school's operative charter	**(20.4%)**

[1]According to the school, their efforts to boost student enrollment combine relationship-building, targeted outreach, enhanced family support, and data-driven decision-making to stabilize and grow enrollment, with a strong emphasis on community engagement and family satisfaction.

As noted above, the school has maintained positive net assets for Fiscal Year 2024-2025 and projected positive net assets for the 2025-2026 Second Interim. The CSD will continue to monitor the school's student enrollment and financial condition through oversight.

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

Impact:

Authorizers typically provide the school with a report after their visit to delineate the school's areas of strength and areas for improvement as well as areas of compliance and non-compliance, if applicable. The school leadership and the Home Office teams review those reports very carefully. It is critically important to have positive oversight reports from our authorizers and to act on their feedback for continuous improvement of our schools and systems. The Home Office will continue to provide the board with any oversight report and feedback from the authorizers' visits.

Budget Implications:
N/A

Committee Recommendations:
N/A

Exhibits:

1. Oversight Visit Reports for MSA-1, 2, 3, 4, 5, 6, 7, and Bell

2025–26 OVERSIGHT REPORTS

Fiscal Review for the Board

LAUSD PBOV

Board focus: fiscal ratings, site-specific risks, network-wide controls, and management response.

3 – Proficient

2 – Developing

Prepared by Finance | Magnolia Public Schools

MSA-4 – Fiscal Oversight

LAUSD PBOV | Visit 3/4/2026

FISCAL RATING	FY25-26 LOSS	ENROLLMENT	CHARTER CAPACITY	CASH RESERVE
3 – Proficient	($160K)	124	360	31.4%

What LAUSD flagged

- Network-wide AP control issue: invoice backup and reconciliation were not consistently sufficient before payment.
- Site-specific concern: low enrollment and recurring operating losses.
- MSA-4 is 236 students / 65.6% below charter capacity.
- Net losses: $127K in FY23-24, $260K in FY24-25, and projected $160K in FY25-26.
- LAUSD will continue monitoring enrollment and financial condition.

Board discussion / MPS response

- Enrollment recovery plan: recruitment, retention, and budget alignment to realistic enrollment/ADA.
- Maintain monthly site-level forecast and identify required expenditure reductions if enrollment misses targets.
- AP control remediation is centralized and should be evidenced through documented invoice review and approvals.
- MERF-wide audit findings appear as “Other Observations,” but the LLC material weakness was not an MSA-4-specific audit finding.

No immediate corrective action required

LAUSD rating scale: 4 – Accomplished | 3 – Proficient | 2 – Developing | 1 – Unsatisfactory

Source: MSA-4 2025–26 LAUSD PBOV, Fiscal Operations pp. 33–45.

MSA-6 – Fiscal Oversight

LAUSD PBOV | Visit 4/10/2026

FISCAL RATING	FY25-26 RESULT	ENROLLMENT	ROLLOUT PLAN	CASH RESERVE
3 – Proficient	+$41K	155	192	62.5%

What LAUSD flagged

- MSA-6 met its fiscal benchmark and maintains positive net assets and strong liquidity.
- Network-wide AP control issue: need stronger documented management review and invoice reconciliation before payment.
- Enrollment improved 23% year over year, but remains 37 students / 19.3% below the charter rollout plan.
- FY25-26 Second Interim projects a modest $41K surplus after losses in FY23-24 and FY24-25.

Board discussion / MPS response

- Continue monitoring enrollment growth against staffing and fixed-cost assumptions.
- Confirm AP remediation is applied consistently across all sites, even where the sampled exception occurred elsewhere.
- MERF-wide audit findings are included for monitoring; MSA-6 itself had no school-specific material weakness/significant deficiency.
- Strong reserve and current-ratio position provide a buffer, but should not replace ongoing budget discipline.

Fiscal benchmark met

LAUSD rating scale: 4 – Accomplished | 3 – Proficient | 2 – Developing | 1 – Unsatisfactory

Source: MSA-6 2025–26 LAUSD PBOV, Fiscal Operations pp. 33–47.

MSA-7 – Fiscal Oversight

LAUSD PBOV | Visit 3/24/2026

FISCAL RATING	FY25-26 LOSS	CASH	CASH RESERVE	ENROLLMENT
2 – Developing	($740K)	~$857K	12.2%	269

Why the rating is 2

- Primary driver: FY24-25 audit material weakness related to prior-period restatement, financial statement preparation, and LLC title-transfer accounting.
- LAUSD also cites the network-wide AP invoice review / management approval control weakness.
- Projected FY25-26 loss is $740K, driven primarily by increased facility financing and interest expense.
- Cash reserve is projected to decline to 12.2%, although net assets remain positive.

Board discussion / MPS response

- Confirm prior-period restatement and related audit adjustments are complete.
- Show year-end close controls: formal readiness review before major real-estate/financing transactions, documented accounting judgments, and technical review.
- Review MSA-7 facility financing affordability, debt service, and monthly cash projections.
- Track the separate attendance-reporting significant deficiency and verify remediation before the FY25-26 audit.
- LAUSD will assess FY25-26 audit results next year; repeat findings could affect future ratings.

No immediate corrective action required by LAUSD

LAUSD rating scale: 4 – Accomplished | 3 – Proficient | 2 – Developing | 1 – Unsatisfactory

Source: MSA-7 2025–26 LAUSD PBOV, Fiscal Operations pp. 33–47.

MSA-8 (Bell) – Fiscal Oversight

LAUSD PBOV | Visit 5/8/2026

FISCAL RATING	FY25-26 LOSS	CASH RESERVE	LOANS OWED TO MSA-8	ENROLLMENT
3 – Proficient	($240K)	29.1%	~$5.0M	394

What LAUSD flagged

- Network-wide AP control issue applies to the report.
- MSA-8 has approximately $5.0M outstanding through intraorganizational loans via MERF.
- LAUSD noted the cash reserve decline from 60.1% to 29.1% and warned continued lending could jeopardize long-term fiscal stability.
- Projected FY25-26 loss: $240K. Enrollment is 394 versus 495 charter capacity (20.4% below).
- Credit card and bank reconciliation samples reviewed by LAUSD showed no discrepancies.

Board discussion / MPS response

- Treat MSA-8 liquidity as a protected school resource when considering any additional interorganization support.
- Monitor repayment schedules, board approvals, due-to/due-from reconciliation, and cash impact monthly.
- Review whether projected repayments beginning under the approved loan terms are achievable without stressing borrowing schools.
- Continue enrollment/ADA and operating-margin monitoring to reverse the two-year loss trend.
- MERF-wide audit findings remain monitoring items, but the major LLC audit adjustment was not specific to MSA-8.

LAUSD rating scale: 4 – Accomplished | 3 – Proficient | 2 – Developing | 1 – Unsatisfactory

Source: MSA-8 Bell 2025–26 LAUSD PBOV, Fiscal Operations pp. 34–48.

Finance Action Plan

Management response to oversight findings

1 AP Invoice Review

In Progress

Standard checklist for service invoices; contract terms, dates/hours, rates, service logs and backup verified before AP.

2 Documented Approval

In Progress

Management reconciliation/sign-off documented before payment release; exceptions escalated.

3 Year-End Close Controls

Implemented / Monitor

Readiness certification for real estate/financing, technical accounting review, and stronger account reconciliations.

4 Attendance Reporting

In Progress

Reconcile attendance reports to source data; strengthen classification controls and staff training.

5 Site Fiscal Recovery

Board Monitoring

Monthly enrollment, margin, cash, reserve and staffing triggers for MSA-4, MSA-7, and MSA-8.

6 Interorganization Loans

Board Monitoring

Monthly due-to/due-from reconciliation, repayment tracking, board documentation, and liquidity protection for lending schools.

Board expectation: review progress and evidence of implementation before the next authorizer oversight cycle.

Los Angeles County Office of Education
Charter School Office Oversight Protocol

GOVERNANCE REVIEW 2025-2026

Charter School	**Magnolia Science Academy (MSA) 1, 2, 3, 5 (Grades 6-12)**
Charter Term	***July 1, 2025 – June 30, 2030, (MSA 1, 2, 3)*** ***July 1, 2018 – June 30, 2026 (MSA 5), renewed February 10, 2026, for the term of July 1, 2026 – June 30, 2031***

This document provides a summary of observations and data collected through LACOE monitoring and oversight visit(s), review of meeting agendas, Board documents, minutes, meeting audio recordings, and other communications focusing on the Governance structure described in the school's charter and adherence to applicable laws. This form is adapted from the FCMAT Charter School Annual Oversight Checklist.

A. Organizational Management

1. How is the charter school legally and operationally structured, and does the structure align with the approved charter and applicable law?

The four schools are part of the eleven charter schools associated with Magnolia Educational and Research Foundation, a California nonprofit public benefit corporation.

2. Are the charter school's corporate documents (e.g., Articles of Incorporation, Bylaws) current, legally compliant, and available to the authorizer? What is the purpose of the nonprofit?

LACOE has been provided with all relevant corporate papers including the following: Articles of Incorporation, 2022 Amended Bylaws, COI Code, Lease Agreements, and Co-Location Agreements. Should any amendments take place to any of the corporate documents, the organization is to notify LACOE and provide draft documents for review prior to approval by the Board.

3. Describe how the governing board formally approves, monitors, and evaluates the instructional program in alignment with the Local Control Accountability Plan (LCAP) and state priorities.

The board approved the LCAP for Magnolia Science Academy (MSA) 1, 2, 3, and 5 on June 26, 2025. In addition, the Chief Academic Officer, Chief Accountability Officer, and Leadership Team provide regular reports and updates to the board regarding academic progress, LCAP outcomes, curriculum and instruction, and any changes made to the academic program for students. Staff presented a mid-year update to the LCAP on February 12, 2026.

While LACOE CSO does not approve the LCAP, the CSO has focused on the following three areas and provided monthly training on the LCAP in regard to these areas:
The LCAP must address all 8 State priorities: *All 8 State priorities were addressed.*
The LCAP must indicate how it engaged educational partners*: LCAPs indicate how educational partners were engaged.*

Actions on LCAP that are marked as Contributing must contribute to improving services/programs for low-income students, ELs and foster youth. *All actions marked as contributing are actions targeted to improve services/programs for these student groups. (Goals 1.4, 2.2, 2.3, 2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.5). LACOE Staff recommend including data to strengthen the argument of the need for the action and determine how the action will primarily benefit unduplicated students.*

In addition, some interventions identified in the LCAP and Mid-Year LCAP lack specificity and are continuations from interventions past without identifying changes. During site visits the school indicated specific interventions they are implementing and changes. Further analysis of the effectiveness of intervention is recommended to determine if continuation is the correct course of action.

4. To what extent does the governing board define a clear and effective separation of roles between governance and management that supports accountability and avoids operational overreach?

The organizational structure aligns with the description found in the approved charters for MSA 1, 2,

3, and 5. The Chief Executive Officer (CEO)/Superintendent reports directly to board.
B. Capacity/Composition
1. Describe the governing board's composition, size, and experience and how it supports effective governance, long-term sustainability, and how its composition serves the school's community.
The roster for 2025-26 identifies six board members with the addition of one new board member in October 2025. The organizational bylaws indicate that the number of directors shall be no less than three and no more than eleven. Many board members have previous board experience and/or have been on the board for multiple terms.
2. What is the evidence the Board adopted and implemented conflict-of-interest policies that comply with Government Code Section 1090 and Form 700 requirements?
LACOE is in receipt of an approved conflict of interest policy. The current board appears to be free from any perceived or real conflict of interests. MPS submitted copies of their Form 700s to LACOE as their schools span across multiple California counties.
3. How does the Board composition reflect the community served and support informed decision-making?
The current board has six voting members and a student representative. The Board is diverse, has representation from a wide variety of communities within its portfolio of school, and balanced in male and female members. There is one former MPS parent on the Board. *The student board member was also a member of the 2025-2026 LA County Superintendent's Student Advisory Council, a unique opportunity for high school students throughout Los Angeles to share feedback, experience and perspectives on various issues affecting schools and communities with the Los Angeles County Superintendent.*
4. To what extent does the Board collectively demonstrate expertise aligned to fiscal oversight, legal compliance, facilities, fundraising, and instructional leadership?
The board has members with educational, entrepreneurial, health, real estate, fiscal, engineering, law enforcement, at-promise youth, and non-profit experts.
C. Structure
1. How does the Board's size and membership align with bylaws and demonstrate it is sufficient to ensure effective oversight and quorum stability?
The board has given evidence that they are able to govern effectively and could continue to do so in their current form and regularly has more than enough members to meet quorum at meetings.
2. Do the bylaws include term limits for Board members? Were there any changes to the Board's composition during the current school year?
The bylaws are comprehensive and include a term limit of five years.
3. What evidence is there that the Board reviews and understands its bylaws?
The board appears to act in accordance with its bylaws, which were updated and approved in 2022.
4. What officer roles are identified in the bylaws? Are they clearly defined, filled, and functioning as intended?
The current board recognizes a chair, vice-chair, and secretary. The organization bylaws outline specific duties and responsibilities for a chairperson of the board, president, one or more vice-presidents, secretary, and treasurer. The organization's bylaws mandate the positions of president (or chair), secretary, and treasurer.
5. How are board committees structured, active, and aligned to bylaws and oversight responsibilities?

The bylaws discuss the creation of, and powers given to, board committees. The bylaws also include language about meetings and the actions of committees; however, there are no specific job descriptions provided for committees. MPS holds regular committee meetings for Academics, Audit and Facilities, Educational Partners and Development, Finance and Nominating Committees as needed. Agendas, committee packets and recordings of the committee meetings are submitted to the Charter School Office for review.
D. Role of the Board
1. Does the Board consistently focus on governance-level issues rather than day-to-day management?
The board engages in regular updates and approval of fiscal reports, policies, facilities, academics, student support, and school needs. They receive staff reports regarding charter oversight, improvement plans, technical assistance, and status towards renewal.
2. Does the Board demonstrate an understanding of fiduciary, policy, and accountability responsibilities?
The board and school leadership regularly report to the board and work together collaboratively to support positive change at the schools, meet its fiduciary needs, and meet the needs of its multiple communities.
3. Does the Board annually evaluate the charter school leader using defined criteria? When was the most recent evaluation?
During the 2024-25 school year, the board engaged in a multi-meeting evaluation of the CEO that included reports on the CEO and organizations goals, closed meetings for discussion, and approval of continued employment that was finalized on July 10, 2025.
4. What evidence is there of a productive and professional working relationship between the Board and school leadership?
A review of board documents and audio recordings indicate a collaborative and cooperative relationship exists between the charter leader, the board chair, and the full board.
E. Meetings
1. What evidence is there that board meetings are conducted frequently enough and in compliance with the Brown Act to ensure transparency and effective oversight?
The board meets on a regular basis. In the 2025-26 school year, MPS conducted twelve regular board meetings, no special board meetings, and one Finance and one Nominating committee meetings. Board meetings are held monthly with specific committee meetings prior to the board meetings and special board meetings held as needed. All meetings comply with the requirements of the Brown Act.
2. How does the Board maintain compliance with public notice, posting, minutes, telecommunications, (AB 2449) and training requirements, including Brown Act and Ethics Training (AB 2158)?
Brown Act and Ethics Training for the board was conducted on August 7, 2025, and September 11, 2025. All board meetings are compliant with the Brown Act and meeting agendas and recordings are posted on the schools' and organization's websites. SB 827 requires fiscal training in future years starting January 1, 2027.
3. Does the Board regularly adopt and review policies required for legal compliance and operational integrity?
The board has approved and regularly reviews policies. Some of these policies include, but not limited to, conflict of interest, student/parent and employee handbooks, student and employee discipline and due process, evaluation protocols, parent complaint resolution and due process, Title IX, fiscal including internal controls and allowable purchases/purchasing authority, harassment, safety plan, immunization records, Family Educational Rights and Privacy Act (FERPA) Policy and notices, Section 504 compliance, Suicide Prevention, and Homeless and Foster Youth.

This year the school created or updated the following policies: Student Behavioral Health Referral Process; Continuing Disclosure Policies and Procedures; MPS Financing Contingency Plan and Ongoing Fiscal Oversite Framework; MPS Electronic Use and Cell Phone Policy; MPS Transportation Policy; EL Master Plan; Integrated Pest Management Policy; and MPS Home Office Fee Policy.
4. Did the Board submit a proposed material revision to the charter during the current school year?
MPS submitted a material revision on March 18, 2026, for a change of location starting in the 2026-27 school year. During the review, Business Advisory Services noted the additional debt the school was taking on, coupled with the significant increase in enrollment needed to repay the debt, as a concern. The MERF Board adopted a fiscal contingency plan that outlines how they would support the school to protect fiscal solvency during the facility transition, enrollment ramp, and debt repayment period. The LACOE Board approved this material revision on June 9, 2026.
F. Communication and Transparency
1. Describe the structured opportunities for meaningfully stakeholder input that inform Board decision-making.
The community has the opportunity to participate in board meetings through public comments. Most public comments include updates and celebrations from Magnolia schools along with some parent comments. There were also comments from community members regarding a possible Prop 39 relocation. *The LCAP was presented to the board in a public hearing on June 26, 2025, and parents, students, teachers, school administrators, other school personnel, and the school's SELPA were consulted in the development.*
2. To what extent does the charter school maintain a legally compliant and accessible public website?
All schools and the central office have legally compliant websites.
3. How are board members publicly identifiable and reasonably accessible to educational partners?
All schools and central office websites have the board members listed with contact information.
G. Fiscal Standing
1. How does the Board demonstrate effective fiduciary oversight of public funds?
The Chief Financial Officer and back-office provider provide financial reports and updates periodically at board meetings. In reviewing documentation and audio recordings of meetings, it is evident that the board carefully monitors the finances of the schools and adjusts the budget and operations, as necessary. In addition, the board regularly requests increased clarity and explicit details from home office staff regarding budget items and the purpose of expenditures. At each of the Business Advisory Services (BAS) reviews, BAS indicated that each school should be able to meet its fiscal obligations.
2. How has the Board demonstrated its understanding of current and multiyear financial conditions?
The 2025-26 budget was approved on June 26, 2025. The budget and fiscal status were reviewed four other times throughout the year.
3. How does the adopted budget sufficiently support implementation of the charter program and mission?
The budget is sufficient to operate the schools' programs. The MERF Board adopted a fiscal contingency plan that outlines how they would support schools, specifically MSA 5, to protect fiscal solvency during the facility transition, enrollment ramp, and debt repayment period.

Summary:

The current board consists of six voting members and a student board member. This is consistent with the approved bylaws. All regular meetings, special meetings, and committee meetings are compliant with the Brown Act. A review of audio recordings, school and board documents, and site visits indicate that parent and stakeholder involvement exist. There have been no notices of violation or documented board complaints. The board has demonstrated effective governance and the ability to take action in alignment with the school's mission and vision.

While LACOE does not approve the LCAP, engagement of educational partners, addressing the 8 State Priorities, and contributing actions were reviewed. These items require the board attention to fully comply with the LCAP.

Recommendations:

1. *The leadership and the board should consider ways to improve communication and understanding of the differences between each of its school's performances and needs.*
2. *The board should continue to closely monitor the enrollment of students and determine if any school needs additional support.*
3. *The Board should closely monitor and support of the transition to the new MSA 5 site, including final construction details, expansion of staff and students, fiscal health, and enrollment/ADA*
4. *The board should consider including more parent representation on the board to increase understanding of student, parent, and community needs.*
5. *Fiscal training is now mandatory for all board members every two years with the first training required prior to January 1, 2027.*
6. *The governing board should review the LACOE End of Year Instructional Program and Governance Reports at a regular board meeting along with any other LACOE correspondence including Business Services interim and audit letters.*
7. *The board should continue to monitor the instructional program and the schools' progress toward charter renewal.*

Report completed by LACOE Lead Coordinator:	Approved by LACOE Charter School Office Director:
Michelle Nye (Jul 20, 2026 16:24:27 PDT)	
Cheli Nye, Ed.D., Coordinator III	Indra Ciccarelli, Director II
Date report provided to the charter school: **July 15, 2026**	Report provided to charter school representatives via: ☑ US Postal Mail/Email ❑ In-Person Meeting ☑ Video/Phone Conference

Los Angeles County Office of Education
Charter School Office Oversight Protocol

INSTRUCTIONAL PROGRAM REVIEW 2025-2026

Charter School	**Magnolia Science Academy (1) (Grades 6-12)**			
Charter Term	**July 1, 2025 – June 30, 2030 (Renewed December 17, 2024)**			
Date of Visit(s)	**November 7, 2025, and May 26, 2026**			
Enrollment	**Expected (Petition): 925**	**Actual Enrollment (based on PAAC reports and DataQuest)**		
		P1: 636.68	**P2:637.28**	**Official: 678**
Most Recent School Performance Category:	☐ High	☒ Middle	☐ Low	☐ DASS
Compliance Monitoring and/or Technical Assistance: (check all that apply)	☐ ATSI ☐ DA ☒ Williams	☐ CSI ☐ FPM ☐ TSI ☐ None		

This document provides a summary of observations and data collected through LACOE monitoring and oversight visit(s) focusing on the implementation of the academic program described in the school's charter and adherence to applicable laws. This form is adapted from the FCMAT Charter School Annual Oversight Checklist.

A. Data for Accountability and Improvement

1. Based California School Dashboard data, describe the extent to which the charter school is on track to meet renewal criteria pursuant to EC 47607.

Magnolia Science Academy (MSA 1) currently is placed in the middle performance level based on 2024 and 2025 California School Dashboard data. The school has performance level data for English Language Arts (ELA), Math, College and Career Indicator (CCI), English Language Proficiency Indicator (ELPI), Graduation Rates, Chronic Absenteeism, and Suspension Rates.

- ***ELA:*** *Overall, All Students and the majority of Numerically Significant Student Groups (Student Groups), did not outperform the State's average Distance from Standard (DFS) in ELA. The school's DFS for All Students was -42.3, 34.2 points below the state and a 10.9-point decline. All five Student Groups had a DFS lower than the state's average DFS for those student groups, with the Students with Disabilities (SWD) performance level of Red and All-Students, English Learners (ELs), Hispanic, and Socioeconomically Disadvantaged Students (SED) with a performance level of Orange. The school needs to review the CAASPP data to determine any root cause(s) in the drops.*
- ***Math****: Overall, in Math, All Students and the majority of Student Groups, did not outperform the state average DFS. The school's DFS for All Students was -95.7, 53.3 points below the state and a 21.8-point decline. All five Student groups, ELs, Hispanic, Long-term English learners (LTELs), SED, and SWD, had a DFS lower than the state's average DFS for those student groups and a performance level of Red. The school needs to review the CAASPP data to determine any root cause(s) in the drops.*
- ***ELPI:*** *This year the school's ELPI score increased by over 17% from the previous year with a score pf 40.7%, but the school is still performing below the state average. In addition, LTELs had a score of 41%, an increase of 21.6%. The school should review any changes made to the ELD curriculum and intervention to determine how to continue to increase the ELPI scores.*
- ***CCI:*** *The school continues to outperform the state for All Students and all Student Groups despite an 18.3 percentage point decrease from the previous year. The school needs to review the CAASPP data to determine any root cause in the drops. Additionally, SWD are approximately half as likely to meet the requirements of the CCI when compared to other MSA 1 students. The school should analysis whether there are any system or structural causes that are creating this gap.*

- ***Graduation Rates:*** *The school continues to have an exceedingly high graduation rate, 96.1% for All Students, and a dashboard color of Blue for All Students and Student Groups. While the SWD student group is fewer than 30 students, the school did see an 8.2 percentage point increase in graduation rate.*
- ***Chronic Absenteeism****: The school did not see an improvement in chronic absenteeism with All Students and most of the Student Groups higher than the state averages. Further, the student group that still needs attention is SWD despite closing the achievement gap by almost 5 percentage points. The school needs to review attendance intervention strategies to determine the effectiveness of these interventions.*
- ***Suspension Rate:*** *The school's suspension rate increased across the All Students and Student Groups. The school needs to review the suspension data to determine any root(s) cause in the increase. This year the school is projecting the suspension rate to decrease significantly.*

Magnolia Science Academy (1) 2025 Dashboard Summary

Student Group	ELA DFS	Math DFS	ELPI %	CCI %	Graduation Rate %	Chronic Absenteeism %	Suspension %
All Students	-42.3	-95.7	40.7	71.3	96.1	24.1	5.0
Asian							3.1
Hispanic	-50.1	-105.9		71.0	96.8	24	4.8
White							9.1
ELs	-91.0	-133.4	40.7			29.8	8.5
LTEL	-127.3	-185	41.0			22.0	9.4
SED	-45.3	-102.0		71.4	97.0	25.5	5.3
SWD	-109.9	-163.2				37.5	6.8

Green denotes outperforming the state, Red denoted not outperforming the state.
* These groups have less than 30 students but are included due to the achievement gap.

Appendix A includes comprehensive data for all dashboard indicators.

While the ELA and Math data will be further discussed in the next section on verified data, the school's improvement plans should include ELA, Math, Chronic Absenteeism and Suspension.

The three-year trend shows that the school has historically outperformed the state in only CCI, but not in CAASPP ELA and Math and ELPI, when examining the four academic indicators. These indicators hold greater weight during renewal. The other three dashboard indicators show a three-year trend that only the school's Graduation rate has typically outperformed the state.

Magnolia Science Academy (1) Dashboard Summary														
Year	ELA		Math		ELPI		CCI		Graduation Rate		Chronic Absenteeism		Suspension	
	All	SG	All	SG	All	LTEL	All	SG	All	SG	All	SG	All	SG
2023	N	0/4	N	0/4	Y		Y	2/2	Y	2/2	Y	2/4	N	2/4
2024	N	1/5	N	1/5	N	N	Y	2/2	Y	2/2	N	1/5	Y	6/6
2025	N	0/5	N	0/5	N	N	Y	2/2	Y	2/2	N	1/5	N	0/7
Majority	NO		NO		NO		YES		YES		NO		NO	

2. Describe the process that the charter school uses to collect and analyze verified data to continuously improve pupil achievement.

MSA 1 uses NWEA MAP testing to monitor its annual growth. NWEA MAP Growth released updated national normative data in October 2025, replacing the previous norms utilized in prior Charter Schools Office End-of-Year Oversight Reports. The updated norms were developed to reflect current student performance patterns, changes in U.S. student demographics, post-pandemic academic trends, and enhancements to the MAP Growth assessment platform and item-selection algorithm.

As part of this publisher-led update, the 2025 norms were retroactively applied to previously administered NWEA MAP Growth assessments. Therefore, the Conditional Growth Index (CGI) metrics presented in this report reflect the updated 2025 normative framework and may differ from values reported in prior years that were based on the previous 2020 norms. Direct comparisons between previously reported NWEA MAP CGI values and those presented in this report should be interpreted with consideration of this norming update. Best practice is to compare results using the same normative framework.

Upon review of the most recent NWEA MAP data from 2025-26, the majority of grade levels made at least one year progress in both reading and math as indicated with a score of -0.2 CGI or above. The data was disaggregated further by student groups. Groups with fewer than 10 students were excluded from this report to protect student privacy. In addition, groups with less than half of the grade levels with data were also excluded, such as Asian students with only one grade level with data. Using these guidelines, there were four student groups included in both reading and math (Hispanic students, ELs, SED, and SWDs) for all grade levels.

- ***Reading:*** *All grade levels for All Students and student groups are making one year progress.*
- ***Language Usage:*** *The school does not give this test. This is a critical component of ELA and should be part of the school's assessment profile.*
- ***Math:*** *The majority of the grade levels for All Students and student groups are making one year progress. The school should analyze those specific grade levels that are not, ninth and tenth grades.*

The three-year trend shows that the majority of students are consistently making one year progress each year. While the chart below summarizes the data, Appendix A includes comprehensive data for verified data for All Students and student groups by grade level.

MSA 1 NWEA MAP Reading, Language Usage and Math Summary of Student Groups Meeting CGI

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index								
All Students	6 of 6	4 of 6	6 of 6	—	—	—	6 of 6	6 of 6	4 of 6
Numerically Significant Student Groups									
Asian	—	—		—	—	—	—	1 of 1*	1 of 1*
Hispanic or Latino	6 of 6	4 of 6	6 of 6	—	—	—	6 of 6	6 of 6	4 of 6
English Learners	5 of 6	4 of 6	6 of 6	—	—	—	6 of 6	5 of 6	5 of 6
Socioeconomically Disadvantaged	5 of 6	4 of 6	6 of 6	—	—	—	6 of 6	6 of 6	4 of 6
Students with Disabilities	3 of 4*	4 of 5*	6 of 6	—	—	—	4 of 4*	4 of 5*	4 of 6
Are the majority of student groups performing above the state average?	YES (4 of 4)	YES (4 of 4)	YES (4 of 4)	—	—	—	YES (4 of 4)	YES (4 of 4)	YES (4 of 4)

In addition to NWEA, the school also conducts systematic learning rounds to improve instruction and achievement throughout the year. These learning rounds are both done internally and with the Magnolia Public Schools (MPS) Central Office staff.

3. To what extent did the charter school timely submit a complete and compliant LACOE Annual Report/Mid-Year LCAP?

The LACOE Annual Plan/Mid-Year LCAP for MSA 1 was approved and submitted in March 2026

4. Does the charter school annually review its measurable pupil outcomes (MPOs)? What actions has the charter school implemented to address unmet outcomes?

MSA 1 reviewed its MPOs for 2025-26 through the Mid-Year LCAP and LACOE annual report. During their review, the school identified areas for improvement. While the interventions identified in the LCAP and Mid-Year LCAP lack specificity, during site visits the school indicated some of the specific interventions they are implementing. The following is a list of interventions from both the plans and site visit data:

- ***CAASPP ELA**: Improve differentiated instruction and data-driven teaching strategies; provide PD and SEL workshops; expand culturally responsive teaching; and increase the use of IXL and interim tests.*
- ***CAASPP Math**: Improve differentiated instruction and data-driven teaching strategies; implement UDL; increase targeted teaching; use MAP and SBAC interim tests; and expand culturally responsive teaching.*
- ***Science:** Implement targeted intervention cycles and data-driven teaching strategies; expand culturally responsive teaching; improve designated and integrated ELD instruction; expand tutoring access; and increase the use of real-world examples/problems.*
- ***EL annual progress on ELPAC**: Use formative assessments; train teachers on EL strategies; provide parent workshops; increase PBIS rewards; and use bilingual aides.*
- ***Course offerings:** Expanding dual enrollment opportunities and launched the Early College program.*
- ***Chronic Absenteeism:** Collaboration with mental health providers; home visits; increase PBIS strategies; start an attendance campaign; utilized attendance recovery program; and improve parent education and communication.*

- ***Satisfaction rates on local surveys for students and staff:*** *Improve transparency in decision-making a policy change; implement peer mentoring; improve meatal health resources; and improve shared space functionality.*
- ***Suspension rate:*** *Utilizing restorative practices, student reflection, and behavior review panels.*

Many of these interventions were evident and/or reported on during the LACOE spring site visit. Many are the same interventions each year. An analysis of impact and effectiveness of interventions may help to better target efforts.

5. What process does the charter school use to review the LCAP annually? What LCAP goals were not met? What actions were implemented to address unmet LCAP goals?

MSA 1 reviewed its LCAP Goals for 2025-26 though the Mid-Year LCAP. The school's LCAP has many of the same goals as its MPOs. The overlapping unmet goals include goals on grades, CAASPP data, average daily attendance, chronic absenteeism, suspension rate and student and staff approval.
Additionally, the school did not meet its LCAP goal in the following areas and included interventions for each:

- ***Teacher retention and teacher attendance****: Continue to recruit and hire qualified teachers; enhance teacher experience through professional development and mentorships; and provide a supportive teaching environment.*
- ***College going rate****: Offer college workshops; enhance personalized guidance and support; promote college going culture; and monitor college going milestones.*

Many of these interventions were evident and/or reported on during the LACOE spring site visit. Many are the same interventions each year. An analysis of impact and effectiveness of intervention may help to better target efforts.

While LACOE CSO does not approve the LCAP, the CSO has focused on the following three areas and provided monthly training on the LCAP in regard to these areas:

The LCAP must address all 8 State priorities: *All 8 State priorities were addressed.*

The LCAP must indicate how it engaged educational partners*: LCAPs indicate how educational partners were engaged.*

Actions on LCAP that are marked as Contributing must contribute to improving services/programs for low-income students, ELs and foster youth. *All actions marked as contributing are actions targeted to improve services/programs for these student groups. (Goals 1.4, 2.2, 2.3, 2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.5). LACOE Staff recommends including data to strengthen the argument of the need for the action, specific actions, and determine how the action will primarily benefit unduplicated students.*

B. Educational Program and Curriculum

1. How is the charter school implementing the curricular and instructional program as approved in the charter petition?

MSA 1 is implementing the curricular and instructional plan as outlined in the approved charter. MSA 1 focuses on science, technology, engineering, arts, and mathematics (STEAM). The school has a college and career emphasis with the graduation requirements aligned to the UC's A-G requirements, seven advanced placement courses, dual enrollment and Early College program with Los Angeles Mission College and the school's electives continuing the STEAM education including two Career Technical Education pathways in Computers/Tech and Health Sciences.

2. To what extent is the staffing sufficient, appropriately assigned, and stable enough to effectively implement the educational program?	
	The current school staffing is sufficient to carry out the educational program. There are currently 47 certificated staff, including four special education teachers, one Educational Specialist, one School Psychologist, three Title I Specialists, and one Dean of Academics. In addition, there are 40 classified staff and 17 other contracted staff.
3. What instructional approvals and accreditations (e.g., A–G, AP, CTE, IB, WASC) does the charter school hold and are these all the necessary approvals and accreditations needed to operate the approved program?	
	MSA 1 is accredited through the Western Association of Schools and Colleges (WASC) through June 30, 2028, with a mid-year cycle during the 2024-25 school year.
4. How does the instructional design framework align to the learning needs of all students and all numerically significant student groups?	
	The target population for MSA 1 are students in grades 6-12, from Reseda, California, and neighboring communities. There are many MSA 1 households that speak languages other than English and have a high population of socially economically disadvantaged students. MSA 1 provides a college preparatory educational program emphasizing STEAM and includes a variety of additional supports within the school day such as AP courses, Dual enrollment, Power English and Math classes, and the program No Red Ink. This year the school has made great gain in math using the IXL program and plans to fully implement in English next year. Additionally, the school makes use of Saturday school, winter academy, and summer school for further supplemental instruction and credit recovery. *The school's data indicates more supports and targeted intervention may be needed for students with disabilities and English learners. It is imperative that interventions are specific, actionable and targeted for the student group.*
5. What standards-aligned, non-faith-based instructional materials does the charter use for all content areas?	
	MSA 1 uses California Standard based materials for all classes.
C. Services to Special Populations	
1. To what extent has the charter school adopted and implemented legally compliant policies and practices for special education services?	
	MSA 1 has adopted policies and practices that are compliant with all laws related to the provision of special education. The school's special education model includes push-in and pull-out models as well as Specialized Academic Instruction. *MSA 1 currently has 113 special education students (DataQuest), 16.7% of the enrollment (2024-25 special education was 14.2% of the enrollment). Using the most recent school special education report, the average caseload for the special education staff was approximately 19 students, well under the maximum caseload limit of 28 students. Additionally, the school had no owed services on each of these reports and no overdue IEPs at the end of the year.* The Local Level Annual Performance Report found no unmet targets. Local Level Annual Performance Report from CDE found at **https://www.cde.ca.gov/sp/se/ds/leadatarpts.asp**.
2. In what ways does the charter school demonstrate implementation of compliant procedures for identifying, serving, monitoring, and reclassifying English Learners consistent with its EL Master Plan and law?	

MSA 1 administers the ELPAC, as well as benchmarks, the CAASPP, and classroom level data to determine English learner (EL) progress toward language proficiency. The school's process for identifying and reclassifying are defined in the school's Master Plan for English Learners and documentation for monitoring was observed during the spring site visit. The school currently (2025-26) serves an EL population of 25.4%. *The ELPI results for 2024-25 indicated that 40.7% of EL students made progress towards English language proficiency, 36% maintained their level, and 23.3% regressed. The ELPI score is significantly lower than the 2024 data (55.4%). Their EPLI CA Dashboard Performance level was yellow and lower than the state average (46.4% making progress).*
3. What structures and services has the charter school established to support foster youth and students experiencing homelessness?
MSA 1 has identified the homeless and foster youth liaison. Last year MPS revisited its policy affecting homeless youth to ensure compliance with all state and federal laws.
D. Professional Development & Teacher Qualification
1. To what extent have all staff received required clearances, certifications, and mandated trainings in compliance with law and board policy?
MSA 1 staff have all the required training. Additionally, MPS staff attended all bi-weekly LACOE trainings.
2. What professional development did the charter school provide aligned to the instructional program, identified needs, and continuous improvement priorities?
Professional development is provided on a regular basis. Professional development focused on classroom environment, high behavioral expectations, predictable routines, differentiation for English Learners and students with disabilities, and increasing rigor through productive struggle and academic collaboration. Classroom observations reflected implementation of common instructional strategies, including the "I Do, We Do, You Do" model, although additional monitoring may be needed to evaluate implementation fidelity and overall effectiveness.
3. To what extent does the charter school verify that all courses are taught by appropriately credentialed teachers, including required English Learner authorizations?
Fall 2025 and Spring 2026 staffing rosters reflected that all teachers held appropriate credentials, but one teacher does not have the appropriate EL authorization. *The 2024-25 CALSAAS summary report indicates that the school had three misassignments, including the theater teacher and ELD teacher. The school had no vacancies.* *The school is currently eligible for Williams monitoring 2025-2027 as more than 15 percent (20.5%) of the school's teachers did not possess a valid clear or preliminary teacher credential in 2022-2023.*
E. Facilities, Operations and Safety
1. To what extent does the charter school maintain facilities in a condition that is safe, clean, and conducive to learning?
The annual facilities inspection was conducted on October 8, 2025, and there were no required corrections
2. What evidence is there that the charter school maintains required safety documentation, supplies, and emergency preparedness procedures?
MSA 1 has proper documentation, schedule of drills, and student safety plan.

3. How does the school create a climate that is safe, inclusive, and supportive of student learning and engagement?

MSA 1 received the California PBIS Gold Recognition for its work with implementing the PBIS system with fidelity. In addition, MSA 1 continued its work to train and implement the Capturing Kids Hearts program, a program that "strengthens connectedness and builds relationship-driven culture".

The school's suspension rate increased this year for All Students (5%) and all Student Groups and is now higher than the state averages. *The school needs to review the suspension data to determine any root cause(s) in the increase.*

4. To what extent is the organizational and leadership structure sufficient to effectively operate the instructional program in compliance with law?

The current leadership structure and staffing are sufficient to carry out the education program and effectively operate the school.

Summary

Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standards-based aligned and provided several instructional strategies and supports to assist student groups. Professional development focused on classroom environments, high behavioral expectations, predictable routines, differentiation especially for ELs, and increasing rigor. The school is continuing its PBIS work and has been recognized as a Gold program for PBIS by the State. Attendance improvement efforts included collaboration with mental health providers, a new social worker, home visits, and Saturday attendance recovery programs, which contributed to an approximately 2.4% increase in ADA.

Since the California School Dashboard currently indicates that the school continues to be performing below the state average in CAASPP ELA and Math and specific Student Groups need attention (ELs, LTELs, and SWD) in some indicators, continued focus in these areas is necessary. When developing the LCAP goals, a clear throughline from data analysis to determination of how the actions will primarily benefit unduplicated students would strengthen the plan.

The school's NWEA data shows the school is making one-year growth for the majority of grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion, a key component of English Language Arts.

MSA 1 shows great growth in students' academic learning through the NWEA MAP data in the areas that are tests. The school uses data from NWEA and IABs to target instruction. Further, MSA 1 uses instructional rounds to enhance teaching throughout. The school has a focus on the whole student with social emotional support and extracurricular activities. MSA 1 continues to have a high CCI and high graduation rates. The school continues to reflect on how to connect with and best serve its students. In addition, the school has provided its students and community with many opportunities to connect with each other, their community, and their elected officials.

Recommendations

1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on the Special Education program to improve CAASPP scores for SWD, CAASPP Math scores for all students and student groups, and Chronic Absenteeism for all students, and many student groups. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*

2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The school should continue its focus on the implementation of PBIS, Capturing Kids Hearts, culturally responsive teaching, and restorative practices into the schoolwide program and monitor the student social emotional needs, engagement, behaviors, and absenteeism. Additionally, the school may want to conduct an analysis of the effectiveness of current interventions, especially surrounding chronic absenteeism and suspensions.*
4. *The school leadership should continue to closely monitor progress on Dashboard data for All Students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

Report completed by LACOE Lead Coordinator:	Approved by LACOE Charter School Office Director:
Michelle Nye (Jul 20, 2026 16:19:12 PDT)	
Cheli Nye, Ed.D., Coordinator III	Indra Ciccarelli, Director II
Date report provided to the charter school: July 1, 2026	Report provided to charter school via: ☒ US Postal Mail/Email ☐ In-Person Meeting ☒ Video/Phone Conference

Glossary of Acronyms

Term	Detail
AP	Advanced Placement
ATSI	Additional Targeted Support and Improvement
CSI	Comprehensive Support and Improvement
CTE	Career and Technical Education
DA	Differentiated Assistance
EL	English Learner
ELA	English Language Arts
ELD	English Language Development
ELPI	English Language Proficiency Indicator
FPM	Federal Program Monitoring
FY	Foster Youth
IB	International Baccalaureate
LCAP	Local Control and Accountability Plan
LTEL	Long-Term English Learner
MPO	Measurable Pupil Outcome
P1	First Principal Apportionment
P2	Second Principal Apportionment
RSP	Resource Specialist Program
SED	Socioeconomically Disadvantage Students
SDC	Special Day Class
SWD	Students With Disabilities
TSI	Targeted Support and Improvement
WASC	Western Association of Schools and Colleges

Appendix A

MAGNOLIA SCIENCE ACADEMY
CALIFORNIA DASHBOARD INDICATORS AND VERIFIED DATA

Table 1: MSA 1 2024-2025 Enrollment by Ethnicity

Student Groups	Number Enrolled	Percent of Total Enrollment
All	746	100.0%
AA/Black	7	0.9%
American Indian	1	0.1%
Asian	30	4.0%
Filipino	13	1.7%
Hispanic	661	88.6%
Pac Islander	0	0.0%
Two or more	5	0.7%
White	29	3.9%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 5-1-25

Table 2: MSA 1 2024-2025 Enrollment by Student Group

Student Groups	Number Enrolled	Percent of Total Enrollment
EL	188	25.2%
Foster	1	0.1%
Homeless	11	1.5%
SED	652	87.4%
SWD	106	14.2%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 5-1-25

Table 3: MSA 1 Enrollment by Year and Grade

Year	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total
2017-18	88	84	84	75	77	73	62	543
2018-19	133	89	86	77	71	65	69	590
2019-20	125	133	87	86	80	73	66	650
2020-21	140	125	129	90	80	79	74	717
2021-22	115	133	116	133	86	83	76	742
2022-23	105	113	126	82	113	78	77	694
2023-24	111	123	117	104	80	104	75	714
2024-25	132	119	135	96	92	76	96	746

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp CDE Data & Statistics/Accessing Educational Data/Enrollment by School(1981-2022) https://www.cde.ca.gov/ds/ad/fileshistenr8122.asp Retrieved 5-1-25

California Dashboard Tables

Table Legend For All California Dashboard Tables
"*" - The student group has fewer than 11 students and is not reported for privacy reasons
"**" - Student groups must have at least 30 or more students in both the current and prior year status denominator of the state indicator to receive a Performance Level (color)
"—" - No data available
"NPC" - No Performance Color
"N/A" - Non-Applicable

Table 4: MSA 1 School California Dashboard

Year	ELA	Math	ELPI	CCI	Graduation Rate	Chronic Absenteeism	Suspension
2023	Orange	Yellow	Green	Very High	Yellow	Yellow	Orange
2024	Yellow	Yellow	Red	Blue	Blue	Orange	Green
2025	Orange	Red	Yellow	Green	Blue	Red	Red

Source: CA School Dashboard https://www.caschooldashboard.org/

Table 5: MSA 1 2023 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Orange	98	397	-41.1	-7.3	-13.6	-27.5	Lower
AA/Black	NPC*	100	9	*	—	-59.6	—	—
Am Indian	NPC*	100	1	*	—	-47.9	—	—
Asian	NPC**	100	12	-4.5	-58.8**	61.8	-66.3	Lower**
Filipino	NPC**	100	11	31.4	—	44	—	—
Hispanic or Latino	Orange	98	353	-46.7	-5.7	-40.2	-6.5	Lower
White	NPC**	100	11	2.8	—	20.8	—	—
English Learners	Red	97	140	-107.2	-8.7	-67.7	-39.5	Lower
Homeless Youth	NPC*	100	9	*	—	-67.9	—	—
Socioeconomically Disadvantaged	Orange	98	356	-45.7	-8.1	-42.6	-3.1	Lower
Students With Disabilities	Red	95	56	-114.1	-4.4	-96.3	-17.8	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-28-25

Table 6: MSA 1 2024 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	99	418	-31.4	+9.7	-13.2	-18.2	Lower
AA/Black	NPC*	100	5	*	—	-58.9	—	—
Am Indian	NPC*	100	1	*	—	-49	—	—
Asian	NPC**	100	17	+61.5	+66.0**	60.7	0.8	Higher**
Filipino	NPC*	100	9	*	—	45.8	—	—
Hispanic or Latino	Yellow	99	367	-41.4	+5.3	-39.3	-2.1	Lower
Two or More	NPC*	100	3	*	—	24.3	—	—
White	NPC**	100	16	-2.3	-5.1**	19.2	-21.5	Lower**
English Learners	Red	98	159	-106.8	+.4	-67.6	-39.2	Lower
Foster Youth	NPC*	75	3	*	—	-87.3	—	—
Homeless Youth	NPC*	100	10	*	—	-70.4	—	—
LTEL	Red	96	62	-141.8	-3.7	-109.6	-32.2	Lower
Socioeconomically Disadvantaged	Yellow	99	376	-34.8	+11.0	-40.9	6.1	Higher
Students With Disabilities	Orange	98	64	-109.3	+4.8	-95.6	-13.7	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-28-25

Table 7: MSA 1 2025 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Orange	99	411	-42.3	-10.9	-8.1	-34.2	Lower
AA/Black	NPC*	100	5	*	—	-51.3	—	—
Am Indian	NPC*	100	1	*	—	-45.4	—	—
Asian	NPC**	100	18	+19.1	-42.4**	61.9	-42.8	Lower**
Filipino	NPC*	100	8	*	—	49.6	—	—
Hispanic or Latino	Orange	99	354	-50.1	-8.7	-33.7	-16.4	Lower
Two or More	NPC*	100	3	*	—	29.4	—	—
White	NPC**	100	22	-5.1	-2.8**	23.8	-28.9	Lower**
English Learners	Orange	99	183	-91.	+15.8	-59.9	-31.1	Lower
Foster Youth	NPC*	100	2	*	—	-79.8	—	—
Homeless Youth	NPC*	83	6	*	—	-68.9	—	—
LTEL	Orange	100	59	-127.3	+14.5	-104.5	-22.8	Lower
Socioeconomically Disadvantaged	Orange	99	356	-45.3	-10.6	-35.3	-10	Lower
Students With Disabilities	Red	98	46	-109.9	-.6	-89.4	-20.5	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-16-25

Table 8: MSA 1 2023 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	98	399	-82.7	+17.5	-49.1	-33.6	Lower
AA/Black	NPC*	100	9	*	—	-104.5	—	—
Am Indian	NPC*	100	1	*	—	-87.3	—	—
Asian	NPC**	100	12	-40.1	-21.2**	50.8	-90.9	Lower**
Filipino	NPC**	100	11	-12.6	—	7.4	—	—
Hispanic or Latino	Yellow	98	355	-89	+18.8	-80.8	-8.2	Lower
White	NPC**	100	11	-37.2	—	-11.1	—	—
English Learners	Orange	98	142	-140.6	+4.3	-93.4	-47.2	Lower
Homeless Youth	NPC*	100	9	*	—	-101.3	—	—
Socioeconomically Disadvantaged	Yellow	98	358	-89	+14.2	-80.8	-8.2	Lower
Students With Disabilities	Red	97	57	-161.8	-3.2	-127.3	-34.5	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-28-25

Table 9: MSA 1 2024 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	100	425	-73.9	+8.8	-47.6	-26.3	Lower
AA/Black	NPC*	100	5	*	—	-102.2	—	—
Am Indian	NPC*	100	1	*	—	-86.6	—	—
Asian	NPC**	100	17	-19.7	+20.4**	49.5	-69.2	Lower**
Filipino	NPC*	100	9	*	—	10.4	—	—
Hispanic or Latino	Yellow	100	373	-83.2	+5.8	-79.2	-4	Lower
Two or More	NPC*	100	3	*	—	-5.3	—	—
White	NPC**	100	17	-9.9	+27.3**	-10.3	0.4	Higher**
English Learners	Orange	99	165	-122.8	+17.8	-93.4	-29.4	Lower
Foster Youth	NPC*	100	3	*	—	-125.1	—	—
Homeless Youth	NPC*	100	10	*	—	-106	—	—
LTEL	Orange	99	64	-164.8	+3.6	-163.5	-1.3	Lower
Socioeconomically Disadvantaged	Yellow	100	382	-78	+11.0	-78.2	0.2	Higher
Students With Disabilities	Orange	100	65	-157.4	+4.4	-124.3	-33.1	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-28-25

Table 10: MSA 1 2025 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Red	99	417	-95.7	-21.8	-42.4	-53.3	Lower
AA/Black	NPC*	100	5	*	—	-95.8	—	—
Am Indian	NPC*	100	1	*	—	-83.3	—	—
Asian	NPC**	100	20	-49.3	-29.6**	51.9	-101.2	Lower**
Filipino	NPC*	100	8	*	—	14.2	—	—
Hispanic or Latino	Red	99	357	-105.9	-22.7	-73.6	-32.3	Lower
Two or More	NPC*	100	3	*	—	-0.7	—	—
White	NPC**	100	23	-30.6	-20.7**	-6.2	-24.4	Lower**
English Learners	Red	99	189	-133.4	-10.6	-86.1	-47.3	Lower
Foster Youth	NPC*	100	2	*	—	-121.9	—	—
Homeless Youth	NPC*	83	6	*	—	-102.8	—	—
LTEL	Red	100	59	-185	-20.2	-158.9	-26.1	Lower
Socioeconomically Disadvantaged	Red	99	362	-102	-24.0	-72.9	-29.1	Lower
Students With Disabilities	Red	98	46	-163.2	-5.8	-120.7	-42.5	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-16-25

Table 11: MSA 1 English Learner Progress Indicator

Year/ Student Group	Dashboard Color	Participation Rate	Number of Students	School Percent	State Percent	Difference from State Average	Higher or Lower
2023							
English Learners	Green	100	148	55.4	48.7	6.7	Higher
2024							
English Learners	Red	98.3	159	23.3	45.7	-22.4	Lower
LTELS	Red	98.1	102	19.6	45.8	-26.2	Lower
2025							
English Learners	Yellow	99	172	40.7	46.4	-5.7	Lower
LTELS	Yellow	99.1	105	41	49.1	-8.1	Lower

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-9-26

Table 12: MSA 1 2023 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Very High	77	72.7	—	43.9	28.8	Higher
Asian	NPC*	4	*	—	75.8	—	—
Filipino	NPC*	3	*	—	65.2	—	—
Hispanic or Latino	Very High	65	70.8	—	35.5	35.3	Higher
White	NPC*	5	*	—	53.2	—	—
English Learners	NPC**	11	*	—	15.3	—	—
Homeless Youth	NPC*	6	*	—	20.4	—	—
Socioeconomically Disadvantaged	Very High	74	71.6	—	35.4	36.2	Higher
Students With Disabilities	NPC**	13	30.8	—	12.3	18.5	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 13: MSA 1 2024 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	77	80.5	+7.8	45.3	35.2	Higher
Asian	NPC*	1	*	—	74.5	—	—
Filipino	NPC*	1	*	—	67.7	—	—
Hispanic or Latino	Blue	72	80.6	+9.8	37.4	43.2	Higher
White	NPC*	3	*	—	54.3	—	—
English Learners	NPC**	15	60	+23.6**	17.2	42.8	Higher**
Homeless Youth	NPC*	4	*	—	21.8	—	—
LTEL	NPC*	10	*	—	16.5	—	—
Socioeconomically Disadvantaged	Blue	74	81.1	+9.5	37.4	43.7	Higher
Students With Disabilities	NPC**	16	43.8	+13.0**	13.5	30.3	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 14: MSA 1 2025 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	101	71.3	-18.3	51.7	19.6	Higher
Asian	NPC*	3	*	—	77.9	—	—
Filipino	NPC*	1	*	—	74.6	—	—
Hispanic or Latino	Green	93	71	-19.3	45.1	25.9	Higher
Two or More	NPC*	1	*	—	58.6	—	—
White	NPC*	3	*	—	58.6	—	—
English Learners	NPC**	21	52.4	-27.6**	24.3	28.1	Higher**
Foster Youth	NPC*	1	*	—	17.7	—	—
Homeless Youth	NPC*	6	*	—	26.5	—	—
LTEL	NPC**	19	47.4	+.0**	24.9	22.5	Higher**
Socioeconomically Disadvantaged	Green	98	71.4	-19.1	44.8	26.6	Higher
Students With Disabilities	NPC**	21	42.9	-19.6**	18.7	24.2	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-12-25

Table 15: MSA 1 2023 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	78	94.9	-1.0	86.4	8.5	Higher
Asian	NPC*	4	*	—	94.5	—	—
Filipino	NPC*	3	*	—	94.7	—	—
Hispanic or Latino	Yellow	66	93.9	-1.6	84.2	9.7	Higher
White	NPC*	5	*	—	89.8	—	—
English Learners	NPC*	11	81.8	—	73.5	—	—
Homeless Youth	NPC*	6	*	—	73.7	—	—
Socioeconomically Disadvantaged	Yellow	75	94.7	-1.2	83.7	11	Higher
Students With Disabilities	NPC**	14	92.9	-0.5**	72.7	20.2	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 16: MSA 1 2024 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	77	97.4	+2.5	86.7	10.7	Higher
Asian	NPC*	1	*	—	92.2	—	—
Filipino	NPC*	1	*	—	95.2	—	—
Hispanic or Latino	Blue	72	98.6	+4.7	85.3	13.3	Higher
White	NPC*	3	*	—	89.2	—	—
English Learners	NPC**	15	100	+18.2**	77.9	22.1	Higher**
Homeless Youth	NPC*	4	*	—	75.7	—	—
LTEL	NPC*	10	*	—	80.8	—	—
Socioeconomically Disadvantaged	Blue	74	97.3	+2.6	84.4	12.9	Higher
Students With Disabilities	NPC**	16	87.5	-5.4**	74.4	13.1	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 17: MSA 1 2025 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	103	96.1	-1.3	87.8	8.3	Higher
Asian	NPC*	3	*	—	92.6	—	—
Filipino	NPC*	1	*	—	95.4	—	—
Hispanic or Latino	Blue	94	96.8	-1.8	86.9	9.9	Higher
Two or More	NPC*	1	*	—	87.9	—	—
White	NPC*	4	*	—	89.0	—	—
English Learners	NPC**	21	100	+0.0**	79.7	20.3	Higher**
Foster Youth	NPC*	1	*	—	68.5	—	—
Homeless Youth	NPC*	6	*	—	77.1	—	—
LTEL	NPC**	19	100	—	84.0	16	Higher**
Socioeconomically Disadvantaged	Blue	100	97	-.3	86.2	10.8	Higher
Students With Disabilities	NPC**	23	95.7	+8.2**	77.1	18.6	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-15-25

Table 18: MSA 1 2023 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	370	23.5	-6.4	24.3	-0.8	Lower
AA/Black	NPC**	11	18.2	—	36.4	—	—
Am Indian	NPC*	1	*	—	36.1	—	—
Asian	NPC**	12	25	—	10.1	14.9	Higher**
Filipino	NPC*	10	*	—	13.8	—	—
Hispanic or Latino	Yellow	324	23.5	-8.0	28.4	-4.9	Lower
White	NPC**	12	33.3	—	18.5	14.8	Higher**
English Learners	Orange	109	27.5	-5.5	26.3	1.2	Higher
Foster Youth	NPC*	1	*	—	33.6	—	—
Homeless Youth	NPC**	11	27.3	—	38.7	—	—
Socioeconomically Disadvantaged	Yellow	332	23.5	-4.8	29.9	-6.4	Lower
Students With Disabilities	Orange	52	36.5	-11.4	33.1	3.4	Higher

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 19: MSA 1 2024 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Orange	379	23	-.6	18.6	4.4	Higher
AA/Black	NPC*	6	*	—	31.3	—	—
Am Indian	NPC*	1	*	—	30.6	—	—
Asian	NPC**	15	6.7	-18.3**	7.5	-0.8	Lower**
Filipino	NPC*	10	*	—	9.6	—	—
Hispanic or Latino	Red	329	23.7	+.3	21.7	2	Higher
Two or More	NPC*	2	*	—	16.2	—	—
White	NPC**	16	18.8	-14.6**	13.5	5.3	Higher**
English Learners	Orange	115	25.2	-2.3	20.1	5.1	Higher
Foster Youth	NPC*	3	*	—	30.5	—	—
Homeless Youth	NPC*	7	*	—	32.7	—	—
LTEL	Orange	58	24.1	-3.3	23.9	0.2	Higher
Socioeconomically Disadvantaged	Red	331	23.3	-.2	23.4	-0.1	Lower
Students With Disabilities	Red	51	41.2	+4.6	26.3	14.9	Higher

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 1 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 20: MSA 1 2025 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Red	403	24.1	+1.1	17.1	7	Higher
AA/Black	NPC*	8	*	—	29.8	—	—
Am Indian	NPC*	1	*	—	28.9	—	—
Asian	NPC**	18	33.3	+26.7**	6.7	26.6	Higher**
Filipino	NPC*	9	*	—	8.4	—	—
Hispanic or Latino	Red	346	24	+.3	20.1	3.9	Higher
Two or More	NPC*	3	*	—	14.9	—	—
White	NPC**	18	16.7	-2.1**	12.2	4.5	Higher**
English Learners	Red	114	29.8	+4.6	18.1	11.7	Higher
Foster Youth	NPC*	2	*	—	30.6	—	—
Homeless Youth	NPC*	5	*	—	30.7	—	—
LTEL	Orange	59	22	-2.1	22.5	-0.5	Lower
Socioeconomically Disadvantaged	Red	353	25.5	+2.2	21.7	3.8	Higher
Students With Disabilities	Orange	48	37.5	-3.7	24.9	12.6	Higher

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 1 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-12-25

Table 21: MSA 1 2023 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Orange	747	3.5	+1.8	3.5	0	Higher
AA/Black	NPC**	11	0	—	8.8	—	—
Am Indian	NPC*	1	*	—	7.4	—	—
Asian	NPC**	28	0	+0.0**	1.1	-1.1	Lower**
Filipino	NPC**	14	0	+0.0**	1.3	-1.3	Lower**
Hispanic or Latino	Orange	665	3.8	+1.9	3.8	0	Higher
Two or More	NPC*	1	*	—	3.3	—	—
White	NPC**	27	3.7	+3.7**	2.9	0.8	Higher**
English Learners	Red	180	5	+2.2	3.7	1.3	Higher
Foster Youth	NPC*	1	*	—	13.6	—	—
Homeless Youth	NPC**	20	0	+0.0**	6.5	-6.5	Lower**
Socioeconomically Disadvantaged	Orange	662	3.6	+1.8	4.5	-0.9	Lower
Students With Disabilities	Green	113	1.8	-3.4	5.9	-4.1	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	YES 2 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 22: MSA 1 2024 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	789	2.5	-0.9	3.2	-0.7	Lower
AA/Black	NPC*	6	*	—	8.4	—	—
Am Indian	NPC*	1	*	—	7	—	—
Asian	NPC**	24	0	+0.0**	1	-1	Lower**
Filipino	NPC**	12	0	+0.0**	1.2	-1.2	Lower**
Hispanic or Latino	Green	708	2.7	-1.1	3.4	-0.7	Lower
Two or More	NPC*	3	*	—	3	—	—
White	NPC	35	0	-3.7	2.6	-2.6	Lower
English Learners	Green	215	2.8	-2.2	3.4	-0.6	Lower
Foster Youth	NPC*	4	*	—	13.2	—	—
Homeless Youth	NPC**	29	0	+0.0**	5.7	-5.7	Lower**
LTEL	Green	120	3.3	-1.1	8.1	-4.8	Lower
Socioeconomically Disadvantaged	Green	702	2.7	-0.9	4	-1.3	Lower
Students With Disabilities	Yellow	120	2.5	+0.7	5.4	-2.9	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 6 of 6

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-28-25

Table 23: MSA 1 2025 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Red	802	5	+2.5	2.9	2.1	Higher
AA/Black	NPC**	12	16.7	—	7.7	9	Higher**
Am Indian	NPC*	1	*	—	6.1	—	—
Asian	NPC	32	3.1	+3.1	1	2.1	Higher
Filipino	NPC**	13	0	+0.0**	1.1	-1.1	Lower**
Hispanic or Latino	Red	706	4.8	+2.1	3	1.8	Higher
Two or More	NPC*	5	*	—	2.8	—	—
White	Red	33	9.1	+9.1	2.4	6.7	Higher
English Learners	Red	212	8.5	+5.7	3.2	5.3	Higher
Foster Youth	NPC*	2	*	—	13	—	—
Homeless Youth	NPC**	13	0	+0.0**	5.1	-5.1	Lower**
LTEL	Red	117	9.4	+6.1	7	2.4	Higher
Socioeconomically Disadvantaged	Red	716	5.3	+2.6	3.6	1.7	Higher
Students With Disabilities	Orange	117	6.8	+4.3	5	1.8	Higher

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 7

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-12-25

MSA 1 - Verified Data

Table Legend For All NWEA MAP Tables
Tables are a Summary of the NWEA MAP Reports
Green cell indicates student group has met the minimum requirement for one year's growth, CGI ≥ - 0.2
Red cell indicates student group has not met the minimum requirement for one year's growth, CGI < - 0.2
Gray cell indicates the number is less than 10 students, the minimum size for reporting.
Data reflects grade levels with ten or more students in that student group.

Table 24: MSA 1 NWEA MAP Reading, Language and Math (Summary)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index										
All Students	6 of 6	4 of 6	6 of 6		—	—	—		6 of 6	6 of 6	4 of 6
Numerically Significant Student Groups											
Asian	—	—			—	—	—		—	1 of 1*	1 of 1*
Hispanic or Latino	6 of 6	4 of 6	6 of 6		—	—	—		6 of 6	6 of 6	4 of 6
English Learners	5 of 6	4 of 6	6 of 6		—	—	—		6 of 6	5 of 6	5 of 6
Socioeconomically Disadvantaged	5 of 6	4 of 6	6 of 6		—	—	—		6 of 6	6 of 6	4 of 6
Students with Disabilities	3 of 4*	4 of 5*	6 of 6		—	—	—		4 of 4*	4 of 5*	4 of 6
Are the majority of student groups performing above the state average?	YES (4 of 4)	YES (4 of 4)	YES (4 of 4)		—	—	—		YES (4 of 4)	YES (4 of 4)	YES (4 of 4)

Table 25: MSA 1 NWEA MAP Reading, Language and Math (All Students)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.53	0.04	0.74		—	—	—		-0.09	-0.31	0.65
7	1.15	0.31	0.76		—	—	—		0.27	0.22	0.53
8	0.43	-0.16	1.14		—	—	—		0.33	0.34	0.67
9	0.38	1.36	1.23		—	—	—		0.07	1.96	-0.29
10	0.70	1.25	0.66		—	—	—		1.04	1.01	-0.36
11	0.98	1.12	1.15		—	—	—		0.28	0.36	2.03

Table 26: MSA 1 NWEA MAP Reading, Language and Math (Hispanic)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.51	0.00	0.73		—	—	—		-0.09	-0.37	0.64
7	1.17	0.77	0.72		—	—	—		0.27	0.16	0.45
8	0.32	-0.23	1.17		—	—	—		0.24	0.31	0.55
9	0.37	1.37	1.24		—	—	—		0.09	2.02	-0.35
10	0.68	1.24	0.51		—	—	—		1.06	0.98	-0.42
11	0.98	1.07	1.12		—	—	—		0.26	0.32	2.00

Table 27: MSA 1 NWEA MAP Reading, Language and Math (Asian)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	—	—	—		—	—	—		—	—	—
7	—	—	1.20		—	—	—		0.89	—	2.13
8	—	—	—		—	—	—		—	—	—
9	—	—	—		—	—	—		—	—	—
10	—	—	—		—	—	—		—	—	—
11	—	—	—		—	—	—		—	—	—

Table 28: MSA 1 NWEA MAP Reading, Language and Math (EL)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	-0.11	0.35	0.84		—	—	—		-0.15	**-0.57**	0.43
7	1.20	1.33	0.43		—	—	—		0.37	-0.04	-0.03
8	0.05	**-0.69**	1.59		—	—	—		0.22	0.28	0.56
9	-0.07	1.64	1.36		—	—	—		0.35	2.06	**-0.52**
10	0.48	1.39	0.16		—	—	—		2.51	1.60	0.15
11	0.26	1.43	0.53		—	—	—		0.06	0.39	3.27

Table 29: MSA 1 NWEA MAP Reading, Language and Math (SED)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.41	0.00	0.76		—	—	—		0.04	**-0.35**	0.60
7	1.14	0.83	0.83		—	—	—		0.18	0.08	0.51
8	0.43	**-0.25**	1.21		—	—	—		0.32	0.39	0.58
9	0.27	1.40	1.32		—	—	—		0.06	1.93	**-0.33**
10	0.70	1.25	0.66		—	—	—		0.90	0.99	**-0.29**
11	0.98	0.98	1.19		—	—	—		0.25	0.28	1.94

Table 30: MSA 1 NWEA MAP Reading, Language and Math (SWD)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	—	-0.11	0.68		—	—	—		—	**-0.87**	-0.03
7	1.25	0.57	0.81		—	—	—		0.22	0.64	0.35
8	0.87	0.23	0.71		—	—	—		-0.07	**-0.39**	0.60
9	-0.19	1.57	1.13		—	—	—		-0.12	2.22	**-0.32**
10	—	2.09	-0.01		—	—	—		—	1.97	**-2.52**
11	0.61	—	1.23		—	—	—		-0.20	—	1.17

Los Angeles County Office of Education
Charter School Office Oversight Protocol

INSTRUCTIONAL PROGRAM REVIEW 2025-2026

Charter School	**Magnolia Science Academy 2 (Grades 6-12)**			
Charter Term	**July 1, 2025 – June 30, 2030 (Renewed December 17, 2024)**			
Date of Visit(s)	**November 4, 2025, and May 11, 2026**			
Enrollment	**Expected (Petition):**	**Actual Enrollment (based on PAAC reports and DataQuest)**		
		P1: 424.02	**P2: 423.53**	**Official: 448**
Most Recent School Performance Category:	☐ High ☒ Middle ☐ Low ☐ DASS			
Compliance Monitoring and/or Technical Assistance: (check all that apply)	☐ ATSI ☐ DA ☒ Williams ☐ CSI ☐ FPM ☐ TSI ☐ None			

This document provides a summary of observations and data collected through LACOE monitoring and oversight visit(s) focusing on the implementation of the academic program described in the school's charter and adherence to applicable laws. This form is adapted from the FCMAT Charter School Annual Oversight Checklist.

A. Data for Accountability and Improvement

1. Based California School Dashboard data, describe the extent to which the charter school is on track to meet renewal criteria pursuant to EC 47607.

Magnolia Science Academy 2 (MSA 2) currently is placed in the middle performance level based on 2024-2025 California School Dashboard data. The school has performance level data for English Language Arts (ELA), Math, College and Career Indicator (CCI), English Language Proficiency Indicator (ELPI), Graduation Rates, Chronic Absenteeism, and Suspension Rates.

- ***ELA:*** *Overall, All Students and the majority of Numerically Significant Student Groups (Student Groups), did not outperform the State's average Distance from Standard (DFS) in ELA. The school's DFS for All Students was -31.9, 8.1 points below the state. While this is a 15.6 gain, it still is a 12.5 loss over two years. All student groups saw an increase this year and two of the four student groups are now above the state average. Two groups had a dashboard performance level of Orange, English Learners (ELs) and Students with Disabilities (SWDs), and there is a significant achievement gap to their peers.*
- ***Math****: The school's dashboard performance level in Math was Orange for All Students and all Student Groups, as most groups are significantly below the state average. SWD not only outperformed the state average, but also all other student groups and saw a 47-point increase. Evaluation of the math program in general is recommended.*
- ***ELPI:*** *This year the school's ELPI score was 41.9%, an increase of 11.1% from the previous year, but still below the state average. Long-Term English Learners (LTELs) had a score of 53.5%, higher than the state average.*
- ***CCI:*** *The school continues to outperform the state for All Students and all Student Groups even with a decline in the rate. This is the second year the school has seen a significant decrease. The school needs to review the CCI data to determine the root cause(s) of the drops.*
- ***Graduation Rates:*** *The school continues to have an exceedingly high graduation rate, with a dashboard color of Blue for All Students and Student Groups.*
- ***Chronic Absenteeism****: All Students and Student Groups have a Chronic Absenteeism rate lower than the state. Groups saw at least 5% decreases and ELs saw their rate fall 20.7 percentages.*
- ***Suspension Rate:*** *All Students and the majority of Student Groups have a Suspension Rate lower than the state average. This indicator reinforces that the school's other means of correction are working including their Positive Behavior Intervention System (PBIS). The one*

group that need attention is ELs, including LTELs.

Magnolia Science Academy-2 2025 Dashboard Summary							
Student Group	**ELA DFS**	**Math DFS**	**ELPI %**	**CCI %**	**Graduation Rate %**	**Chronic Absenteeism %**	**Suspension %**
All Students	**-31.9**	**-104.5**	**41.9**	65.5	94.9	16.9	2.2
Hispanic	**-34.5**	**-106.8**		61.2	94	16.7	1.6
ELs	**-83.3**	**-141.6**	**41.9**			11.7	**4.2**
LTEL	-111*	-157.8*	53.5				6.7
SED	-32.6	**-105.5**		63	94.5	17.2	2.2
SWD	-72.5	-100.9				21.3	2.8

Green denotes outperforming the state, Red denoted not outperforming the state.
* These groups have less than 30 students but are included due to the achievement gap.

Appendix A includes comprehensive data for all dashboard indicators.

While the ELA and Math data will be further discussed in the next section on verified data, the school's improvement plans should include ELA, Math and CCI.

The three-year trend shows that the school has historically outperformed the state in only CCI, but not in CAASPP ELA and Math and ELPI, the four academic indicators. These indicators hold greater weight during renewal. The other three dashboard indicators show a three-year trend that the school has typically outperformed the state.

Magnolia Science Academy 2 Dashboard Summary													
Year	**ELA**		**Math**		**ELPI**	**CCI**		**Graduation Rate**		**Chronic Absenteeism**		**Suspension**	
	All	SG	All	SG	All	All	SG	All	SG	All	SG	All	SG
2023	**N**	3/4	**N**	3/4	Y	Y	2/2	Y	2/2	Y	4/4	Y	4/4
2024	**N**	**1/4**	**N**	**0/4**	**N**	Y	2/2	Y	2/2	**N**	3/4	Y	5/5
2025	**N**	**2/4**	**N**	**1/4**	**N**	Y	2/2	Y	2/2	Y	4/4	Y	4/5
Majority	**NO**		**NO**		**NO**	YES		YES		YES		YES	

In addition to NWEA, the school also conducts systematic learning rounds to improve instruction and achievement throughout the year. These learning rounds are both done internally and with the Magnolia Public Schools (MPS) Central Office staff.

2. Describe the process that the charter school uses to collect and analyze verified data to continuously improve pupil achievement.

MSA 2 uses NWEA MAP testing to monitor its annual growth. NWEA MAP Growth released updated national normative data in October 2025, replacing the previous norms utilized in prior Charter Schools Office End-of-Year Oversight Reports. The updated norms were developed to reflect current student

performance patterns, changes in U.S. student demographics, post-pandemic academic trends, and enhancements to the MAP Growth assessment platform and item-selection algorithm.

As part of this publisher-led update, the 2025 norms were retroactively applied to previously administered NWEA MAP Growth assessments. Therefore, the longitudinal Conditional Growth Index (CGI) metrics presented in this report reflect the updated 2025 normative framework and may differ from values reported in prior years that were based on the previous 2020 norms. Direct comparisons between previously reported NWEA MAP CGI values and those presented in this report should be interpreted with consideration of this norming update. Best practice is to compare results using the same normative framework.

Upon review of the most recent NWEA MAP data from 2025-26, the majority of grade levels made at least one year progress in both reading and math as indicated with a score of -0.2 CGI or above. The data was disaggregated further by student groups. Groups with fewer than 10 students were excluded from this report to protect student privacy. In addition, groups with less than half of the grade levels with data were also excluded, such as ELs in 2025-26 with only two grade levels with data. Using these guidelines, there were three student groups by grade level in both reading and math (Hispanic students, socioeconomically disadvantaged (SEDs), and SWD for all grades).

- ***Reading:*** *The majority of grade levels for All Students and student groups are making one year progress. The only group with a CGI below -0.2 was sixth grade SWD. The school should analyze this specific student group to see how they can be best supported.*
- ***Language Usage:*** *The school does not give this test. This is an important component of ELA and should be part of the school's assessment profile.*
- ***Math:*** *The majority of grade levels for All Students and student groups are making one year progress. The school should analyze those specific student groups that are not. Seventh grade students, for All Students and the majority of student groups, did not make one year progress with CGIs. This is the same group of students of concern on the previous LACOE End of Year Report.*

The three-year trend shows that the majority of students are making one year progress each year for all but one year in Math. While the chart below summarizes the data, Appendix A includes comprehensive data for verified data for All Students and student groups by grade level.

Table 28: MSA 2 NWEA MAP Reading, Language and Math (Summary)

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index								
All Students	6 of 6	6 of 6	6 of 6	—	—	—	4 of 6	5 of 6	5 of 6
Numerically Significant Student Groups									
Hispanic or Latino	6 of 6	5 of 6	6 of 6	—	—	—	4 of 6	5 of 6	5 of 6
English Learners	**2 of 4**	5 of 5	2 of 2*	—	—	—	**2 of 4**	3 of 5	2 of 2*
Socioeconomically Disadvantaged	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	5 of 6	5 of 6
Students with Disabilities	4 of 6	5 of 6	3 of 4	—	—	—	**3 of 6**	5 of 6	**1 of 3**
Are the majority of student groups performing above the state average?	YES (3 of 4)	YES (4 of 4)	YES (3 of 3)	—	—	—	**NO (2 of 4)**	YES (4 of 4)	YES (2 of 3)

3. To what extent did the charter school timely submit a complete and compliant LACOE Annual Report/Mid-Year LCAP?

The LACOE Annual Report/Mid-Year LCAP for MSA 2 was approved and submitted in March 2026.

4. Does the charter school annually review its measurable pupil outcomes (MPOs)? What actions has the charter school implemented to address unmet outcomes?

MSA 2 reviewed its MPOs for 2023-24 through the LACOE annual report/Mid-Year LCAP. During their review, the school identified the following areas for improvement and included interventions for each:

- ***Teacher Credentials:*** *Strengthen credential monitoring and scheduling practices in collaboration with the Magnolia Public Schools Home Office. To address root causes, additional credential audits, targeted teacher support, and proactive recruitment strategies will be implemented.*
- ***State Standards: I****ncrease the frequency of instructional observations and refine MTSS intervention placement*
- ***CAASPP ELA, NWEA Reading and EAP****: Train teachers in restorative practices; implement an instructional coach to improve individual student support, instructional strategies, and student learning outcomes; add a Community Schools Coordinator, Family Success Coordinator, and Community Schools Liaison; expand targeted systems of supports; train teachers in CHATS to support ELs; continue Instructional Rounds and PLCs; and use Plan-Do-Act-Study Cycles to set goals, monitor progress and refine instructional practices.*
- ***CAASPP, NWEA Math and EAP****: Train teachers in restorative practices; implement an instructional coach to improve individual student support, instructional strategies, and student learning outcomes; add a Community Schools Coordinator, Family Success Coordinator, and Community Schools Liaison; use Plan-Do-Act-Study Cycles to set goals, monitor progress and adjust instructional practices; continue Instructional Rounds and PLCs; implement Teach like a Champion book study; expand targeted systems of supports; train teachers in CHATS to support ELs; partner with Relay Graduate School to utilize School Mint Grow; and increase family involvement opportunities.*
- ***CAST:*** *Train teachers in restorative practices, implement an instructional coach to improve individual student support, instructional strategies, and student learning outcomes; add a Community Schools Coordinator, Family Success Coordinator, and Community Schools Liaison; use Plan-Do-Act-Study Cycles to set goals, monitor progress and refine instructional practices; continue Instructional Rounds and PLCs; expand targeted systems of supports; and continue its STEAM initiative.*
- ***EL annual progress and ELPAC****: Train teachers in restorative practices; implement an instructional coach to improve individual student support, instructional strategies, and student learning outcomes; added a Community Schools Coordinator, Family Success Coordinator, and Community Schools Liaison; train teachers in CHATS to support ELs; use Plan-Do-Act-Study Cycles to set goals, monitor progress and refine instructional practices; continue Instructional Rounds and PLCs; implement Teach like a Champion book study; expand targeted systems of supports; and increase family involvement opportunities.*
- ***CCI:*** *Targeted academic support will be expanded within advanced coursework and college readiness programs, such as AP programming and Dual Enrollment participation*
- ***EL Suspension Rate:*** *Nothing specific for EL Suspension, continue PBIS and CA-ISP in general.*
- ***Satisfaction rates on local surveys for students and staff:*** *Increase targeted outreach to families and expand engagement efforts during the second half of the year. To address*

participation gaps, communication supports, translation services, and home visit efforts will be strengthened. Utilize student council to increase student voice while planning schoolwide events; improve team building activities; and to continue to analyze survey data.

Some of these interventions were evident during the site visit, but with similar inventions as in the past, it is unclear if there were any changes in practice.

5. What process does the charter school use to review the LCAP annually? What LCAP goals were not met? What actions were implemented to address unmet LCAP goals?

MSA 2 reviewed its LCAP Goals for 2024-25 through the LACOE annual report. The school's LCAP has many of the same goals as its MPOs. The overlapping unmet goals include goals on teacher credentials, CAASPP and NWEA MAP data, CAST Data, English learners progress towards proficiency, and overall satisfaction rates on local surveys for students.
Additionally, the school did not meet its LCAP goal in the following areas and included an action plan for each:

- ***College and Career Goals**: Continue individualized college counseling and college workshops.*
- ***Home visits:** Train staff on purpose, process, and benefits; build stronger relationships with families and provide personized support; train teachers in restorative practices; and bring home visits strategies into PLCs.*

While LACOE CSO does not approve the LCAP, the CSO has focused on the following three areas and provided monthly training on the LCAP in regard to these areas:

***The LCAP must address all 8 State priorities:** All 8 State priorities were addressed.*

***The LCAP must indicate how it engaged educational partners**: LCAPs indicate how educational partners were engaged.*

***Actions on LCAP that are marked as Contributing must contribute to improving services/programs for low-income students, ELs and foster youth.** All actions marked as contributing are actions targeted to improve services/programs for these student groups. (Goals 1.4, 2.2, 2.3, 2.4, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.5). LACOE Staff recommends including data to strengthen the argument of the need for the action and determine how the action will primarily benefit unduplicated students.*

B. Educational Program and Curriculum

1. How is the charter school implementing the curricular and instructional program as approved in the charter petition?

MSA 2 is implementing the curricular and instructional plan as outlined in the approved charter. MSA 2 focuses on science, technology, engineering, arts, and mathematics (STEAM). The school has a college and career emphasis with the graduation requirements aligned to the UC's A-G requirements, three advanced placement courses, dual enrollment with Los Angeles Valley College, CTE pathway in Business, and the school's electives continue the STEAM education. This year the school has offered a dual enrollment course to 8th grade students, and it is also started an IGETC pathway.

2. To what extent is the staffing sufficient, appropriately assigned, and stable enough to effectively implement the educational program?

The current school staffing is sufficient to carry out the educational program. There are currently 24 certificated staff, including four Educational Specialist and one School Psychologist. In addition, there are 20 classified staff and 19 other contracted staff.

The school may want to assess whether more staff is necessary to support ELs and SWD in both academic and non-academic operations, where achievement gaps exist.

3. What instructional approvals and accreditations (e.g., A–G, AP, CTE, IB, WASC) does the charter school hold and are these all the necessary approvals and accreditations needed to operate the approved program?

MSA 2 is accredited through the Western Association of Schools and Colleges (WASC) through June 30, 2028, with a mid-year cycle during the 2024-25 school year.

4. How does the instructional design framework align to the learning needs of all students and all numerically significant student groups?

The target population for MSA 2 are students in grades 6-12 from Van Nuys, California, and neighboring communities throughout the San Fernando Valley. There are many MSA 2 households that speak languages other than English and have a high population of socially economically disadvantaged student. MSA 2 provides a college preparatory educational program emphasizing STEAM and includes a variety of additional supports within the school day such as AP courses, dual enrollment, learning labs, APEX for credit recovery, IXEL, and the program No Red Ink. Additionally, the school makes use of Saturday school and winter and summer intersessions for further supplemental instruction and credit recovery.

5. What standards-aligned, non-faith-based instructional materials does the charter use for all content areas?

MSA 2 uses California Standard based materials for all classes.

C. Services to Special Populations

1. To what extent has the charter school adopted and implemented legally compliant policies and practices for special education services?

MSA 2 has adopted policies and practices that are compliant with all laws related to the provision of special education. The school's special education model includes push-in and pull-out models as well as Specialized Academic Instruction.

MSA 2 currently has 84 special education students (DataQuest), 18.8% of enrollment (2024-25 special education was 18.5% of enrollment). According to the most recent LACOE special education report, the average caseload for the special education staff was approximately 21 students, under the maximum caseload limit of 28 students. The school had no late IEPs or services owed as of Quarter 4 on these reports.

The Local Level Annual Performance Report (2023-2024) found the following areas below target: ELA Achievement (12.5 vs 13); Math Achievement (4.17 vs 9); Parent involvement ratio (96 vs 96.5); Rate of Eligibility Determination within 60 days (75% vs 100%); and Rate of Students with Transition Goals/Services (88.89% vs 100%). Local Level Annual Performance Report from CDE found at **https://www.cde.ca.gov/sp/se/ds/leadatarpts.asp**

2. In what ways does the charter school demonstrate implementation of compliant procedures for identifying, serving, monitoring, and reclassifying English Learners consistent with its EL Master Plan and law?

MSA 2 administers the ELPAC, as well as benchmarks, the CAASPP, and classroom level data to determine English learner progress toward language proficiency. The school's process for identifying and reclassifying are defined in the school's Master Plan for English Learners and documentation for monitoring was observed during the spring site visit. The school currently (2025-26) serves an EL population of 17%.

The ELPI results for 2024-25 indicated that 41.9% of ELs made progress towards English language proficiency, 39.5% maintained their level, and 18.6% regressed. Their EPLI CA Dashboard Performance level was Yellow and lower than the state average (46.4% making progress).

3. What structures and services has the charter school established to support foster youth and students experiencing homelessness?

MSA 2 has identified their homeless and foster youth liaison. This year MPS has revisited policy affecting homeless youth to ensure compliance with all state and federal laws.

D. Professional Development & Teacher Qualification

1. To what extent have all staff received required clearances, certifications, and mandated trainings in compliance with law and board policy?

MSA 2 staff have all the required trainings. Additionally, MPS staff attended all bi-weekly LACOE trainings.

2. What professional development did the charter school provide aligned to the instructional program, identified needs, and continuous improvement priorities?

Professional development is provided on a regular basis. Professional development included grade level and department meetings, discussion of best teaching practices (purposeful student grouping, student engagement, differentiation, and Think-Pair-Share), improving instruction, using data to inform instruction, rigor, predictable routines, effective use of time, culturally relevant teaching, and implementation of CA-ISP (SEL training).

3. To what extent does the charter school verify that all courses are taught by appropriately credentialed teachers, including required English Learner authorizations?

Fall 2025 and Spring 2026 staffing rosters reflected that all teachers held appropriate credentials. There were two vacancies at the beginning of the year that will most likely appear on the CALSAAS report.

The 2024-25 CALSAAS summary report indicates that the school had no misassigned teachers or vacancies. While the school had 31 exceptions, 29 were deemed Local Assignment Options, and 2 CALPAD errors.

The school is currently eligible for Williams monitoring 2025-2027 as more than 15 percent (32%) of the school's teachers did not possess a valid clear or preliminary teacher credential in 2022-2023.

E. Facilities, Operations and Safety

1. To what extent does the charter school maintain facilities in a condition that is safe, clean, and conducive to learning?

The annual facilities inspection was conducted on October 16, 2025, and the inspection noted that upgrades to both student and staff restrooms are needed. The school is currently co-located on a LAUSD site.

2. What evidence is there that the charter school maintains required safety documentation, supplies, and emergency preparedness procedures?

MSA 2 has proper documentation, schedule of drills, and student safety plan.

3. How does the school create a climate that is safe, inclusive, and supportive of student learning and engagement?

MSA 2 received the California PBIS Gold Recognition for its work implementing the PBIS system with fidelity. The school's suspension data is below the state average for All Students and all Student Groups except ELs. The school should review the data for EL to determine next steps for interventions.

4. To what extent is the organizational and leadership structure sufficient to effectively operate the instructional program in compliance with law?

The current leadership structure and staffing are sufficient to carry out the education program and effectively operate the school.

Summary

Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standard-based aligned and provided several instructional strategies and supports to assist student groups. The school is continuing its PBIS work and has been recognized as a Gold program for PBIS by the State.

Since the California School Dashboard currently indicates that the school continues to be performing below the state average in CAASPP ELA and Math and specific Student Groups need attention (ELs and SWD) in some indicators, continues focus in these areas is necessary. MSA 2 continues to have a high CCI, high graduation rates, and low suspension rates. When developing the LCAP goals, a clear throughline from data analysis to determination of how the actions will primarily benefit unduplicated students would strengthen the plan.

The school's NWEA data shows the school is making one year growth for almost all grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion of the NWEA MAP testing, a key component of English Language Arts.

MSA 2 uses data from NWEA and IABs to target instruction as well as instructional rounds to enhance teaching throughout. The school continues to offer a dual enrollment program. The school continues to reflect on how to connect with and best serve its students. In addition, the school has provided its students and community with many opportunities to connect with each other, their community, and their elected officials.

Recommendations

1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on CAASPP data for both ELA and Math, ELD program to improve CAASPP scores for EL and LTELs, the decline in CCI for all students and student groups, and the suspension rate of ELs. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*
2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The school should continue its focus on the implementation of PBIS, culturally responsive teaching, and restorative practices into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism.*
4. *The school leadership should continue to closely monitor progress on Dashboard data for all students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items in order to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

Report completed by LACOE Lead Coordinator: Michelle Nye (Jul 20, 2026 16:18:48 PDT)	Approved by LACOE Charter School Office Director:
Cheli Nye, Ed.D., Coordinator III	Cheli Nye, Ed.D., Coordinator III
Date report provided to the charter school: July 15, 2026	Report provided to charter school via: ☒ US Postal Mail/Email ☐ In-Person Meeting ☒ Video/Phone Conference

Glossary of Acronyms

Term	Detail
AP	Advanced Placement
ATSI	Additional Targeted Support and Improvement
CSI	Comprehensive Support and Improvement
CTE	Career and Technical Education
DA	Differentiated Assistance
EL	English Learner
ELA	English Language Arts
ELD	English Language Development
ELPI	English Language Proficiency Indicator
FPM	Federal Program Monitoring
FY	Foster Youth
IB	International Baccalaureate
LCAP	Local Control and Accountability Plan
LTEL	Long-Term English Learner
MPO	Measurable Pupil Outcome
P1	First Principal Apportionment
P2	Second Principal Apportionment
RSP	Resource Specialist Program
SDC	Special Day Class
SWD	Students With Disabilities
TSI	Targeted Support and Improvement
WASC	Western Association of Schools and Colleges

Appendix A

MAGNOLIA SCIENCE ACADEMY 2
CALIFORNIA DASHBOARD INDICATORS AND VERIFIED DATA

Table 1: MSA 2 2024-2025 Enrollment by Ethnicity

Student Groups	Number Enrolled	Percent of Total Enrollment
All	514	100.0%
AA/Black	16	3.1%
American Indian	0	0.0%
Asian	10	1.9%
Filipino	3	0.6%
Hispanic	468	91.1%
Pac Islander	0	0.0%
Two or more	1	0.2%
White	13	3.1%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 5-1-25

Table 2: MSA 2 2024-2025 Enrollment by Student Group

Student Groups	Number Enrolled	Percent of Total Enrollment
EL	90	17.5%
Foster	1	0.2%
Homeless	10	1.9%
SED	481	93.6%
SWD	95	18.5%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 5-1-25

Table 3: MSA Enrollment by Year and Grade

Year	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total
2017-18	100	93	86	62	49	44	37	471
2018-19	97	86	79	49	47	38	41	437
2019-20	95	90	79	46	46	41	38	435
2020-21	102	91	90	52	47	42	40	464
2021-22	88	108	92	69	58	48	41	504
2022-23	105	94	103	51	62	49	47	511
2023-24	101	105	101	73	49	59	44	532
2024-25	104	106	98	48	55	45	58	514

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp CDE Data & Statistics/Accessing Educational Data/Enrollment by School(1981-2022) https://www.cde.ca.gov/ds/ad/fileshistenr8122.asp Retrieved 5-1-25

California Dashboard Tables

Table Legend for All California Dashboard Tables
"*" - The student group has fewer than 11 students and is not reported for privacy reasons "**" - Student groups must have at least 30 or more students in both the current and prior year status denominator of the state indicator to receive a Performance Level (color) "—" - No data available "NPL" - No Performance Level available 2022 "NPC" - No Performance Color available 2023+ "N/A" - Non-Applicable

Table 4: MSA 2 Charter School California Dashboard

Year	ELA	Math	ELPI	CCI	Graduation Rate	Chronic Absenteeism	Suspension
2023	Yellow	Yellow	Green	Very High	Blue	Yellow	Blue
2024	Orange	Red	Red	Green	Blue	Yellow	Green
2025	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Yellow

Source: CA School Dashboard https://www.caschooldashboard.org/

Table 5: MSA 2 Public School 2023 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	100	336	-19.3	+15.6	-13.6	-5.7	Lower
AA/Black	NPC**	100	14	-20.9	—	-59.6	38.7	Higher**
Am Indian	—	—	0	—	—	-47.9	—	—
Asian	NPC*	100	9	*	—	61.8	—	—
Filipino	—	—	0	—	—	44	—	—
Hispanic or Latino	Yellow	100	297	-21.9	+17.4	-40.2	18.3	Higher
Pacific Islander	—	—	0	—	—	-32.5	—	—
Two or More	—	—	0	—	—	24.3	—	—
White	NPC**	100	16	-27.5	-43.9**	20.8	-48.3	Lower**
English Learners	Orange	100	82	-83.5	+5.9	-67.7	-15.8	Lower
Foster Youth	NPC*	100	1	*	—	-89.2	—	—
Homeless Youth	NPC*	100	4	*	—	-67.9	—	—
LTEL	—	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Yellow	100	302	-26.4	+10.2	-42.6	16.2	Higher
Students With Disabilities	Yellow	100	60	-65.5	+21.8	-96.3	30.8	Higher

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 3 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-30-25

Table 6: MSA 2 Public School 2024 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Orange	99	346	-47.5	-28.1	-13.2	-34.3	Lower
AA/Black	NPC**	100	11	-41.6	—	-58.9	—	—
Am Indian	—	—	0	—	—	-49	—	—
Asian	NPC*	100	7	*	—	60.7	—	—
Filipino	NPC*	100	2	*	—	45.8	—	—
Hispanic or Latino	Orange	99	311	-51.7	-29.8	-39.3	-12.4	Lower
Pacific Islander	—	—	0	—	—	-34.7	—	—
Two or More	NPC*	100	1	*	—	24.3	—	—
White	NPC**	100	14	-22.6	+4.9**	19.2	-41.8	Lower**
English Learners	Red	100	105	-91.7	-8.2	-67.6	-24.1	Lower
Foster Youth	NPC*	100	2	*	—	-87.3	—	—
Homeless Youth	NPC*	100	8	*	—	-70.4	—	—
LTEL	NPC**	100	26	-113.3	-7.9**	-109.6	-3.7	Lower**
Socioeconomically Disadvantaged	Orange	99	325	-51.8	-25.5	-40.9	-10.9	Lower
Students With Disabilities	Red	100	67	-86.6	-21.1	-95.6	9	Higher

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-30-25

Table 7: MSA 2 Public School 2025 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	99	339	-31.9	+15.6	-8.1	-23.8	Lower
AA/Black	NPC*	89	9	*	—	-51.3	—	—
Am Indian	—	—	0	—	—	-45.4	—	—
Asian	NPC*	100	3	*	—	61.9	—	—
Filipino	NPC*	100	3	*	—	49.6	—	—
Hispanic or Latino	Yellow	99	315	-34.5	+17.2	-33.7	-0.8	Lower
Pacific Islander	—	—	0	—	—	-29.3	—	—
Two or More	NPC*	100	1	*	—	29.4	—	—
White	NPC*	100	9	*	—	23.8	—	—
English Learners	Orange	99	114	-83.3	+8.4	-59.9	-23.4	Lower
Foster Youth	—	—	0	—	—	-79.8	—	—
Homeless Youth	NPC*	75	4	*	—	-68.9	—	—
LTEL	NPC**	100	26	-111.	+2.3**	-104.5	-6.5	Lower**
Socioeconomically Disadvantaged	Yellow	99	321	-32.6	+19.2	-35.3	2.7	Higher
Students With Disabilities	Orange	98	53	-72.5	+14.1	-89.4	16.9	Higher

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 2 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-16-25

Table 8: MSA 2 Public School 2023 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Yellow	100	335	-62.9	+15.0	-49.1	-13.8	Lower
AA/Black	NPC**	100	14	-63.6	—	-104.5	40.9	Higher**
Am Indian	—	—	0	—	—	-87.3	—	—
Asian	NPC*	100	9	*	—	50.8	—	—
Filipino	—	—	0	—	—	7.4	—	—
Hispanic or Latino	Yellow	100	296	-66.9	+16.7	-80.8	13.9	Higher
Pacific Islander	—	—	0	—	—	-71.3	—	—
Two or More	—	—	0	—	—	-7.4	—	—
White	NPC**	100	16	-51.2	-27.6**	-11.1	-40.1	Lower**
English Learners	Orange	100	82	-115.3	+4.2	-93.4	-21.9	Lower
Foster Youth	NPC*	100	1	*	—	-127.4	—	—
Homeless Youth	NPC*	100	4	*	—	-101.3	—	—
LTEL	—	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Yellow	100	301	-70.9	+9.2	-80.8	9.9	Higher
Students With Disabilities	Red	100	60	-114.7	-6.8	-127.3	12.6	Higher

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 3 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-30-25

Table 9: MSA 2 Public School 2024 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Red	99	349	-110.4	-47.6	-47.6	-62.8	Lower
AA/Black	NPC**	100	11	-65.2	—	-102.2	—	—
Am Indian	—	—	0	—	—	-86.6	—	—
Asian	NPC*	100	7	*	—	49.5	—	—
Filipino	NPC*	100	2	*	—	10.4	—	—
Hispanic or Latino	Red	99	314	-115.7	-48.8	-79.2	-36.5	Lower
Pacific Islander	—	—	0	—	—	-72.5	—	—
Two or More	NPC*	100	1	*	—	-5.3	—	—
White	NPC**	100	14	-96	-44.8**	-10.3	-85.7	Lower**
English Learners	Red	100	108	-161.3	-46.0	-93.4	-67.9	Lower
Foster Youth	NPC*	100	2	*	—	-125.1	—	—
Homeless Youth	NPC*	100	8	*	—	-106	—	—
LTEL	NPC**	100	26	-197.4	-76.3**	-163.5	-33.9	Lower**
Socioeconomically Disadvantaged	Red	99	328	-115	-44.1	-78.2	-36.8	Lower
Students With Disabilities	Red	100	68	-147.9	-33.2	-124.3	-23.6	Lower

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-30-25

Table 10: MSA 2 Public School 2025 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance From Standard	Difference from State Average	Higher or Lower
All	Orange	99	341	-104.5	+6.0	-42.4	-62.1	Lower
AA/Black	NPC*	100	9	*	—	-95.8	—	—
Am Indian	—	—	0	—	—	-83.3	—	—
Asian	NPC*	100	3	*	—	51.9	—	—
Filipino	NPC*	100	3	*	—	14.2	—	—
Hispanic or Latino	Orange	99	316	-106.8	+9.0	-73.6	-33.2	Lower
Pacific Islander	—	—	0	—	—	-67.5	—	—
Two or More	NPC*	100	1	*	—	-0.7	—	—
White	NPC*	100	9	*	—	-6.2	—	—
English Learners	Orange	99	116	-141.6	+19.7	-86.1	-55.5	Lower
Foster Youth	—	—	0	—	—	-121.9	—	—
Homeless Youth	NPC*	100	4	*	—	-102.8	—	—
LTEL	NPC**	100	26	-157.8	+39.7**	-158.9	1.1	Higher**
Socioeconomically Disadvantaged	Orange	99	323	-105.5	+9.6	-72.9	-32.6	Lower
Students With Disabilities	Orange	98	53	-100.9	+47.0	-120.7	19.8	Higher

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-16-25

Table 11: MSA 2 English Learner Progress Indicator

Year/ Student Group	Dashboard Color	Participation Rate	Number of Students	School Percent	State Percent	Difference from State Average	Higher or Lower
2022							
English Learners	Medium	100	71	54.9	50.3	4.6	Higher
2023							
English Learners	Green	98.8	75	60	48.7	11.3	Higher
2024							
English Learners	Red	98.7	68	32.4	45.7	-13.3	Lower
LTELS	Red	100	39	30.8	45.8	-15	Lower
2025							
English Learners	Yellow	100	86	41.9	46.4	-4.5	Lower
LTELS	Green	100	43	53.5	49.1	4.4	Higher

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-8-12

Table 12: MSA 2 2023 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Very High	49	81.6	—	43.9	37.7	Higher
AA/Black	—	0	—	—	25.1	—	—
Am Indian	—	0	—	—	26.5	—	—
Asian	NPC*	3	*	—	75.8	—	—
Filipino	—	0	—	—	65.2	—	—
Hispanic or Latino	Very High	45	80	—	35.5	44.5	Higher
Pacific Islander	—	0	—	—	33.1	—	—
Two or More	—	0	—	—	52.9	—	—
White	NPC*	1	*	—	53.2	—	—
English Learners	NPC*	9	*	—	15.3	—	—
Foster Youth	—	0	—	—	11.6	—	—
Homeless Youth	NPC*	3	*	—	20.4	—	—
LTEL	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Very High	48	83.3	—	35.4	47.9	Higher
Students With Disabilities	NPC*	8	*	—	12.3	—	—

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 13: MSA 2 2024 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	43	76.7	-4.9	45.3	31.4	Higher
AA/Black	NPC*	2	*	—	28.1	—	—
Am Indian	—	0	—	—	28.9	—	—
Asian	NPC*	2	*	—	74.5	—	—
Filipino	—	0	—	—	67.7	—	—
Hispanic or Latino	Green	36	72.2	-7.8	37.4	34.8	Higher
Pacific Islander	—	0	—	—	34.6	—	—
Two or More	—	0	—	—	53.7	—	—
White	NPC*	3	*	—	54.3	—	—
English Learners	NPC*	8	*	—	17.2	—	—
Foster Youth	—	0	—	—	13	—	—
Homeless Youth	NPC*	3	*	—	21.8	—	—
LTEL	NPC*	4	*	—	16.5	—	—
Socioeconomically Disadvantaged	Green	40	75	-8.3	37.4	37.6	Higher
Students With Disabilities	NPC*	8	*	—	13.5	—	—

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 14: MSA 2 2025 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	58	65.5	-13.6	51.7	13.8	Higher
AA/Black	NPC*	1	*	—	35.7	—	—
Am Indian	—	0	—	—	35.3	—	—
Asian	NPC*	4	*	—	77.9	—	—
Filipino	—	0	—	—	74.6	—	—
Hispanic or Latino	Yellow	49	61.2	-13.8	45.1	16.1	Higher
Pacific Islander	—	0	—	—	40.2	—	—
Two or More	—	0	—	—	58.6	—	—
White	NPC*	4	*	—	58.6	—	—
English Learners	NPC**	12	41.7	+.0**	24.3	17.4	Higher**
Foster Youth	—	0	—	—	17.7	—	—
Homeless Youth	NPC*	1	*	—	26.5	—	—
LTEL	NPC*	8	*	—	24.9	—	—
Socioeconomically Disadvantaged	Yellow	54	63	-14.5	44.8	18.2	Higher
Students With Disabilities	NPC**	16	31.3	+.0**	18.7	12.6	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-12-25

Table 15: MSA 2 2023 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	49	95.9	-4.1	86.4	9.5	Higher
AA/Black	—	0	—	—	78.5	—	—
Am Indian	—	0	—	—	79.6	—	—
Asian	NPC*	3	*	—	94.5	—	—
Filipino	—	0	—	—	94.7	—	—
Hispanic or Latino	Blue	45	95.6	-4.4	84.2	11.4	Higher
Pacific Islander	—	0	—	—	84.6	—	—
Two or More	—	0	—	—	88.6	—	—
White	NPC*	1	*	—	89.8	—	—
English Learners	NPC*	9	*	—	73.5	—	—
Foster Youth	—	0	—	—	63.2	—	—
Homeless Youth	NPC*	3	*	—	73.7	—	—
LTEL	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Blue	48	95.8	-4.2	83.7	12.1	Higher
Students With Disabilities	NPC*	8	*	—	72.7	—	—

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 16: MSA 2 2024 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	45	97.8	+1.9	86.7	11.1	Higher
AA/Black	NPC*	2	*	—	79.1	—	—
Am Indian	—	0	—	—	80.1	—	—
Asian	NPC*	2	*	—	92.2	—	—
Filipino	—	0	—	—	95.2	—	—
Hispanic or Latino	Blue	38	97.4	+1.8	85.3	12.1	Higher
Pacific Islander	—	0	—	—	83.1	—	—
Two or More	—	0	—	—	88.3	—	—
White	NPC*	3	*	—	89.2	—	—
English Learners	NPC*	8	*	—	77.9	—	—
Foster Youth	—	0	—	—	65.7	—	—
Homeless Youth	NPC*	3	*	—	75.7	—	—
LTEL	NPC*	4	*	—	80.8	—	—
Socioeconomically Disadvantaged	Blue	42	97.6	+1.8	84.4	13.2	Higher
Students With Disabilities	NPC*	9	*	—	74.4	—	—

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 17: MSA 2 2025 Graduation Rate

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	59	94.9	-2.9	87.8	7.1	Higher
AA/Black	NPC*	1	*	—	82.6	—	—
Am Indian	—	0	—	—	80.6	—	—
Asian	NPC*	4	*	—	92.6	—	—
Filipino	—	0	—	—	95.4	—	—
Hispanic or Latino	Yellow	50	94	-3.4	86.9	7.1	Higher
Pacific Islander	—	0	—	—	87.2	—	—
Two or More	—	0	—	—	87.9	—	—
White	NPC*	4	*	—	89.0	—	—
English Learners	NPC**	13	84.6	—	79.7	4.9	Higher**
Foster Youth	—	0	—	—	68.5	—	—
Homeless Youth	NPC*	2	*	—	77.1	—	—
LTEL	NPC*	8	*	—	84.0	—	—
Socioeconomically Disadvantaged	Yellow	55	94.5	-3.1	86.2	8.3	Higher
Students With Disabilities	NPC**	16	100	—	77.1	22.9	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-15-25

Table 18: MSA 2 2023 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	310	21.3	-6.0	24.3	-3	Lower
AA/Black	NPC**	12	41.7	—	36.4	5.3	Higher**
Am Indian	—	0	—	—	36.1	—	—
Asian	NPC*	6	*	—	10.1	—	—
Filipino	—	0	—	—	13.8	—	—
Hispanic or Latino	Yellow	277	20.9	-5.7	28.4	-7.5	Lower
Pacific Islander	—	0	—	—	37.6	—	—
Two or More	—	0	—	—	21.6	—	—
White	NPC**	15	20	-13.3**	18.5	1.5	Higher**
English Learners	Yellow	56	17.9	-20.7	26.3	-8.4	Lower
Foster Youth	NPC*	1	*	—	33.6	—	—
Homeless Youth	NPC*	3	*	—	38.7	—	—
LTEL	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Yellow	281	22.1	-5.8	29.9	-7.8	Lower
Students With Disabilities	Yellow	55	18.2	-16.4	33.1	-14.9	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 19: MSA 2 2024 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	316	19.3	-2.0	18.6	0.7	Higher
AA/Black	NPC*	10	*	—	31.3	—	—
Am Indian	—	0	—	—	30.6	—	—
Asian	NPC*	3	*	—	7.5	—	—
Filipino	NPC*	3	*	—	9.6	—	—
Hispanic or Latino	Yellow	287	19.9	-1.1	21.7	-1.8	Lower
Pacific Islander	—	0	—	—	32.6	—	—
Two or More	NPC*	1	*	—	16.2	—	—
White	NPC**	12	16.7	-3.3**	13.5	3.2	Higher**
English Learners	Red	50	22	+4.1	20.1	1.9	Higher
Foster Youth	NPC*	2	*	—	30.5	—	—
Homeless Youth	NPC*	8	*	—	32.7	—	—
LTEL	NPC**	24	12.5	-2.3**	23.9	-11.4	Lower**
Socioeconomically Disadvantaged	Yellow	295	20	-2.1	23.4	-3.4	Lower
Students With Disabilities	Red	58	25.9	+7.7	26.3	-0.4	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	YES 3 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 20: MSA 2 2025 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	320	16.9	-2.4	17.1	-0.2	Lower
AA/Black	NPC*	10	*	—	29.8	—	—
Am Indian	—	0	—	—	28.9	—	—
Asian	NPC*	2	*	—	6.7	—	—
Filipino	NPC*	4	*	—	8.4	—	—
Hispanic or Latino	Yellow	293	16.7	-3.1	20.1	-3.4	Lower
Pacific Islander	—	0	—	—	31	—	—
Two or More	NPC*	1	*	—	14.9	—	—
White	NPC*	10	*	—	12.2	—	—
English Learners	Yellow	60	11.7	-10.3	18.1	-6.4	Lower
Foster Youth	NPC*	1	*	—	30.6	—	—
Homeless Youth	NPC*	4	*	—	30.7	—	—
LTEL	NPC**	25	12	-0.5**	22.5	-10.5	Lower**
Socioeconomically Disadvantaged	Yellow	302	17.2	-2.8	21.7	-4.5	Lower
Students With Disabilities	Orange	47	21.3	-4.6	24.9	-3.6	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 21: MSA 2 2023 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	539	0.2	-0.2	3.5	-3.3	Lower
AA/Black	NPC**	16	0	+0.0**	8.8	-8.8	Lower**
Am Indian	—	0	—	—	7.4	—	—
Asian	NPC**	19	0	+0.0**	1.1	-1.1	Lower**
Filipino	—	0	—	—	1.3	—	—
Hispanic or Latino	Blue	478	0.2	-0.2	3.8	-3.6	Lower
Pacific Islander	—	0	—	—	4.9	—	—
Two or More	—	0	—	—	3.3	—	—
White	NPC**	26	0	+0.0**	2.9	-2.9	Lower**
English Learners	Blue	89	0	-2.2	3.7	-3.7	Lower
Foster Youth	NPC*	2	*	—	13.6	—	—
Homeless Youth	NPC*	9	*	—	6.5	—	—
LTEL	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Blue	485	0.2	-0.2	4.5	-4.3	Lower
Students With Disabilities	Blue	104	1	-0.1	5.9	-4.9	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 22: MSA 2 2024 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	565	0.5	+0.3	3.2	-2.7	Lower
AA/Black	NPC**	19	0	+0.0**	8.4	-8.4	Lower**
Am Indian	—	0	—	—	7	—	—
Asian	NPC**	12	0	+0.0**	1	-1	Lower**
Filipino	NPC*	3	*	—	1.2	—	—
Hispanic or Latino	Blue	505	0.4	+0.2	3.4	-3	Lower
Pacific Islander	—	0	—	—	4.4	—	—
Two or More	NPC*	3	*	—	3	—	—
White	NPC**	23	4.3	+4.3**	2.6	1.7	Higher**
English Learners	Yellow	86	1.2	+1.2	3.4	-2.2	Lower
Foster Youth	NPC*	2	*	—	13.2	—	—
Homeless Youth	NPC**	16	0	—	5.7	-5.7	Lower**
LTEL	Blue	44	0	+0.0	8.1	-8.1	Lower
Socioeconomically Disadvantaged	Green	515	0.6	+0.4	4	-3.4	Lower
Students With Disabilities	Yellow	118	1.7	+0.7	5.4	-3.7	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 5 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 5-1-25

Table 23: MSA 2 2025 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	542	2.2	+1.7	2.9	-0.7	Lower
AA/Black	NPC**	18	22.2	+22.2**	7.7	14.5	Higher**
Am Indian	—	0	—	—	6.1	—	—
Asian	NPC**	11	0	—	1	—	—
Filipino	NPC*	4	*	—	1.1	—	—
Hispanic or Latino	Yellow	491	1.6	+1.2	3	-1.4	Lower
Pacific Islander	—	0	—	—	4.2	—	—
Two or More	NPC*	1	*	—	2.8	—	—
White	NPC**	17	0	-4.3**	2.4	-2.4	Lower**
English Learners	Orange	95	4.2	+3.0	3.2	1	Higher
Foster Youth	NPC*	2	*	—	13	—	—
Homeless Youth	NPC**	13	23.1	+23.1**	5.1	18	Higher**
LTEL	Orange	45	6.7	+6.7	7	-0.3	Lower
Socioeconomically Disadvantaged	Yellow	509	2.2	+1.6	3.6	-1.4	Lower
Students With Disabilities	Orange	107	2.8	+1.1	5	-2.2	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-12-25

MSA Public School - Verified Data

Table Legend For All NWEA MAP Tables
Tables are a Summary of the NWEA MAP Reports
Green cell indicates student group has met the minimum requirement for one year's growth, CGI ≥ - 0.2
Red cell indicates student group has not met the minimum requirement for one year's growth, CGI < - 0.2
Gray cell indicates the number is less than 10 students, the minimum size for reporting.
Data reflects grade levels with ten or more students in that student group.
* less than half of grade level have data

Table 24: MSA 2 NWEA MAP Reading, Language and Math (Summary)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index										
All Students	6 of 6	6 of 6	6 of 6		—	—	—		4 of 6	5 of 6	5 of 6
Numerically Significant Student Groups											
Hispanic or Latino	6 of 6	5 of 6	6 of 6		—	—	—		4 of 6	5 of 6	5 of 6
English Learners	**2 of 4**	5 of 5	2 of 2*		—	—	—		**2 of 4**	3 of 5	2 of 2*
Socioeconomically Disadvantaged	6 of 6	6 of 6	6 of 6		—	—	—		5 of 6	5 of 6	5 of 6
Students with Disabilities	4 of 6	5 of 6	3 of 4		—	—	—		**3 of 6**	5 of 6	**1 of 3**
Are the majority of student groups performing above the state average?	YES (3 of 4)	YES (4 of 4)	YES (3 of 3)		—	—	—		**NO (2 of 4)**	YES (4 of 4)	YES (2 of 3)

Table 25: MSA 2 NWEA MAP Reading, Language and Math (All Students)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.22	-0.16	-0.10		—	—	—		**-0.42**	**-0.52**	-0.08
7	0.11	0.25	0.60		—	—	—		-0.11	0.05	**-0.22**
8	0.24	0.92	0.87		—	—	—		**-0.46**	0.56	0.14
9	-0.08	0.88	1.01		—	—	—		-0.05	0.62	0.50
10	0.67	1.30	2.40		—	—	—		0.59	0.70	0.96
11	0.59	0.80	1.37		—	—	—		0.48	0.22	0.69

Table 26: MSA 2 NWEA MAP Reading, Language and Math (Hispanic)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.26	-0.14	-0.06		—	—	—		**-0.39**	**-0.51**	0.01
7	0.10	0.23	0.56		—	—	—		-0.06	0.01	**-0.26**
8	0.26	**0.83**	0.92		—	—	—		**-0.50**	0.53	0.18
9	-0.09	0.88	1.00		—	—	—		-0.02	0.60	0.66
10	0.63	1.32	2.51		—	—	—		0.61	0.90	0.98
11	0.67	0.81	1.41		—	—	—		0.33	0.24	0.73

Table 27: MSA 2 NWEA MAP Reading, Language and Math (EL)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	1.08	0.69	—		—	—	—		0.34	**-0.48**	—
7	-0.07	0.30	1.29		—	—	—		-0.18	**-0.60**	-0.44
8	**-0.74**	1.00	2.17		—	—	—		**-1.29**	1.22	1.14
9	**-0.27**	0.88	—		—	—	—		**-0.62**	-0.01	—
10	—	1.81	—		—	—	—		—	1.57	—
11	—	—	—		—	—	—		—	—	—

Table 28: MSA 2 NWEA MAP Reading, Language and Math (SED)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.30	-0.10	0.00		—	—	—		-0.39	**-0.50**	0.05
7	0.13	0.33	0.32		—	—	—		-0.12	0.12	**-0.30**
8	0.30	0.87	0.67		—	—	—		**-0.48**	0.51	-0.15
9	-0.09	0.90	0.79		—	—	—		-0.04	0.57	0.64
10	0.67	1.36	2.24		—	—	—		0.64	0.83	1.13
11	0.71	0.81	1.43		—	—	—		0.37	0.22	0.92

Table 29: MSA 2 NWEA MAP Reading, Language and Math (SWD)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	**-0.46**	**-1.22**	**-0.31**		—	—	—		**-0.98**	**-0.49**	**-0.60**
7	-0.07	0.06	0.19		—	—	—		**-0.49**	0.40	**-0.63**
8	-0.09	0.59	0.14		—	—	—		**-0.38**	2.50	—
9	**-0.54**	1.27	—		—	—	—		-0.19	0.61	—
10	0.59	1.32	—		—	—	—		-0.06	0.33	—
11	0.56	0.48	1.37		—	—	—		-0.15	0.62	1.07

Los Angeles County Office of Education
Charter School Office Oversight Protocol

INSTRUCTIONAL PROGRAM REVIEW 2025-2026

Charter School	**Magnolia Science Academy 3 (Grades 6-12)**			
Charter Term	**July 1, 2025 – June 30, 2030 (Renewed February 18, 2025)**			
Date of Visit(s)	**October 30, 2025, and May 18, 2026**			
Enrollment	**Expected (Petition): 405**	**Actual Enrollment (based on PAAC reports and DataQuest)**		
		P1: 359.60	**P2: 355.06**	**Official: 395**
Most Recent School Performance Category:	☐ High ☒ Middle ☐ Low ☐ DASS			
Compliance Monitoring and/or Technical Assistance: (check all that apply)	☐ ATSI ☐ DA ☒ Williams ☐ CSI ☐ FPM ☐ TSI ☐ None			

This document provides a summary of observations and data collected through LACOE monitoring and oversight visit(s) focusing on the implementation of the academic program described in the school's charter and adherence to applicable laws. This form is adapted from the FCMAT Charter School Annual Oversight Checklist.

A. Data for Accountability and Improvement

1. Based California School Dashboard data, describe the extent to which the charter school is on track to meet renewal criteria pursuant to EC 47607.

Magnolia Science Academy 3 (MSA 3) currently is placed in the middle performance level based on 2024-2025 California Dashboard data. The school has performance level data for English Language Arts (ELA), Math, College and Career Indicator (CCI), Graduation Rates, Chronic Absenteeism, and Suspension Rates. The school has data for English Language Proficiency Indicator (ELPI), but there were fewer than 30 English Learners (ELs), so no performance level was issued.

- ***ELA:*** *While All Students did not outperform the State's average Distance from Standard (DFS) in ELA, all Numerically Significant Student Groups (Student Groups) did. The school should also monitor ELs even though they are not numerically significant, as they are significantly below the State's average.*
- ***Math****: All Students and Student Groups did not outperform the state average. The school's DFS for All Students is -94.2, 51.8 points below the state. Math should continue to be a focus for the school. In addition to monitoring all Student Groups, the school should include ELs and Students with Disabilities (SWD) as these groups are below the State's average even though there were fewer than 30 students.*
- ***ELPI:*** *While the EL population is fewer than 30 students, the school should still review the ELPI data. This year the school's ELPI score, 11.8%, dropped by over 27% from the previous year,56 % over the past two years the school is performing below the state average. In addition, Long-Term English Learners (LTELs) also had a score of 11.8%, a decline of 23.5%. The school needs to review the ELPAC data along with reclassification data to determine any root cause in these drops.*
- ***CCI:*** *The school continues to outperform the state for All Students and all Student Groups and saw a 21.5% increase for the All Students group this year.*
- ***Graduation Rates:*** *The school continues to have an exceedingly high graduation rate, 100% this year, and a dashboard color of Blue for all student groups.*
- ***Chronic Absenteeism****: All Students and all Student Groups have a Chronic Absenteeism rate higher than the state. Most groups saw an increase in Chronic Absenteeism. The school needs to review attendance intervention strategies to determine the effectiveness of these interventions.*

- ***Suspension Rate:*** *The school's suspension rate declined this year, outperforming the state for All Students (2.2%) and all student groups. This indicator reflects the school's use of other means of correction including their Positive Behavior Intervention System (PBIS). The school should analyze those specific student groups that are significantly higher than their peers, such as ELs, Foster Youth (FY), LTELs, and SWD, even if some of these groups are not numerically significant.*

Magnolia Science Academy-3 2025 Dashboard Summary							
Student Group	**ELA DFS**	**Math DFS**	**ELPI %**	**CCI %**	**Graduation Rate %**	**Chronic Absenteeism %**	**Suspension %**
All Students	**-28.5**	**-94.2**	11.8*	78.7	100	**29.3**	1.8
AA/Black	-48.7	**-102.0**		90.0*	100*	**30.8**	3.2
Hispanic	-7.3	**-87.6**		79.7	100	**28.34**	0.8
ELs	-103.6*	-162.9*	11.8*				0.0*
HY						41.7*	4.2*
LTEL			11.8*				0.0*
SED	-31.6	**-99.9**		75.5	100	**33.8**	2.1
SWD	-85.4*	-159.3*				34.6*	1.4

Green denotes outperforming the state, Red denoted not outperforming the state.
* These groups have less than 30 students but are included due to the achievement gap.

Appendix A includes comprehensive data for all dashboard indicators.

While the ELA and Math data will be further discussed in the next section on verified data, the school's improvement plans should include ELA, Math, ELPI, and Chronic Absenteeism

The three-year trend shows that the school has historically outperformed the state in only CCI and ELPI (even though not numerically significant), but not in CAASPP ELA and Math, the four academic indicators. These indicators hold greater weight during renewal. CAASPP ELA is seeing the majority of Student Group outperforming the state in the past two years. The other three dashboard indicators show a three-year trend that the school has typically outperformed the state in Graduation rate and Suspension Rate, but not Chronic Absenteeism.

Magnolia Science Academy 3 Dashboard Summary													
Year	**ELA**		**Math**		**ELPI**	**CCI**		**Graduation Rate**		**Chronic Absenteeism**		**Suspension**	
	All	SG	All	SG	All	All	SG	All	SG	All	SG	All	SG
2023	**N**	2/3	**N**	**0/3**	Y	Y	2/2	Y	2/2	**N**	**0/3**	**N**	**1/4**
2024	**N**	2/3	**N**	**1/3**	N	Y	2/2	Y	2/2	**N**	**0/3**	Y	4/4
2025	**N**	3/3	**N**	**0/3**	N	Y	2/2	Y	2/2	**N**	**0/3**	Y	4/4
Majority	**NO**		**NO**		NA	YES		YES		**NO**		YES	

In addition to NWEA, the school also conducts systematic learning rounds to improve instruction and achievement throughout the year. These learning rounds are both done internally and with the Magnolia Public Schools (MPS) Central Office staff.

2. Describe the process that the charter school uses to collect and analyze verified data to continuously improve pupil achievement.

MSA 3 uses NWEA MAP testing to monitor its annual growth. NWEA MAP Growth released updated national normative data in October 2025, replacing the previous norms utilized in prior Charter Schools Office End-of-Year Oversight Reports. The updated norms were developed to reflect current student performance patterns, changes in U.S. student demographics, post-pandemic academic trends, and enhancements to the MAP Growth assessment platform and item-selection algorithm.

As part of this publisher-led update, the 2025 norms were retroactively applied to previously administered NWEA MAP Growth assessments. Therefore, the longitudinal Conditional Growth Index (CGI) metrics presented in this report reflect the updated 2025 normative framework and may differ from values reported in prior years that were based on the previous 2020 norms. Direct comparisons between previously reported NWEA MAP CGI values and those presented in this report should be interpreted with consideration of this norming update. Best practice is to compare results using the same normative framework.

Upon review of the most recent NWEA MAP data from 2025-26, the majority of grade levels made at least one year progress in both reading and math as indicated with a score of -0.2 CGI or above. The data was disaggregated further by student groups. Groups with fewer than 10 students were excluded from this report to protect student privacy. In addition, groups with less than half of the grade levels with data were also excluded, such as Math SWDs with only two grades level with data. Using these guidelines, there were three student groups included in both reading and math (African American/Black students, Hispanic students, and SEDs for all grades).

- ***Reading:*** *The majority of grade levels for All-Students and student groups made one year progress. This year the NWEA MAP data shows more inconsistency than years before with last year all grade levels with CGI's at or above 0.2. The school should analyze those specific student groups that are not. Specifically, sixth grade underperforms when compared to other grade levels.*
- ***Language Usage:*** *The school does not give this test. This is an important component of ELA and should be part of the school's assessment profile.*
- ***Math:*** *The majority of grade levels for All Students and student groups are making one year progress. The school should analyze those specific student groups that are not. Specifically, sixth grade students, for All Students and the majority of student groups, did not make one year progress.*

The three-year trend shows that the majority of students are making one year progress each year for the majority of student groups and grade levels. While the chart below summarizes the data, Appendix A includes comprehensive data for verified data for All Students and student groups by grade level.

Table 28: MSA 3 NWEA MAP Reading, Language and Math (Summary)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index										
All Students	5 of 6	6 of 6	5 of 6		—	—	—		4 of 6	5 of 6	5 of 6
Numerically Significant Student Groups											

Black or AA	4 of 6	6 of 6	5 of 6	—	—	—	3 of 6	4 of 6	4 of 6
Hispanic or Latino	6 of 6	6 of 6	3 of 5	—	—	—	4 of 6	5 of 6	4 of 6
Socioeconomically Disadvantaged	6 of 6	6 of 6	5 of 6	—	—	—	4 of 6	5 of 6	5 of 6
Students with Disabilities	0 of 1*	—	2 of 3*	—	—	—	—	—	1 of 2*
Are the majority of student groups performing above the state average?	YES (3 of 3)	YES (3 of 3)	YES (4 of 4)	—	—	—	YES (2 of 3)	YES (3 of 3)	YES (3 of 3)

3. To what extent did the charter school timely submit a complete and compliant LACOE Annual Report/Mid-Year LCAP?

The LACOE Annual Report/Mid-Year LCAP for MSA 3 was approved and submitted in March 2025.

4. Does the charter school annually review its measurable pupil outcomes (MPOs)? What actions has the charter school implemented to address unmet outcomes?

MSA 3 reviewed its MPOs for 2024-25 through the LACOE annual report/Mid-Year LCAP. During their review, the school identified the following areas for improvement and included interventions for each:

- ***Teacher Credentials:*** *Strengthen credential monitoring and scheduling practices in collaboration with the Magnolia Public Schools Home Office. To address root causes, additional credential audits, targeted teacher support, and proactive recruitment strategies will be implemented.*
- ***State Standards: I****ncrease the frequency of instructional observations and refine MTSS intervention placement.*
- ***CAASPP ELA African American Students****: No specific interventions for AA students; in general, the interventions include Increase the consistency and impact of core instruction and interventions by tightening the observation/feedback cycle (calibrated walkthrough expectations, faster feedback loops, and trend-based coaching), strengthening MTSS placement and progress monitoring, and using verified data routines to identify priority standards and adjust instruction. The school also implemented Power ELA classes for the middle school.*
- ***CAASPP Math and NWEA Math****: Increase the consistency and impact of core instruction and interventions by tightening the observation/feedback cycle (calibrated walkthrough expectations, faster feedback loops, and trend-based coaching), strengthening MTSS placement and progress monitoring, and using verified data routines to identify priority standards and adjust instruction. The school will prioritize Math acceleration through clearer Tier 1 expectations and targeted small group supports while maintaining Reading gains, ensuring instructional adjustments are consistent across classrooms and aligned to standards and Graduate Profile competencies. The school also implemented Power Math classes for the middle school.*
- ***CAST:*** *maintain strong access to technology, blended learning, and STEAM while strengthening readiness supports in the areas not yet on track, use Plan-Do-Act-Study Cycles to set goals, monitor progress and refine instructional practices; continue Instructional Rounds and PLCs; expand targeted systems of supports; and continue its STEAM initiative.*
- ***EL annual progress on ELPAC****: No specific Interventions mentioned in the Mid-year LCAP, but the school shared that they embedded the ELD instruction into classes with the use of 3D curriculum.*
- ***Course Offerings:*** *The school will tighten progress monitoring for EAP, AP readiness, and a–g trajectory; expand targeted academic supports aligned to advanced coursework and college readiness; and strengthen student planning and advising routines so students are supported*

earlier and more consistently toward postsecondary goals, with particular attention to equitable access and success for all student groups.

- ***Average Daily Attendance (ADA) and Chronic Absenteeism:*** *Strengthen its attendance and engagement systems to address chronic absenteeism and improve connectedness; Tighten its attendance MTSS routines (regular attendance reviews, earlier outreach, and consistent documentation of actions), increase home-visit follow-through to remove barriers to attendance. Use PBIS strategies; monitor students; and implement academic check-ins and SEL support.*
- ***Suspension rates HY:*** *No specific interventions mentioned. In general, interventions include using PBIS strategies; monitoring students; and implementing SEL support. The school uses restorative practices through the Institute of Restorative Practices and CA ISP's Integrated Supports Project.*
- ***Satisfaction rates on local surveys for students and staff:*** *Prioritize increasing family and staff participation in the spring school experience surveys (participation is currently not on track for families and staff) to ensure decisions reflect partner input and strengthen climate, belonging, and effective communication.*

For many of the goals, the school indicated the specific student group that did not meet the target. This allows the school to focus their action specifically on the needs of these groups.

The school also submitted an Action Plan for Success in conjunction with their renewal. This plan focuses on math performance, chronic absenteeism, suspension rates, sixth grade student performance and African American student performance. It is unclear if this plan is still being followed.

The school should examine all its plans and create a comprehensive plan that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with a specific focus indicated.

5. What process does the charter school use to review the LCAP annually? What LCAP goals were not met? What actions were implemented to address unmet LCAP goals?

MSA 3 reviewed its LCAP Goals for 2024-25 through the LACOE annual report/Mid-Year LCAP. The school's LCAP has many of the same goals as its MPOs. The overlapping unmet goals include goals on course offerings, student grades, CAASPP and NWEA MAP data, EL progress, College/Career readiness, ELAC meetings, home visits, average daily attendance, chronic absenteeism, dropout rate, and satisfaction rates on surveys. Additionally, the school did not meet its LCAP goal in the following areas and included an action plan for each:

- ***Teacher Retention rate****: No specific interventions mentioned.*
- ***CAASPP ELA:*** *Increase the consistency and impact of core instruction and interventions by tightening the observation/feedback cycle (calibrated walkthrough expectations, faster feedback loops, and trend-based coaching), strengthening MTSS placement and progress monitoring, and using verified data routines to identify priority standards and adjust instruction. The school also implemented Power ELA classes for the middle school.*

Similar to the unmet MPOs, the school should examine all its plans and create a comprehensive plan that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles indicated.

While LACOE CSO does not approve the LCAP, the CSO has focused on the following three areas and provided monthly training on the LCAP in regard to these areas:

The LCAP must address all 8 State priorities: *All 8 State priorities were addressed.*

The LCAP must indicate how it engaged educational partners*: LCAPs indicate how educational partners were engaged.*

Actions on LCAP that are marked as Contributing must contribute to improving services/programs for low-income students, ELs, and foster youth. *All actions marked as contributing are actions targeted to improve services/programs for these student groups. (Goals 1.4, 2.2, 2.3, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.4, 4.5). LACOE Staff recommends including data to strengthen the argument of the need for the action and determine how the action will primarily benefit unduplicated students.*

B. Educational Program and Curriculum

1. How is the charter school implementing the curricular and instructional program as approved in the charter petition?

MSA 3 is implementing the curricular and instructional plan as outlined in the approved charter. MSA 3 focuses on science, technology, engineering, arts, and mathematics (STEAM). The school has a college and career emphasis with the graduation requirements aligned to the UC's A-G requirements, 23 dual enrollment classes with Los Angeles Harbor College, with 100% of the graduating class taking at least one college course and focusing on a Liberal Arts pathway. The school's electives continue the STEAM education. The school provides weekly SEL instruction through the Move this World curriculum

2. To what extent is the staffing sufficient, appropriately assigned, and stable enough to effectively implement the educational program?

The current school staff includes 18 certificated staff, including two educational specialists and a part-time Title I teacher. In addition, there are 19 classified staff and six other contracted staff.

The school may want to assess whether more staff is necessary to support ELs and the ELD program.

3. What instructional approvals and accreditations (e.g., A–G, AP, CTE, IB, WASC) does the charter school hold and are these all the necessary approvals and accreditations needed to operate the approved program?

MSA 3 is accredited through the Western Association of Schools and Colleges (WASC) through June 30, 2028, with a mid-year cycle during the 2024-25 school year.

4. How does the instructional design framework align to the learning needs of all students and all numerically significant student groups?

The target population for MSA 3 are students in grades 6-12, from Carson, California, and neighboring communities. This community has a high population of socially economically disadvantaged students. MSA 3 provides a college preparatory educational program emphasizing STEAM and includes a variety of additional supports within the school day such as Dual enrollment, Power English and Math classes, and the program No Red Ink. Additionally, the school uses after-school tutoring and Saturday school to help students with interventions.

The California Dashboard indicates a focus on interventions for math and chronic absenteeism is needed.

5. What standards-aligned, non-faith-based instructional materials does the charter use for all content areas?

MSA 3 uses California Standard based materials for all classes.

C. Services to Special Populations

1. To what extent has the charter school adopted and implemented legally compliant policies and practices for special education services?

MSA 3 has adopted policies and practices that are compliant with all laws related to the provision of special education. The school's special education model includes push-in and pull-out models as well as Specialized Academic Instruction. The school also expanded on Saturday interventions to include interventions specific to SWD.

MSA 3 currently has 83 special education students (DataQuest), 21% of enrollment (2024-25 special education was 15.1% of the enrollment). Using the most recent school special education report, the average caseload for the special education staff was approximately 21 students, well under the maximum caseload limit of 28 students. These reports indicated that there were two students whose IEPs were overdue at the end of the year but are scheduled for the start of the year. The school had no late IEPs or services owed as of Quarter 4 on these reports.

The Local Level Annual Performance Report found that the rate of eligibility determined within 60 days was below the target (due to small n size, the exact percentage was not calculated but was determined to be less than the target of 100%), and rate of students with transition goals/service is below the target (90.91% vs 100%). Local Level Annual Performance Report from CDE found at **https://www.cde.ca.gov/sp/se/ds/leadatarpts.asp**.

2. In what ways does the charter school demonstrate implementation of compliant procedures for identifying, serving, monitoring, and reclassifying English Learners consistent with its EL Master Plan and law?

MSA 3 administers the ELPAC, as well as benchmarks, the CAASPP, and classroom level data to determine English learner (EL) progress toward language proficiency. The school's process for identifying and reclassifying are defined in the school's Master Plan for English Learners and documentation for monitoring was observed during the spring site visit. The school currently (2025-26) serves an EL population of 5.1%.

While there are less than 30 EL students, it is of note that the ELPI results for 2024-25 indicated that 11.8% of ELs made progress towards English language proficiency, 41.2% maintained their level, and 47.1% regressed. There was no EPLI CA Dashboard Performance level, but the ELPI rate was lower than the state average (45.7% making progress).

With the current ELPI score at 11.8 % and a decline of 27.1% this year and a decline of 56.2% over the past two years, immediate attention to this group, including LTELs, is needed.

3. What structures and services has the charter school established to support foster youth and students experiencing homelessness?

MSA 3 has identified the homeless and foster youth liaison. This year MPS has revisited policy affecting homeless youth to ensure compliance with all state and federal laws.

D. Professional Development & Teacher Qualification

1. To what extent have all staff received required clearances, certifications, and mandated trainings in compliance with law and board policy?

	MSA 3 staff have all the required trainings. Additionally, MPS staff attended all bi-weekly LACOE trainings.
2.	What professional development did the charter school provide aligned to the instructional program, identified needs, and continuous improvement priorities?
	Professional development is provided on a regular basis. Professional development focused on maintaining high academic expectations, increasing lesson rigor, and promoting productive struggle. Looking ahead, the school plans to implement a senior advisory program to provide additional intervention support and continued professional learning through CAISP, Crisis Prevention Institute training, Get Better Faster, and Teach Like a Champion.
3.	To what extent does the charter school verify that all courses are taught by appropriately credentialed teachers, including required English Learner authorizations?
	Fall 2025 and Spring 2026 staffing rosters reflected that all teachers held appropriate credentials or temporary clearances to teach, but one teacher did not hold the appropriate EL Authorization. *The 2024-25 CALSAAS summary report indicates that the school had two misassignments and five vacancies. While the school had 35 exceptions, 20 were deemed Local Assignment Options, 4 were Cored, three were CALPADS errors and 1 was other.* *The school is currently eligible for Williams monitoring 2025-2027 as more than 15 percent (19.2%) of the school's teachers did not possess a valid clear or preliminary teacher credential in 2022-2023.*
E.	**Facilities, Operations and Safety**
1.	To what extent does the charter school maintain facilities in a condition that is safe, clean, and conducive to learning?
	The annual facilities inspection was conducted on November 3, 2024, and there were no required corrections. The school is currently co-located on a LAUSD site.
2.	What evidence is there that the charter school maintains required safety documentation, supplies, and emergency preparedness procedures?
	MSA 3 has proper documentation, schedule of drills, and student safety plan.
3.	How does the school create a climate that is safe, inclusive, and supportive of student learning and engagement?
	MSA 3 received the California PBIS Bronze Recognition for its work of implementing the PBIS system with fidelity. The school's suspension rate is lower than that of the state for all students (1.8%). AA and HY have rates much higher than other student groups and this gap should be analyzed. During the site visit, the school shared that they anticipate their suspension rate to increase on the 2026 dashboard, but these students mostly were not being suspended a second time. The school recently expanded the PBIS team from two to five members and staff reported improved student engagement and reduced cell phone usage. This was evident on the site visit. The change in leadership has created a shift in culture that allows staff to focus on the education of students. This was the first site visit that the Dean of Students could accompany the team during classroom visits and was not dealing with student behaviors/discipline.
4.	To what extent is the organizational and leadership structure sufficient to effectively operate the instructional program in compliance with law?

The current leadership structure and staffing are sufficient to carry out the education program and effectively operate the school.

Summary

Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standards-based aligned and provided several instructional strategies and supports to assist student groups. Many classrooms had at least two adults working with students. The school is continuing its PBIS work and has been recognized as a Bronze Program for PBIS by the State

The California Dashboard indicates that the school continues to be performing below the state average in CAASPP Math. The school declined in their ELPI score and continues to be above the state average for Chronic Absenteeism. The school has some Student Groups that are approaching numbers for numerically significant student groups (ELs, HY, and SWD) in some indicators, and monitoring these groups, even before they become a Student Group, is important.

The school's NWEA data shows the school is making one year growth for the majority of grade levels for each student group in Reading and Math. The school is not currently utilizing the Language Usage portion of the NWEA MAP testing, a key component of English Language Arts.

The school should examine all its plans and create a comprehensive plan that is reflected in the school's LCAP. In development of the LCAP, including data would strengthen the argument of the need for the action and determine how the action will primarily benefit unduplicated students. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.

The change in leadership is already showing great promise. School culture has shifted for the better, with a focus on engagement and student-centered decision making.

Recommendations

1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on the CAASPP data Math, ELD program to improve CAASPP and ELPI scores for EL and LTELs, and Chronic Absenteeism for all students and student groups. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*
2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The school should continue its focus on the implementation of PBIS into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism. The Action Plan for Success mentions culturally responsive teaching and restorative practices, and school should explore incorporating these throughout its campus.*
4. *The school leadership should continue to closely monitor progress on Dashboard data for all students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, MPOs, and LCAP goals and ensure implementation of any action items in order to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results in order to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

Report completed by LACOE Lead Coordinator:	Approved by LACOE Charter School Office Director:
Michelle Nye (Jul 20, 2026 16:18:20 PDT)	
Cheli Nye, Ed.D., Coordinator III	Indra Ciccarelli, Director II
Date report provided to the charter school: July 2, 2026	Report provided to charter school via: ☒ US Postal Mail/Email ☐ In-Person Meeting ☒ Video/Phone Conference

Glossary of Acronyms

Term	**Detail**
AP	Advanced Placement
ATSI	Additional Targeted Support and Improvement
CSI	Comprehensive Support and Improvement
CTE	Career and Technical Education
DA	Differentiated Assistance
EL	English Learner
ELA	English Language Arts
ELD	English Language Development
ELPI	English Language Proficiency Indicator
FPM	Federal Program Monitoring
FY	Foster Youth
IB	International Baccalaureate
LCAP	Local Control and Accountability Plan
LTEL	Long-Term English Learner
MPO	Measurable Pupil Outcome
P1	First Principal Apportionment
P2	Second Principal Apportionment
RSP	Resource Specialist Program
SDC	Special Day Class
SWD	Students With Disabilities
TSI	Targeted Support and Improvement
WASC	Western Association of Schools and Colleges

Appendix A

MSA-3
California Dashboard Indicators and Verified Data

Table Legend for All California Dashboard Tables
"*" - The student group has fewer than 11 students and is not reported for privacy reasons "**" - Student groups must have at least 30 or more students in both the current and prior year status denominator of the state indicator to receive a Performance Level (color) "—" - No data available "NPL" - No Performance Level available "NPC" - No Performance Color available "N/A" - Non-Applicable

Table 1: MSA-3 Charter School California Dashboard

Year	ELA	Math	ELPI	CCI	Graduation Rate	Chronic Absenteeism	Suspension
2023	Yellow	Red	NPC	Medium	Yellow	Orange	Red
2024	Yellow	Yellow	NPC	Green	Green	Yellow	Blue
2025	Yellow	Orange	NPC	Blue	Blue	Red	Green

Source: CA School Dashboard https://www.caschooldashboard.org/

Table 2: MSA-3 2023 ELA Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Yellow	98	192	-40.2	+3.2	-13.6	-26.6	Lower
AA/Black	Yellow	100	74	-37.9	+32.8	-59.6	21.7	Higher
Hispanic or Latino	Orange	97	110	-47.6	-15.2	-40.2	-7.4	Lower
Two or More	NPC*	100	6	*	—	24.3	—	—
White	NPC*	100	2	*	—	20.8	—	—
English Learners	NPC**	91	20	-117.8	-22.0**	-67.7	-50.1	Lower**
Foster Youth	NPC*	100	4	*	—	-89.2	—	—
Homeless Youth	NPC*	100	7	*	—	-67.9	—	—
Socioeconomically Disadvantaged	Yellow	98	132	-41.8	+5.7	-42.6	0.8	Higher
Students With Disabilities	NPC**	92	23	-119.4	+8.7**	-96.3	-23.1	Lower**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 2 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 3: MSA-3 2024 ELA Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Orange	100	216	-38.4	+1.9	-13.2	-25.2	Lower
AA/Black	Orange	100	97	-47.2	-9.3	-58.9	11.7	Higher
Hispanic or Latino	Yellow	99	112	-36.2	+11.4	-39.3	3.1	Higher
Two or More	NPC*	100	6	*	—	24.3	—	—
White	NPC*	100	1	*	—	19.2	—	—
English Learners	NPC**	100	21	-90.9	+26.8**	-67.6	-23.3	Lower**
Foster Youth	NPC*	100	3	*	—	-87.3	—	—
Homeless Youth	NPC**	100	15	-114.8	—	-70.4	-44.4	Lower**
LTELs	NPC*	100	10	*	—	-109.6	—	—
Socioeconomically Disadvantaged	Orange	99	151	-48.1	-6.3	-40.9	-7.2	Lower
Students With Disabilities	NPC**	100	27	-137.4	-18.0**	-95.6	-41.8	Lower**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 2 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 4: MSA-3 2025 ELA Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Yellow	99	221	-28.5	+9.9	-8.1	-20.4	Lower
AA/Black	Orange	100	106	-48.7	-1.5	-51.3	2.6	Higher
Asian	NPC*	100	2	*	—	61.9	—	—
Hispanic or Latino	Yellow	98	108	-7.3	+28.9	-33.7	26.4	Higher
Pacific Islander	NPC*	100	1	*	—	-29.3	—	—
Two or More	NPC*	100	3	*	—	29.4	—	—
White	NPC*	100	1	*	—	23.8	—	—
English Learners	NPC**	94	18	-103.6	-12.7**	-59.9	-43.7	Lower**
Foster Youth	NPC*	100	1	*	—	-79.8	—	—
Homeless Youth	NPC*	100	9	*	—	-68.9	—	—
LTELs	NPC*	100	8	*	—	-104.5	—	—
Socioeconomically Disadvantaged	Yellow	99	160	-31.6	+16.5	-35.3	3.7	Higher
Students With Disabilities	NPC**	100	29	-85.4	+52.0**	-89.4	4.0	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 5: MSA-3 2023 Math Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Red	99	193	-109.5	-22.6	-49.1	-60.4	Lower
AA/Black	Red	100	74	-120.7	-8.5	-104.5	-16.2	Lower
Hispanic or Latino	Red	97	111	-104.2	-29.9	-80.8	-23.4	Lower
Two or More	NPC*	100	6	*	—	-7.4	—	—
White	NPC*	100	2	*	—	-11.1	—	—
English Learners	NPC**	92	20	-156.8	-52.9**	-93.4	-63.4	Lower**
Foster Youth	NPC*	100	4	*	—	-127.4	—	—
Homeless Youth	NPC*	100	7	*	—	-101.3	—	—
Socioeconomically Disadvantaged	Red	99	133	-106.8	-18.7	-80.8	-26.0	Lower
Students With Disabilities	NPC**	92	23	-175.1	-41.8**	-127.3	-47.8	Lower**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 6: MSA-3 2024 Math Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Yellow	100	217	-92.6	+16.9	-47.6	-45.0	Lower
AA/Black	Yellow	100	97	-94.2	+26.6	-102.2	8.0	Higher
Hispanic or Latino	Yellow	99	113	-93.6	+10.7	-79.2	-14.4	Lower
Two or More	NPC*	100	6	*	—	-5.3	—	—
White	NPC*	100	1	*	—	-10.3	—	—
English Learners	NPC**	100	22	-104.0	+52.8**	-93.4	-10.6	Lower**
Foster Youth	NPC*	100	3	*	—	-125.1	—	—
Homeless Youth	NPC**	100	15	-149.5	—	-106.0	-43.5	Lower**
LTELs	NPC**	100	11	-150.6	—	-163.5	—	—
Socioeconomically Disadvantaged	Orange	99	151	-95.5	+11.3	-78.2	-17.3	Lower
Students With Disabilities	NPC**	100	27	-149.9	+25.2**	-124.3	-25.6	Lower**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 7: MSA-3 2025 Math Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Orange	99	220	-94.2	-1.5	-42.4	-51.8	Lower
AA/Black	Red	100	106	-102.0	-7.8	-95.8	-6.2	Lower
Asian	NPC*	100	2	*	—	51.9	—	—
Hispanic or Latino	Yellow	97	107	-87.6	+5.9	-73.6	-14.0	Lower
Pacific Islander	NPC*	100	1	*	—	-67.5	—	—
Two or More	NPC*	100	3	*	—	-0.7	—	—
White	NPC*	100	1	*	—	-6.2	—	—
English Learners	NPC**	95	17	-162.9	-58.8**	-86.1	-76.8	Lower**
Foster Youth	NPC*	100	1	*	—	-121.9	—	—
Homeless Youth	NPC*	100	9	*	—	-102.8	—	—
LTELs	NPC*	100	8	*	—	-158.9	—	—
Socioeconomically Disadvantaged	Red	99	160	-99.9	-4.5	-72.9	-27.0	Lower
Students With Disabilities	NPC**	100	29	-159.3	-9.4**	-120.7	-38.6	Lower**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 8: MSA-3 English Learner Progress Indicator

Year/ Student Group	Dashboard Color	Participation Rate	Number of Students	School Percent	State Percent	Difference from State Average	Higher or Lower
2023							
English Learners	NPC	100	25	68	48.7	19.3	Higher
2024							
English Learners	NPC	100	18	38.9	45.7	-6.8	Lower
LTELS	NPC	100	17	35.3	45.8	-10.5	Lower
2025							
English Learners	NPC	95.7	17	11.8	46.4	-34.6	Lower
LTELS	NPC	94.7	17	11.8	49.1	-37.3	Lower

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-17-25

Table 9: MSA-3 2023 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Medium	50	44.0	—	43.9	0.1	Higher
AA/Black	NPC**	17	23.5	—	25.1	-1.6	Lower**
Asian	NPC*	1	*	—	75.8	—	—
Hispanic or Latino	Medium	32	53.1	—	35.5	17.6	Higher
English Learners	NPC*	6	*	—	15.3	—	—
Foster Youth	NPC*	3	*	—	11.6	—	—
Homeless Youth	NPC*	6	*	—	20.4	—	—
Socioeconomically Disadvantaged	Medium	50	44.0	—	35.4	8.6	Higher
Students With Disabilities	NPC*	3	*	—	12.3	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 10: MSA-3 2024 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	48	47.9	+3.9	45.3	2.6	Higher
AA/Black	NPC**	14	50.0	+26.5**	28.1	21.9	Higher**
Hispanic or Latino	Orange	31	48.4	-4.7	37.4	11.0	Higher
Two or More	NPC*	3	*	—	53.7	—	—
English Learners	NPC*	5	*	—	17.2	—	—
Foster Youth	NPC*	1	*	—	13.0	—	—
Homeless Youth	NPC*	5	*	—	21.8	—	—
LTELs	NPC*	5	*	—	16.5	—	—
Socioeconomically Disadvantaged	Orange	42	40.5	-3.5	37.4	3.1	Higher
Students With Disabilities	NPC*	9	*	—	13.5	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 11: MSA-3 2025 College/Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	61	78.7	+21.5	51.7	27.0	Higher
AA/Black	NPC**	20	90.0	+32.9**	35.7	54.3	Higher**
Hispanic or Latino	Blue	38	73.7	+14.3	45.1	28.6	Higher
Two or More	NPC*	3	*	—	58.6	—	—
English Learners	NPC*	6	*	—	24.3	—	—
Foster Youth	NPC*	4	*	—	17.7	—	—
Homeless Youth	NPC*	4	*	—	26.5	—	—
LTELs	NPC*	6	*	—	24.9	—	—
Socioeconomically Disadvantaged	Blue	53	75.5	+24.3	44.8	30.7	Higher
Students With Disabilities	NPC*	9	*	—	18.7	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 12: MSA-3 2023 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	50	94.0	-6.0	86.4	7.6	Higher
AA/Black	NPC**	17	94.1	—	78.5	15.6	Higher**
Asian	NPC*	1	*	—	94.5	—	—
Hispanic or Latino	Yellow	32	93.8	-6.3	84.2	9.6	Higher
English Learners	NPC*	6	*	—	73.5	—	—
Foster Youth	NPC*	3	*	—	63.2	—	—
Homeless Youth	NPC*	6	*	—	73.7	—	—
Socioeconomically Disadvantaged	Yellow	50	94.0	-6.0	83.7	10.3	Higher
Students With Disabilities	NPC*	3	*	—	72.7	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 13: MSA-3 2024 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	49	93.9	-0.1	86.7	7.2	Higher
AA/Black	NPC**	14	100.0	+5.9**	79.1	20.9	Higher**
Hispanic or Latino	Green	32	93.8	+0.0	85.3	8.5	Higher
Two or More	NPC*	3	*	—	88.3	—	—
English Learners	NPC*	5	*	—	77.9	—	—
Foster Youth	NPC*	1	*	—	65.7	—	—
Homeless Youth	NPC*	5	*	—	75.7	—	—
LTELs	NPC*	5	*	—	80.8	—	—
Socioeconomically Disadvantaged	Yellow	43	93.0	-1.0	84.4	8.6	Higher
Students With Disabilities	NPC*	9	*	—	74.4	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 14: MSA-3 2025 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	61	100.0	+6.1	87.8	12.2	Higher
AA/Black	NPC**	20	100.0	+0.0**	82.6	17.4	Higher**
Hispanic or Latino	Blue	38	100.0	+6.3	86.9	13.1	Higher
Two or More	NPC*	3	*	—	87.9	—	—
English Learners	NPC*	6	*	—	79.7	—	—
Foster Youth	NPC*	4	*	—	68.5	—	—
Homeless Youth	NPC*	4	*	—	77.1	—	—
LTELs	NPC*	6	*	—	84.0	—	—
Socioeconomically Disadvantaged	Blue	53	100.0	+7.0	86.2	13.8	Higher
Students With Disabilities	NPC*	9	*	—	77.1	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 15: MSA-3 2023 Suspension

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Red	398	6.8	+4.9	3.5	3.3	Higher
AA/Black	Red	143	8.4	+5.8	8.8	-0.4	Lower
Asian	NPC*	2	*	—	1.1	—	—
Hispanic or Latino	Red	238	6.3	+5.1	3.8	2.5	Higher
Two or More	NPC**	12	0.0	+0.0**	3.3	-3.3	Lower**
White	NPC*	3	*	—	2.9	—	—
English Learners	NPC	34	8.8	+1.1	3.7	5.1	Higher
Foster Youth	NPC*	8	*	—	13.6	—	—
Homeless Youth	NPC*	10	*	—	6.5	—	—
Socioeconomically Disadvantaged	Red	281	6.0	+4.0	4.5	1.5	Higher
Students With Disabilities	Yellow	50	8.0	-1.3	5.9	2.1	Higher

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 1 of 5

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 16: MSA-3 2024 Suspension

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Blue	407	2.2	-4.6	3.2	-1.0	Lower
AA/Black	Green	155	3.9	-4.5	8.4	-4.5	Lower
Filipino	NPC*	1	*	—	1.2	—	—
Hispanic or Latino	Blue	235	1.3	-5.0	3.4	-2.1	Lower
Two or More	NPC**	14	0.0	+0.0**	3.0	-3.0	Lower**
White	NPC*	2	*	—	2.6	—	—
English Learners	NPC**	24	8.3	-0.5**	3.4	4.9	Higher**
Foster Youth	NPC**	12	16.7	—	13.2	3.5	Higher**
Homeless Youth	NPC**	22	4.5	—	5.7	-1.2	Lower**
LTELs	NPC**	23	8.7	-2.8**	8.1	0.6	Higher**
Socioeconomically Disadvantaged	Blue	295	2.4	-3.7	4.0	-1.6	Lower
Students With Disabilities	Yellow	57	5.3	-2.7	5.4	-0.1	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 17: MSA-3 2025 Suspension

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	438	1.8	-0.4	2.9	-1.1	Lower
AA/Black	Green	186	3.2	-0.6	7.7	-4.5	Lower
Asian	NPC*	2	*	—	1.0	—	—
Hispanic or Latino	Blue	236	0.8	-0.4	3.0	-2.2	Lower
Pacific Islander	NPC*	1	*	—	4.2	—	—
Two or More	NPC**	11	0.0	—	2.8	—	—
White	NPC*	2	*	—	2.4	—	—
English Learners	NPC**	25	0.0	-8.3**	3.2	-3.2	Lower**
Foster Youth	NPC*	8	*	—	13.0	—	—
Homeless Youth	NPC**	24	4.2	-0.4**	5.1	-0.9	Lower**
LTELs	NPC**	20	0.0	-8.7**	7.0	-7.0	Lower**
Socioeconomically Disadvantaged	Green	328	2.1	-0.2	3.6	-1.5	Lower
Students With Disabilities	Green	69	1.4	-3.8	5.0	-3.6	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?			
	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 18: MSA-3 2023 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Orange	165	33.9	-0.7	24.3	9.6	Higher
AA/Black	Red	67	41.8	+8.9	36.4	5.4	Higher
Asian	NPC*	1	*	—	10.1	—	—
Hispanic or Latino	Orange	90	30.0	-4.8	28.4	1.6	Higher
Two or More	NPC*	4	*	—	21.6	—	—
White	NPC*	3	*	—	18.5	—	—
English Learners	NPC**	15	33.3	—	26.3	7.0	Higher**
Foster Youth	NPC*	4	*	—	33.6	—	—
Homeless Youth	NPC*	6	*	—	38.7	—	—
Socioeconomically Disadvantaged	Red	115	38.3	+1.1	29.9	8.4	Higher
Students With Disabilities	NPC**	24	41.7	-13.9**	33.1	8.6	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?			
	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 19: MSA-3 2024 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	176	27.3	-6.7	18.6	8.7	Higher
AA/Black	Orange	88	33.0	-8.8	31.3	1.7	Higher
Hispanic or Latino	Orange	81	22.2	-7.8	21.7	0.5	Higher
Two or More	NPC*	6	*	—	16.2	—	—
White	NPC*	1	*	—	13.5	—	—
English Learners	NPC*	10	*	—	20.1	—	—
Foster Youth	NPC*	5	*	—	30.5	—	—
Homeless Youth	NPC**	15	46.7	—	32.7	14.0	Higher**
LTELs	NPC*	9	*	—	23.9	—	—
Socioeconomically Disadvantaged	Orange	121	31.4	-6.9	23.4	8.0	Higher
Students With Disabilities	NPC**	24	20.8	-20.8**	26.3	-5.5	Lower**

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

Table 20: MSA-3 2025 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Red	184	29.3	+2.1	17.1	12.2	Higher
AA/Black	Orange	104	30.8	-2.2	29.8	1.0	Higher
Asian	NPC*	1	*	—	6.7	—	—
Hispanic or Latino	Red	74	28.4	+6.2	20.1	8.3	Higher
Pacific Islander	NPC*	1	*	—	31.0	—	—
Two or More	NPC*	3	*	—	14.9	—	—
White	NPC*	1	*	—	12.2	—	—
English Learners	NPC*	9	*	—	18.1	—	—
Foster Youth	NPC*	2	*	—	30.6	—	—
Homeless Youth	NPC**	12	41.7	-5.0**	30.7	11.0	Higher**
LTELs	NPC*	6	*	—	22.5	—	—
Socioeconomically Disadvantaged	Red	130	33.8	+2.4	21.7	12.1	Higher
Students With Disabilities	NPC**	26	34.6	+13.8**	24.9	9.7	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-16-26

MSA 3 - Verified Data

Table Legend for All NWEA MAP Tables
Tables are a Summary of the NWEA MAP Reports
Green cell indicates student group has met the minimum requirement for one year's growth, CGI ≥ - 0.2
Red cell indicates student group has not met the minimum requirement for one year's growth, CGI < - 0.2
Gray cell indicates the number is less than 10 students, the minimum size for reporting.
Data reflects grade levels with ten or more students in that student group.

Table 21: MSA 3 NWEA MAP Reading, Language and Math (Summary)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index										
All Students	5 of 6	6 of 6	5 of 6		—	—	—		4 of 6	5 of 6	5 of 6
Numerically Significant Student Groups											
Black or AA	4 of 6	6 of 6	5 of 6		—	—	—		3 of 6	4 of 6	4 of 6
Hispanic or Latino	6 of 6	6 of 6	3 of 5		—	—	—		4 of 6	5 of 6	4 of 6
Socioeconomically Disadvantaged	6 of 6	6 of 6	5 of 6		—	—	—		4 of 6	5 of 6	5 of 6
Students with Disabilities	0 of 1*	—	2 of 3*		—	—	—		—	—	1 of 2*
Are the majority of student groups performing above the state average?	YES (3 of 3)	YES (3 of 3)	YES (4 of 4)		—	—	—		YES (2 of 3)	YES (3 of 3)	YES (3 of 3)

Table 22: MSA 3 NWEA MAP Reading, Language and Math (All Students)

Grade Level	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	-0.25	0.88	-0.57		—	—	—		-0.74	-0.38	-0.24
7	0.03	0.68	0.98		—	—	—		0.01	0.67	-0.18
8	0.28	0.40	0.33		—	—	—		-0.38	0.38	0.29
9	0.60	0.94	0.19		—	—	—		0.33	0.47	-0.10
10	1.20	0.93	1.09		—	—	—		0.80	2.03	0.90
11	1.42	1.18	0.55		—	—	—		0.47	0.39	0.76

Table 23: MSA 3 NWEA MAP Reading, Language and Math (Hispanic)

Grade Level	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.06	1.32	—		—	—	—		-0.54	-0.40	-0.61
7	0.87	0.74	2.14		—	—	—		0.16	1.47	-0.10
	0.35	0.66	-0.02		—	—	—		-0.22	0.51	0.88
9	0.71	0.75	-0.29		—	—	—		0.77	0.72	-0.51
10	1.11	1.08	1.01		—	—	—		0.95	2.70	1.31
11	1.37	1.24	0.78		—	—	—		0.66	0.63	1.46

Table 24: MSA 3 NWEA MAP Reading, Language and Math (Black)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	**-0.48**	0.78	**-0.77**		—	—	—		**-0.90**	**-0.44**	0.02
7	**-0.86**	0.51	0.38		—	—	—		-0.10	0.23	**-0.22**
8	0.16	0.31	0.55		—	—	—		**-0.66**	0.40	-0.02
9	0.17	1.51	0.53		—	—	—		**-0.80**	0.32	0.16
10	1.44	0.54	1.24		—	—	—		0.39	0.18	-0.08
11	1.53	1.01	0.09		—	—	—		0.14	**-0.35**	**-0.59**

Table 25: MSA 3 NWEA MAP Reading, Language and Math (SED)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	0.34	0.89	**-0.57**		—	—	—		**-0.73**	**-0.31**	**-0.24**
7	0.01	0.94	0.98		—	—	—		-0.20	0.16	-0.18
8	0.17	0.58	0.33		—	—	—		**-0.33**	0.59	0.28
9	0.95	1.18	0.19		—	—	—		0.50	0.65	-0.10
10	1.19	0.98	1.09		—	—	—		0.98	2.64	0.90
11	1.63	1.18	0.55		—	—	—		0.59	0.18	0.76

Table 26: MSA 3 NWEA MAP Reading, Language and Math (SWD)

	2023-24	2024-25	2025-26		2023-24	2024-25	2025-26		2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading				NWEA MAP Language Usage				NWEA MAP Math		
	Conditional Growth Index				Conditional Growth Index				Conditional Growth Index		
6	—	—	**-1.08**		—	—	—		—	—	**-0.48**
7	—	—	0.51		—	—	—		—	—	—
8	—	—	—		—		—		—	—	—
9	**-0.53**	—	0.65		—	—	—		—	—	0.94
10	—	—	—		—	—	—		—	—	—
11	—	—	—		—	—	—		—	—	—

LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION

ANNUAL PERFORMANCE-BASED OVERSIGHT VISIT REPORT*
2025-2026 SCHOOL YEAR
FOR

MAGNOLIA SCIENCE ACADEMY 4 - 8011

Name and Location Code of Charter School

LAUSD Vision

Los Angeles Unified will be the premier public school district by eliminating educational inequities to graduate ALL students ready for the world – to thrive in college, career, and life.

CSD Mission

The LAUSD Charter Schools Division (CSD) fosters high quality educational opportunities and outcomes for students in the greater Los Angeles community through exemplary charter public school authorizing, oversight, and sharing of promising practices so that all students maximize their potential.

CSD Core Values

We believe that our success depends on:

- Making decisions that put the interests of students first.
- Serving with high expectations, integrity, professionalism, and commitment.
- Employing authentic, responsive, and effective leadership and teamwork.
- Continuously learning as a dynamic organization.
- Building and sustaining a healthy workplace culture where high performance, diversity, and creativity thrive.
- Developing productive relationships with our charter schools and all stakeholders.

* Charter School shall comply in a timely manner with all applicable federal and state laws and regulations, as they may change from time to time, including but not limited to matters related to the school's governance, programs, facilities, operations, and/or fiscal management.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

Charter School Name:	**Magnolia Science Academy 4 (MSA4)**			**Location Code:**	**8011**
Current Address:		**City:**	**ZIP Code:**	**Phone:**	**Fax:**
1330 W. Graham Place B-9		**Los Angeles**	**90064**	**310-473-2464**	**310-473-2416**
Current Term of Charter[1]:		**LAUSD Board District:**		**LAUSD Region:**	
July 1, 2018 to June 30, 2026		**4**		**West**	
Number of Students Currently Enrolled:	**Enrollment Capacity Per Charter:**		**Number Above/Below Enrollment Capacity (day of visit):**	**Below by 236**	
124	**360**				
Grades Currently Served:	**Grades To Be Served Per Charter:**		**Percent Above/Below Enrollment Capacity (day of visit):**	**Below by 65.6%**	
6-12	**6-12**				
Norm Enrollment Number:	**124**				
Total Number of Staff Members:	**16**	**Certificated:**	**9**	**Classified:**	**7**
Charter School's Leadership Team Members:	**Jacob Theis, Principal; Alexis, Leon, Assistant Principal;**				
Charter School's Contact for Special Education:			**SELPA & Option:**	**LAUSD Option 3**	
CSD Assigned Administrator:	**Yolanda Jordan**		**CSD Fiscal Oversight Manager:**	**Cristina Balderas**	
Other CSD Team Members:	**N/A**				
Oversight Visit Date(s):	**March 4, 2026**		**Fiscal Review Date (if different):**	**N/A**	
Is school located on a District facility? If so, please indicate the applicable program (e.g., Prop 39, PSC, conversion, etc.):	**Yes, Prop 39**		**LAUSD Co-Location Campus(es) (if applicable):**	**Webster Middle School**	

SUMMARY OF RATINGS *(4)=Accomplished (3)=Proficient (2)=Developing (1)=Unsatisfactory*			
Governance	**Student Achievement and Educational Performance**	**Organizational Management, Programs, and Operations**	**Fiscal Operations**
4, Accomplished	**3, Proficient**	**3, Proficient**	**3, Proficient**

[1] Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

CHARTER RENEWAL CRITERIA

In accordance with Education Code §§ 47605, 47607, and 47607.2, in order to renew a charter, the District must determine whether the charter school has met specific renewal criteria prescribed in statute.

REPORT GUIDE

LAUSD's oversight procedures are intended to balance a charter school's autonomy of operation with its accountability to the public. LAUSD utilizes a holistic, performance-based approach to evaluate all charter schools, guided principally by making decisions in the best interest of students. The CSD observes and monitors each charter school in accordance with applicable laws, regulations, LAUSD policy, memoranda of understanding, and the school's operative charter. Information gathered through oversight serves as part of the charter school's ongoing record for the District to make informed decisions about charter school authorization, renewal, material revisions, sharing of promising practices, and if need be, revocation. While LAUSD is responsible to provide oversight of its charter schools and the entities managing charter schools, the primary oversight of each charter school must first and foremost be performed by the charter school's own Governing Board. The Governing Board of a charter school has an ongoing responsibility to oversee the operations of its charter school(s), ensuring that every charter school it oversees is providing a high-quality educational program for students enrolled, is successfully fulfilling the terms of their charter, is fiscally sound, and complies with applicable laws, regulations, and court orders. In designing this document, the District has considered the California Charter Schools Act, the *LAUSD Policy and Procedures for Charter Schools,* the factors and guidance promulgated by the California State Board of Education in evaluating charter schools, and the National Association of Charter School Authorizers' *Principles and Standards of Quality Authorizing*. This reporting tool provides guidelines and criteria used by the CSD to observe, record, assess, and reflect with the charter school on school performance as captured during the annual oversight visit process in these four categories:

- ***Governance*** – demonstrating fulfillment of the Governing Board's fiduciary responsibility to effectively direct and provide oversight for the charter public school, including but not limited to enactment and monitoring of policies and procedures to ensure the school's full compliance with applicable law, policy, and the terms of the charter approved by the LAUSD Board of Education
- ***Student Achievement and Educational Performance*** – demonstrating positive academic achievement and growth for all students
- ***Organizational Management, Programs, and Operations*** – demonstrating effective leadership and implementation of the governing board's policies and procedures, as well as the school's educational program and systems and procedures for the day-to-day operations of the school
- ***Fiscal Operations*** – demonstrating sound fiscal management, appropriate use of public funds, and compliance with regulatory requirements

This report, including the ratings in each category, is based on information and evidence gathered for the annual oversight visit. The CSD considers evidence provided through CSD staff observations, document review, interviews, and discussion with school representatives and stakeholders. All charter schools are expected to prepare for the visit and have available, as applicable, all documentation requested in the *Annual Performance Based Oversight Visit Preparation Guide.* The "Sources of Evidence" sections below identify key information sources generally relevant to their respective indicators; these lists are not exhaustive, however, and some items may not be applicable to the grades served. Schools may present additional evidence as deemed relevant and appropriate. As needed, CSD staff also may request additional information and/or documentation prior to, during, and/or following the visit.

The tool employs the following four-point rubric to rate the school's performance in each category: *(4) Accomplished, (3) Proficient, (2) Developing, and (1) Unsatisfactory*. In addition, the *Summary of School Performance* section in each category captures key findings under one or more of the following headings: (1) Areas of Demonstrated Strength and/or Progress; (2) Areas Noted for Further Growth and/or Improvement; and, if applicable, (3) Corrective Action Required. Under "Corrective Action Required," the CSD reports findings of material noncompliance with applicable law, LAUSD charter policy, or the school's approved charter. **If the report includes any findings under "Corrective Action Required," the charter school must take immediate and appropriate steps to remedy the identified concern.** In accordance with its "tiered intervention" approach to charter school non-compliance and poor performance, the CSD may also send the school appropriate notices, separate and apart from this report, to provide and document time-specific follow-up as necessary. At the other end of the spectrum of performance, any school that earns a rating of *Accomplished* in any category is encouraged to submit to the CSD a summary of those "promising practices" that the school believes have contributed to its success, in order to support the CSD's ongoing efforts to promote and facilitate reciprocal sharing of promising practices among education leaders from across all LAUSD schools.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

GOVERNANCE	RATING*
Summary of School Performance	4, Accomplished

Areas of Demonstrated Strength and/or Progress

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- The current Board of Directors of Magnolia Public Schools (MPS) is comprised of 7 directors, which is aligned with the organization's most recent Bylaws requiring no less than 3 and no more than 11 directors.
- Calendar of Governing Board meetings for the 2025-2026 school year, showing monthly meetings scheduled from July 10, 2025 to June 25, 2026
- Brown Act and Conflict of Interest training was held during the Board meeting on August 7, 2025 and September 11, 2025, respectively.

G2: DUE PROCESS

The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public.

As evidenced by information in Folder 1, some of the evidence include the following:

- Systems to provide due for students, employees, and parent including, but not limited to the following:
  - Uniform Complaint Procedures (UCP) and related forms in the student/parent handbook, as well as on the school's website
  - Procedures for resolving general stakeholder complaints within the "General Complaint Procedures Form" located at the school site, within the student/parent handbook and on the school's website. Procedures and forms are available in English and Spanish
  - Procedures/policies regarding Suspension/Expulsion (including appeals), grading policies, and student code of conduct located at the school site, within the student/parent handbook and the school's website
  - Employee handbook which includes descriptions of the school's employee Code of Conduct, Internal Complaint Review and Policy (e.g., complaints by employees against employees, complaints by third parties against employees), Open Door Policy, and employee discipline policy

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis, and discussion, etc.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- Agenda items during Board meetings regularly include updates/reports regarding student achievement and other key aspects of school performance (e.g., CAASPP, NWEA MAP, etc.) and operations from the organization's Chief Executive Officer, Chief Academic Officer, other home office officers, and school site principals.
- Some of the specific items discussed during Board meetings include the following: approval of LCAPs for all Magnolia schools on June 26, 2025; data presentation of LCAP Mid-Year Update on February 13, 2025; enrollment update, including enrollment trends and "Glows, Grows & Priorities" presentations by MSA 4 and MSA6 on May 22, 2025, MSA7 and Bell on June 18, 2025.

Areas Noted for Further Growth and/or Improvement
None at this time.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to GOVERNANCE (if applicable):
☒ Not Applicable

RATING NOTES:

- ***A charter school may receive a rating as low as one (1) in this category for any of the following reasons: 1) Evidence of conflict(s) of interest within the organization (i.e. Governing Board, staff, contracted external parties, etc.), 2) School is in breach of the operative charter, including Federal, State, and District Required Language, 3) School is "Not in Good Standing," 4) Unresolved concern(s) and/or ongoing tiered intervention (i.e., Notice of Concern and/or Notice to Cure), and/or 5) If there are serious concerns related to fiscal matters (e.g., negative financial condition, fiscal mismanagement, repeat material weaknesses, significant deficiencies, and/or significant audit findings disclosed in the charter operator's most recent annual independent audit report, etc.).***
- ***A charter school cannot receive a rating greater than three (3) in this category if it receives an overall rating of two (2) or one (1) in any other category (Student Achievement and Educational Performance; Organizational Management, Programs, and Operations; or Fiscal Operations).***

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has implemented the organizational structure, roles, and responsibilities set forth in the approved charter and applicable law, including:

- Governing Board composition, structure, roles, and responsibilities as set forth in the approved charter
- Governing Board committees/councils are implemented as described in the school's charter (e.g., Finance, Human Resources, Academics, etc.)
- The Governing Board has a system in place to ensure compliance with the public integrity statutes including laws requiring open meetings and laws forbidding financial and other conflicts of interest.
- The Governing Board reviews and certifies the *Compliance Monitoring and Certification of Board Compliance Review* form

Performance Rubric	Sources of Evidence
☒ The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has implemented the organizational structure set forth in the school's operative charter, including committees/councils; and has a system in place to ensure it complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has partially implemented the organizational structure set forth in the school's operative charter; and/or has an ineffective system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has not implemented the organizational structure set forth in the school's operative charter; and has an ineffective or no system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.)	☒ Organizational chart in approved charter ☒ Organizational chart (current) ☒ Board member roster ☒ Bylaws (current) ☒ Board Committee(s) Calendar(s) ☒ California open meeting law training (Brown Act) ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ Board meeting agendas, minutes, and/or documentation ☒ Observation of Governing Board meeting(s) ☒ Discussion with leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

G2: DUE PROCESS

***The Governing Board has systems in place to ensure that the school provides adequate due process, in accordance with applicable law, the school's charter, and LAUSD charter school policy, to honor and protect the rights of students, employees, parents, and the public in the following areas*:**

- Student discipline
- Employee grievances and discipline
- Stakeholder complaint resolution pursuant to the Uniform Complaint Procedures (UCP)
- Parent/stakeholder complaint resolution for complaints outside regulatory scope of UCP

Performance Rubric	Sources of Evidence
☒The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has partially developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has minimal or no systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public	☒ Student discipline policy and procedures ☒ Employee grievance and discipline policy and procedure ☒ Uniform Complaint Procedures policy and form(s) ☒ Stakeholder complaint procedures and form(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board has systems in place to ensure ongoing:

- Review and use of academic performance data (e.g., CA School Dashboard, internal assessments, etc.) and other school data and information to ensure sound Governing Board decision-making in support of continuous improvement of student achievement, fiscal viability, compliance, and overall public school excellence
- Monitoring of the school's implementation of its Local Control and Accountability Plan (LCAP) and additional school plans (e.g., Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (ATSI), School Plan for Student Achievement (SPSA), and action plans for making progress toward LCAP goals)
- Transparent governance and accountability to stakeholders, including compliance with the LAUSD BOE's Charter School Transparency Resolution, as well as consideration of input from the school's committees/councils and stakeholders

Performance Rubric	Sources of Evidence
☒ The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board seldom considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board does not consider school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.)	☒ Board meeting agendas, minutes, and/or documentation ☒ Board member and executive leadership training of Governing Board meeting(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

G4: RESPONSIVE AND ACCOUNTABLE GOVERNANCE – STAFFING AND EVALUATIONS

The Governing Board has systems in place to ensure ongoing:

- Monitoring of staffing needs and the school's compliance with all applicable credentialing, clearance, and training requirements
- Evaluation procedures with clear performance standards for all school-based staff, including but not limited to administrators, certificated staff, and classified staff
- Evaluation of executive level leadership (including, but not limited to, those positions reporting to the Governing Board, as indicated in Element 4 of the approved charter, such as Executive Director, Area Superintendent, Principal, etc.)

Performance Rubric	Sources of Evidence
☐ The Governing Board regularly monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a well-developed system for the evaluation of all school-based staff and executive level leadership staff ☒ The Governing Board monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a system for the evaluation of school-based staff and executive level leadership staff ☐ The Governing Board inconsistently monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has partially implemented a system for the evaluation of school-based staff and/or executive level leadership staff ☐ The Governing Board seldom monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has not implemented a system for the evaluation of school-based staff and/or executive level leadership staff	☒ Human Resources policies and procedures ☒ Board meeting agendas, minutes, and/or documentation ☒ Evaluation of Executive Leadership procedures and tools ☒ Evaluation of school-based staff procedures and tools ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ *Certification of Clearances, Credentialing, and Mandated Reporter Training* form ("ESSA Grid") for current academic year ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

G5: FISCAL CONDITION

The Governing Board has a system in place to ensure fiscal viability:

- The school is fiscally strong and net assets are positive in the two most current annual independent audit reports.
- If applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☐ The school is fiscally strong with positive net assets and meets the four (4) recommended financial ratios (identified as part of the Supplemental Criteria within the Fiscal Operations Rubrics section below for the rating of 4, *Accomplished)* in the two most current annual independent audit reports, ***and***, if applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s) ☒ The school is fiscally stable, with positive net assets in the most current annual independent audit report ☐ The school is fiscally weak or unstable*, net assets are negative in the most current annual independent audit report, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer ☐ The school is consistently fiscally weak, net assets are negative in the two most current annual independent audit reports, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer **Notes:** Additional factors that may affect the rating include: inadequate cash flow; financial condition and/or enrollment trend that is declining and/or beginning to reflect an unbalanced budget; indicators of deteriorating financial health that could result in negative net assets and/or fiscal insolvency (such as a negative cash balance) during the current and/or the foreseeable fiscal years; prolonged reliance on financing resources to sustain operations (e.g., factoring receivables, intraorganizational or third-party loans, ongoing deficit spending); or concerns that the school may be unable to maintain quality educational programs if the student enrollment falls below a certain threshold. *For example, the school's financial condition fluctuates from year to year, with significant net losses contributing to negative net assets in the current or upcoming school years.	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other financial information submitted by the school ☒ Other: (see Fiscal Operations section below)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

G6: FISCAL MANAGEMENT AND ACCOUNTABILITY

The Governing Board has a system in place to ensure sound fiscal management and accountability:

- The school adheres to the Governing Board-approved fiscal policies and procedures and does not have any areas noted for improvement.
- The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies.
- The school is in compliance with Generally Accepted Accounting Principles, all applicable federal, state, and local laws and regulations, LAUSD charter policy, and the school's approved charter.
- If applicable, all LAUSD Board of Education-approved fiscal management-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☐ The school **consistently adheres** to the Governing Board-approved fiscal policies and procedures, does not have any areas noted for improvement, and the two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies ☒ The school **generally adheres** to the Governing Board-approved fiscal policies and procedures, but has areas noted for improvement, and the most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies ☐ The school is **not adhering** to the Governing Board-approved fiscal policies and procedures, and has areas noted for improvement, **or** has significant fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, unresolved recurring issues, potential conflicts of interest, etc.) ☐ The school is **continuously not adhering** to the Governing Board-approved fiscal policies and procedures, **or** has significant and recurring fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, etc.)	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other: (see Fiscal Operations section below)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

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STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (13.9 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - Latino student group (7.2 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (19.5 DFS) is higher than the state average (-35.3 DFS)

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).

The 2025 average DFS in Math for the school's:

  - Latino student group (-65.0 DFS) is higher than the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-67.0 DFS) is higher than the state average (-72.9 DFS)

A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (Grades 9-12)

- The school's 2025 percentage of students prepared for college or a career (90.6%) is higher than the state average (51.7%).

A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (Grades 9-12)

- All of the school's numerically significant student groups have CCI percentages above their respective statewide student group percentages. The 2025 percentage of the school's:
  - Socioeconomically Disadvantaged student group prepared for college or a career (90.3%) is higher than the state average (44.8%)

A9: ALL STUDENTS GRADUATION RATE INDICATOR

- The school's 2025 Graduation Rate (96.9%) is higher than the state average (87.8%).

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Blue. The school's 2025 percentage of students suspended at least one day (0.6%) is lower than the state average (2.9%).

Areas Noted for Further Growth and/or Improvement

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Yellow. The school's 2025 schoolwide Math DFS (-66.2 DFS) is lower than the state average (-42.4 DFS).
- School leadership shared strategies and steps the school is taking to increase student achievement in Math. Some include the following:
  - Master schedule continues to be designed to provide students with multiple opportunities for academic assistance throughout the day (e.g. SBAC study hours, small-group instruction). Additionally, teachers in the core mathematics classes review study questions in their classes to increase exposure to the types of questions that will be asked on the SBAC.
  - Teachers have engaged in targeted professional development designed to enhance instructional effectiveness with topics such as cooperative learning strategies and project-based learning.
  - There is ongoing coaching to teachers related to differentiating materials and instruction to meet the diverse needs of all learners.

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (30.0%) is higher than the state average (17.1%).
- School leadership shared supports being implemented to decrease Chronic Absenteeism. Some include the following:
  - The school hired an office clerk to assist with daily notifications to families of absent students. Per the principal, he school has seen a decrease in unexcused absences.
  - Continued implementation of incentive programs to encourage school attendance (e.g., weekly grade-level challenges to promote competition, etc.)
  - Multi-tiered system of support that include home visits, attendance meetings with families, and implementation of attendance intervention plans for students after they receive the first attendance warning letter.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes:

Local Indicators: Dashboard Year 2025

Basic Services and Conditions: Met

Implementation of State Academic Standards: Met

Parent and Family Engagement: Met

School Climate: Met

Access to a Broad Course of Study: Met

Charter School's 2025-2026 Every Student Succeeds Act (ESSA) Assistance Status:

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☐ Comprehensive Support and Improvement – Low Graduation Rate (CSI- Low Grad)
☐ Comprehensive Support and Improvement – Low Performance (CSI- Low Perform)
☐ Additional Targeted Support and Improvement (ATSI)
☐ Targeted Support and Improvement (TSI)
☒ No Status

2025 LCFF Charter School Assistance Eligibility:
☒ General Assistance (Level 1) - resources and assistance that is made available to all local educational agencies
☐ Differentiated Assistance (Level 2) - local educational agencies that meet certain eligibility criteria for additional support

For 2024-2025:
The school's percent of "At Risk" ELs is 0% as compared to the state's percent of 6.0%
The school's percent of "LTELs" is 6.9% as compared to the state percent of 10.4%

Progress on LAUSD Board of Education Benchmarks and/or MOU related to STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE (if applicable):
☐ Not Applicable

On November 7, 2017, the LAUSD Board of Education adopted by consent vote to renew Magnolia Charter Academy 4 (MSA4), to serve 360 students in grades 6-12, with Academic Benchmarks. MSA 4 must meet the following academic benchmarks during the current charter term as described below:

Academic Benchmarks and status:
The school shall provide an update to the Charter Schools Division no later than December 15th of each year of the charter term (after CAASPP (SBAC) scores have been released by the CDE).
Note: California no longer uses any form of similar school rankings either for assessment or accountability.

1. **The school will demonstrate at least one performance level growth per academic year, as reported on the California Dashboard, for numerically significant subgroups in ELA as measured by CAASPP (SBAC) Assessment at a rate equal to or greater than the Resident and Similar Schools Median, with the goal of achieving and maintain the "Green" performance level or higher.**
   2025 Status: Not Met – The charter school has two numerically significant student groups for the 2025 California School Dashboard ELA Indicator (Latino and Socioeconomically Disadvantaged). Although neither student group had a performance color in 2024, the Latino student group Increased and the Socioeconomically Disadvantaged student group Increased Significantly in 2025 (Performance Color is Green and Blue, respectively). Although the charter school's Latino students' ELA DFS (7.2) was lower than the Resident Schools Median (9.7), the charter school's Socioeconomically Disadvantaged students' ELA DFS (19.5) was higher than the Resident Schools Median (5.9).

2. **The school will demonstrate at least one performance level growth per academic year, as reported on the California Dashboard, for numerically significant subgroups in Math as measured by CAASPP (SBAC) Assessment at a rate equal to or greater than the Resident and Similar Schools Median, with the goal of achieving and maintain the "Green" performance level or higher.**
2025 Status: Not Met – The charter school has two numerically significant student groups for the 2025 California School Dashboard Math Indicator (Latino and Socioeconomically Disadvantaged). Although neither student group had a performance color in 2024, each student group Increased Significantly in 2025, and their Performance Color is Yellow (i.e., they did not achieve "Green" performance level or higher, despite significant increases). The charter school's Latino students' Math DFS (-65.0) was higher than the Resident Schools Median (-101.2), and the school's Socioeconomically Disadvantaged students' Math DFS (-67.0) was higher than the Resident Schools Median (-113.5).

RATING NOTE: A charter school cannot receive a rating in this category greater than a one (1) if the school has been identified as a Low Performing charter school based on the state's published list.

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:
- California School Dashboard All Students ELA Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELA Indicator color is Blue ☒ The California School Dashboard All Students ELA Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☐ The California School Dashboard All Students ELA Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students ELA Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELA Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard ELA Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A3: ALL STUDENTS MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Math Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Math Indicator color is Blue ☐ The California School Dashboard All Students Math Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☒ The California School Dashboard All Students Math Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students Math Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Math Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A4: STUDENT GROUP MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard Math Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A5: ALL STUDENTS ENGLISH LEARNER PROGRESS INDICATOR (ELPI)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELPI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELPI color is Blue ☐ The California School Dashboard All Students ELPI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students ELPI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students ELPI color is Red ☒ Not available - No color assigned on the California School Dashboard for the ELPI	☐ California School Dashboard (CDE) ☐ Other: (Specify)

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A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students CCI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students CCI color is Blue ☐ The California School Dashboard All Students CCI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students CCI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students CCI color is Red ☒ Not available – No color assigned on the California School Dashboard for the CCI ☐ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard CCI for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Not available – No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s) ☐ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR - (GRADES K-8)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Chronic Absenteeism Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Blue ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☒ The California School Dashboard All Students Chronic Absenteeism Indicator color is Red notwithstanding the Status (Percent) ☐ Not available - No color assigned on the California School Dashboard for the Chronic Absenteeism Indicator ☐ Not applicable - The Chronic Absenteeism Indicator is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A9: ALL STUDENTS GRADUATION RATE INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Graduation Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Graduation Rate Indicator color is Blue ☐ The California School Dashboard All Students Graduation Rate Indicator color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Red ☒ Not available - No color assigned on the California School Dashboard for the Graduation Rate Indicator ☐ Not applicable - The Graduation Rate Indicator is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A10: ALL STUDENTS SUSPENSION RATE INDICATOR - (GRADES K-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Suspension Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☒ The California School Dashboard All Students Suspension Rate Indicator color is Blue ☐ The California School Dashboard All Students Suspension Rate Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Suspension Rate Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A11: ALL STUDENTS SCIENCE INDICATOR - (GRADES 5, 8, 10-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Science Indicator (CDE)

Performance Rubric	Sources of Evidence
The Science Indicator information is for informational purposes only and will not be scored. ☐ The California School Dashboard All Students Science Indicator is higher than the state ☒ The California School Dashboard All Students Science Indicator is lower than the state ☐ Not applicable - The Science Indicator is not applicable for the grade levels assigned at the charter school ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Sample lesson plans and curricular list (e.g., Sample Week At a Glance for 8th grade History, 9th grade ELA, and 7th grade Math)
  - Year-long professional development plan
  - WASC six-year accreditation status through June 30, 2031 with a mid-cycle report in the 2027-2028 school year
  - Focused areas observed during classroom observations included teachers modeling and communicating student behavior expectations, instructional groups, and teachers allowing students to struggle with material by facilitating the learning instead of immediately providing an answer to their questions.
  - Some professional development activities include a "Data Dive" by departments on September 24, 2025 and Plan. Do. Study. Act (PDSA Cycle) on August 27, 2025
  - College Mentor Program Parent Workshop on November 5, 2025; Winter Festival December 13, 2025

O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District.

- Some of the evidence found in Folder 3, responses to guiding questions, and per discussion with leadership include the following:
  - As evidence by the LAUSD Discipline Report for the 2024-2025 school year, the school's suspension rate is 0.76%
  - Continued Implementation of PBIS initiatives including community circles, academic and PBIS assemblies, Kickboard, and professional development on MTSS best practices
  - Professional development activities include *Social Emotional Learning 101* on January 12, 2026 and School-Wide PBIS System: S.O.A.R. (Strive for Success; Own Your Actions; Act with Patience; Respect People) on August 7, 2025

O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements.

- Some of the evidence in Folder 3 and per discussion with leadership include the following:
  - Stakeholder Engagement Yearlong calendar, including parent meeting (*MPS Strategic Plans Parent Meeting*) on January 30, 2026
  - College Mentor Program Partn Workshop on November 5, 2025
  - Agendas minutes of PAC and ELAC meetings, including member rosters

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Areas Noted for Further Growth and/or Improvement
None at this time.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS (if applicable):
☒ Not Applicable

RATING NOTES:

- ***The overall rating for this category will be impacted if the school is in breach of the operative charter, including Federal, State, and District Required Language related to this section; and/or by a failure to provide evidence of any item on the following three (3) checklists: A) Review of Clearances, Credentialing, and Mandated Training Compliance Items; B) Review of Health and Safety Compliance Items; C) Review of Transparency and Stakeholder Information Compliance Items. See checklists below.***

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has systems in place to ensure alignment to the curricular and educational program outlined in the approved charter by:

- Implementing innovative components and key features of the educational program described in the charter
- Implementing standards-based instruction in accordance with the California State Content Standards specific to the grade levels served and aligned with the needs of students
- Implementing assessments to measure the development of grade-level appropriate academic and non-academic skills
- Reviewing and analyzing school and student progress towards annual goals (schoolwide and for all student groups that the school serves) that are consistent with the educational performance measured by the California School Dashboard and state assessments
- Providing teacher, staff, and administrator professional development specific to supporting desired student outcomes, innovative components, and key features outlined in the school's charter
- Implementing a system to monitor student progress toward, and completion of, graduation and A-G requirements (**high schools only**)

Performance Rubric	Sources of Evidence

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☐ The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has partially implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has minimally implemented, or not at all, the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served	☒ Innovative Components and Key Features of the Educational Program ☒ Standards-Based Instructional Program ☒ Master Schedule/Course Schedule ☒ Student Achievement Data Analysis ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) High School: ☒ System for monitoring student progress toward and completion of graduation and A-G Requirements ☒ WASC Accreditation Notification Letter ☒ UC Doorways course approval ☒ Graduation Requirement/Policy ☒ Math Placement Assessment Policy (9th grade only) ☒ Advanced Placement Exam: Participation Rate and Passage Rate ☒ College acceptance and enrollment rates

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O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system in place to ensure:

- Implementation of differentiated instructional strategies and approaches described in the charter designed to meet the learning needs of all students, including all numerically significant student groups identified in the school's LCAP and by the CDE
- Implementation of internal student assessments aligned with instructional outcomes to determine student mastery of California State Content Standards
- Disaggregation and analysis of data on a regular basis to address individual student needs and guide instructional planning and use of interventions
- Implementation, review, and modification, as appropriate, of its Master Plan for English Learners (EL identification, standards-based designated and integrated ELD instruction, progress monitoring, assessment, and reclassification)

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis ☐ The school has partially implemented the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or limited evidence of systems to modify instruction based on data analysis ☐ The school has minimally implemented, or not at all, the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or no evidence of systems to modify instruction based on data analysis	☒ Implementation of differentiated instructional strategies ☒ Intervention/Enrichment Program during the instructional day ☒ Student Group data analysis ☒ Internal assessment data ☒ Professional Development documentation ☒ Students Experiencing Homelessness Designee ☒ Foster Youth Designee ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) English Learners ☒ Master Plan for English Learners ☒ Designated English Language Development (ELD) schedule ☒ Documentation of implementation of the school's Master Plan for English Learners ☒ Implementation of a data analysis system

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O3: SPECIAL EDUCATION

The school has a system in place to ensure that the school:

- Provides special education programs and services in accordance with students' IEPs
- Maintains and monitors mandated IEP timeline records and accurate service provision records in Welligent
- Conducts a special education self-review annually, using the Special Education Self-Review Checklist
- Provides special education training for staff

Performance Rubric	Sources of Evidence
☒ The school has a well-developed system in place for full implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with regular and ongoing professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☐ The school has a system in place for implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☐ The school has a partially developed system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ The school has a minimal or no system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ Not applicable - Charter school participates in LAUSD's Option 1 SELPA	☒ Welligent IEP Timeline and Service Tracking Reports ☒ Annual Self-Review Checklist ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with School Leadership ☐ Other: (Specify)

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O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a school climate and schoolwide student discipline system in place to ensure that the school's practices:

- Align with principles of the District's Discipline Foundation Policy and School Climate Bill of Rights Resolution, including but not limited to, tiered behavior intervention, alternatives to suspension, schoolwide positive behavior support, and data monitoring
- Provide positive opportunities for student wellness, growth, and success, aimed at making the school safe, welcoming, supportive, and inclusive
- Monitor discretionary suspensions and expulsions
- Monitor chronic absenteeism for all students and student groups
- Prevent acts of bullying, including cyberbullying, in accordance with the requirements of Ed. Code, §§ 32283.5 and 234.4

Performance Rubric	Sources of Evidence
☐ The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☒ The school has a school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate notification to the District. ☐ The school has a partially developed and/or minimally effective school climate and student discipline system that is only partially aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights, and/or the school demonstrates inconsistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☐ The school has a minimally developed school climate and student discipline system as demonstrated by one or more of the following: the issuance of repeated CSD Notices to Cure (tiered intervention) related to suspension/expulsion; noted concerns related to ensuring due process rights when implementing suspension/expulsion practices; violation of law or policy.	☒ Positive school climate system and Restorative Justice documentation ☒ Documentation of systems to prevent acts of bullying ☒ Documentation of systems to promote regular attendance ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

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DATE OF VISIT: **3/4/2026**

O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school has a system for stakeholder engagement, including gathering input, facilitating, and encouraging involvement, sharing information, and resolving concerns, which:

- Provides parents, teachers, and students with meaningful opportunities for involvement and engagement that meet the requirements and goals of applicable federal and state law, the school's charter, and the school LCAP
- Implements a School Site Council (SSC), English Learner Advisory Committee (ELAC), and/or Parent Advisory Committee (PAC) in accordance with applicable legal requirements (e.g., member composition of committee/council, legally required topics, etc.), if applicable

Performance Rubric	Sources of Evidence
☐ The school provided evidence of a well-developed and effective system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☒ The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided limited evidence of a system for stakeholder engagement, sharing information, and resolving concerns ☐ The school provided little to no evidence of a system for stakeholder engagement, sharing information, and resolving concerns	☒ Yearlong Calendar of stakeholder engagement events/meetings. ☒ Stakeholder Engagement ☒ Stakeholder Consultation ☒ School Site Council (SSC) documentation ☒ Parent Advisory Committee (PAC) documentation ☒ English Learners Advisory Committee (ELAC) documentation ☒ School website ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

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A. Review of Clearances, Credentialing, and Mandated Training Compliance Items

The items below are expected to be evident to ensure the school is in compliance with applicable law and the terms of its approved charter regarding clearances, credentialing, and mandated training at all times. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

Rating Note: A charter school cannot receive an overall rating in this category greater than one (1) if any items below are not evident.

Item	Evident	Not Evident
All new employees of the charter have a DOJ Criminal Background Clearance date prior to start date, per Ed Code § 45125.	☒	☐
Charter maintains accurate vendor certification forms, which are reviewed and signed by the charter school representative, prior to start date of vendor services, per Ed Code §§ 44237 and 45125.1.	☒	☐
All sole proprietors have a Sole Proprietor Criminal Background Clearance Certification form and a Sole Proprietor Vendor Certification of Criminal Background Clearance, Tuberculosis (TB) Clearance, and Credential Verification form completed prior to start date, per Ed Code §§ 44237, 45125.1 and 49406.	☒	☐
If applicable, all volunteers who perform school-site services while not under the direct supervision of a school employee have a DOJ Criminal Background Clearance date prior to start date, Ed Code §§ 44237 and 45125.	☐	☐
	☒ Not applicable	

Rating Note: A charter school cannot receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
All employees have completed mandated child abuse reporter training within 6-weeks of the beginning of the school year or within 6-weeks of employment, per Ed Code § 44691.	☒	☐
All certificated staff are fully credentialed, including EL authorizations, and appropriately assigned as authorized by their credentials at all times, per Ed Code § 47605(l).	☒	☐

Rating Note: A charter school may not receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
The school has provided documentation for at least one Custodian of Records, per California Penal Code § 11102.2.	☒	☐
All new employees of the charter have undergone a risk assessment and/or be examined and determined to be free of active tuberculosis (TB) within the period of 60 days prior to employment/service, per Ed Code § 49406.	☒	☐
All employees have current TB clearance, per Federal, State, and District Required Language.	☒	☐
	☐	☐

All volunteers with frequent or prolonged contact with students have a current TB clearance upon initial time of assignment, per Ed Code § 49406.	☒ Not applicable
Notes: None	

B. Review of Health and Safety Compliance Items

The items below are expected to be evident at the charter school to ensure the protection of student and staff health and safety. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

A charter school cannot receive an overall rating in this category greater than one (1) if the items below are not evident.

Item	Evident	Not Evident
A current, comprehensive, site-specific comprehensive Health, Safety, and Emergency School Safety Plan per requirements of Ed. Code, §§ 47605(c)(5)(F), 32282, and 35179.4, as applicable. (Note: For schools co-located with a District school, the charter school participates in and complies with the District school's Integrated Safe School Plan)	☒	☐

A charter school may receive an overall rating in this category of two (2) if any of the items below are not evident.
If several (i.e., two or more) items below are not evident, charter school may receive an overall rating of one (1) in this category.

Item	Evident	Not Evident
School has sufficient emergency supplies in the event of a natural disaster or other emergency (Ed. Code § 32282)	☒	☐
School conducts annual emergency drills and trainings as legally required to prepare for a natural disaster or other emergency, per Ed. Code §§ 32001 and 32282	☒	☐
Provision and documentation of health screenings (e.g., vision, hearing, and scoliosis) per current applicable law and terms of the charter (Ed. Code § 49450 et seq, as referenced in FSDRL)	☒	☐
Stock and maintenance of the required number and type of emergency epinephrine auto-injectors ("epi-pen") onsite and training has been provided to volunteer staff member(s) in the storage and emergency use, per Ed. Code § 49414 and § 4119.2 of the Business and Professions Code	☒	☐
Provision of at least two meals free of charge (breakfast and lunch) during each school day to students requesting a meal, regardless of their free or reduced-price meal eligibility, per Ed. Code § 49501.5	☒	☐

A Board adopted Pupil Suicide Prevention Policy (grades 1-6 and/or grades 7-12, as applicable), requirements per of Ed. Code § 215. Suicide Prevention Lifeline and National Domestic Violence Hotline on at least one side of Student ID cards, as specified in Ed. Code § 215.5	☒	☐
For schools offering an interscholastic athletic program, at least one automated external defibrillator (AED) is onsite, and available at on-campus athletic activities or events per Ed. Code §§ 35179.4 and 35179.6.	☒	☐
	☐ Not applicable	
Notes: None		

C. Review of Transparency and Stakeholder Information Compliance Items

The items below are expected to be evident at the charter school to ensure that it operates in a transparent manner and keeps all stakeholders informed. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and impact the overall rating in the Organizational Management, Programs, and Operations category.

A charter school cannot receive a rating in this category greater than three (3) if any of the items below are not evident.

Item	Evident	Not Evident
The following information posted to the school's website: ☒ LCAP, per Ed. Code § 47606.5(h) ☒ Current Board agenda in compliance with Brown Act, per Gov. Code, § 54954.2 (a)(1) and (d). ☒ Policy on Pupil Suicide Prevention per Ed. Code § 234.6 ☒ Title IX information, including a link to CDE's Title IX website per Ed. Code § 234.6 ☒ Policies on anti-discrimination, anti-harassment, anti-intimidation, anti-bullying, and sexual harassment policies, including: anti-cyberbullying procedures, social media anti-bullying procedures, and a link to statewide resources including community-based organizations compiled by CDE, per Ed. Code § 234.6 ☒ Information provided to parents/guardians regarding the dangers associated with using synthetic drugs that are not prescribed by a physician, such as fentanyl; the possibility that dangerous synthetic drugs can be found in counterfeit pills; and the risk of social media platforms being used as a way to market and sell synthetic drugs, such as fentanyl, per Ed Code § 48985.5	☒	☐
Provides stakeholders with appropriate, accessible, and relevant information about individual student and schoolwide academic progress and performance Ed. Code § 47605(c)(5)(C)	☒	☐
Access to approved charter	☒	☐

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Documentation of informing parents/guardians about transferability of courses/course credit and eligibility to meet A-G requirements (high schools only), per Ed. Code § 47605	☒	☐
	☐ Not applicable	
Informing parents/guardians of human trafficking prevention resources (grades 6-12), per Ed. Code § 49381	☒	☐
	☐ Not applicable	
Notification of access to available mental health services (grades K-12), per Ed. Code § 49428.	☒	☐
Charter schools serving any of the grades 6 to 12, shall prominently and conspicuously display a poster that identifies approaches and shares resources regarding pupil mental health in appropriate public areas that are accessible to, and commonly frequented by, pupils, per Ed. Code § 49428.5	☒	☐
	☐ Not applicable	
Notes: None		

LOCAL CONTROL AND ACCOUNTABILITY PLAN 2025-2026 (For Informational Purposes Only)

The CSD reviewed the Local Control and Accountability Plan.	
All requested template information and descriptions were *provided*:	**Sources of Evidence**
☒ LCFF Budget Overview for Parents ☒ Plan Summary ☒ Engaging Educational Partners ☒ Goals and Actions ☒ Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students ☒ Action Tables ☒ Instructions	☒ Local Control and Accountability Plan ☒ Board Agenda and Minutes
Notes: None	

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

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DATE OF VISIT: **3/4/2026**

8011	2021-2022					2022-2023					2023-2024				
Magnolia Science Academy 4	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents		1,258,831	1,275,763	1,105,035	1,105,035		1,535,580	1,019,351	1,599,759	1,599,759		1,107,751	1,198,211	1,265,070	1,265,070
Accounts Receivable		439,445	419,655	603,432	684,976		177,770	240,435	729,270	729,272		289,202	401,053	548,559	441,608
Other Current Assets		0	0	644	644		0	0	14,171	14,171		12,000	14,850	17,682	124,633
Total Current Assets		**1,698,276**	**1,695,418**	**1,709,111**	**1,790,655**		**1,713,350**	**1,259,786**	**2,343,200**	**2,343,202**		**1,408,953**	**1,614,114**	**1,831,311**	**1,831,311**
Fixed and Other Assets		69,518	83,435	84,691	84,691		73,723	70,575	58,683	58,683		21,501	20,860	30,905	30,905
Total Assets		**1,767,794**	**1,778,853**	**1,793,802**	**1,875,346**		**1,787,073**	**1,330,361**	**2,401,883**	**2,401,885**		**1,430,454**	**1,634,974**	**1,862,216**	**1,862,216**
Deferred Outflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities		460,930	614,151	526,329	526,330		492,216	90,220	941,078	944,454		339,376	299,532	523,837	528,885
Other Long Term Liabilities		0	0	0	0		0	0	11,932	8,558		9,161	8,109	16,258	11,210
Unfunded OPEB Liabilities		0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities		**460,930**	**614,151**	**526,329**	**526,330**		**492,216**	**90,220**	**953,010**	**953,012**		**348,537**	**307,641**	**540,095**	**540,095**
Deferred Inflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Net Assets		**1,306,864**	**1,164,702**	**1,267,473**	**1,349,016**		**1,294,857**	**1,240,141**	**1,448,873**	**1,448,873**		**1,081,916**	**1,327,334**	**1,322,121**	**1,322,121**
Total Revenues	2,252,869	2,106,813	2,237,100	2,321,160	2,513,884	2,478,872	2,602,072	2,404,353	2,592,174	2,677,049	2,723,868	2,623,388	2,703,031	2,684,358	2,774,686
Total Expenditures	2,238,257	2,021,896	2,294,345	2,275,635	2,386,815	2,411,735	2,574,687	2,513,229	2,492,318	2,577,192	2,668,968	2,990,344	2,824,571	2,811,111	2,901,438
Net Income / (Loss)	**14,612**	**84,917**	**(57,245)**	**45,525**	**127,069**	**67,137**	**27,385**	**(108,876)**	**99,856**	**99,857**	**54,899**	**(366,957)**	**(121,540)**	**(126,752)**	**(126,752)**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**14,612**	**84,917**	**(57,245)**	**45,525**	**127,069**	**67,137**	**27,385**	**(108,876)**	**99,856**	**99,857**	**54,899**	**(366,957)**	**(121,540)**	**(126,752)**	**(126,752)**
Net Assets, Beginning	942,503	1,221,947	1,221,947	1,221,948	1,221,947	1,268,735	1,267,472	1,267,472	1,267,472	1,349,016	1,240,141	1,448,873	1,448,873	1,448,873	1,448,873
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	81,545	81,545	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	**942,503**	**1,221,947**	**1,221,947**	**1,221,948**	**1,221,947**	**1,268,735**	**1,267,472**	**1,349,017**	**1,349,017**	**1,349,016**	1,240,141	1,448,873	1,448,873	1,448,873	1,448,873
Net Assets, End	**957,115**	**1,306,864**	**1,164,702**	**1,267,473**	**1,349,016**	**1,335,872**	**1,294,857**	**1,240,141**	**1,448,873**	**1,448,873**	**1,295,041**	**1,081,916**	**1,327,334**	**1,322,121**	**1,322,121**
Unrestricted Net Assets		1,201,128	948,885	1,188,556	1,349,016		1,135,892	940,375	1,443,595	1,448,873		938,758	1,237,122	1,322,121	1,322,121
Restricted Net Assets		105,736	215,817	78,917	0		158,965	299,766	5,279	0		143,158	90,212	0	0

8011	Audited Financials					2024-2025					2025-2026				
Magnolia Science Academy 4	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents	1,105,035	1,599,759	1,265,070	902,769	0		1,130,811	1,069,515	902,769	902,769		843,082	919,727	0	0
Accounts Receivable	684,976	729,272	441,608	598,176	0		306,762	229,952	598,176	598,176		255,964	385,417	0	0
Other Current Assets	644	14,171	124,633	4,038	0		0	0	4,038	4,038		0	0	0	0
Total Current Assets	**1,790,655**	**2,343,202**	1,831,311	1,504,983	0		**1,437,573**	**1,299,467**	**1,504,983**	**1,504,983**		**1,099,045**	**1,305,144**	**0**	**0**
Fixed and Other Assets	84,691	58,683	30,905	14,946	0		24,832	24,832	14,946	14,946		11,047	19,257	0	0
Total Assets	**1,875,346**	**2,401,885**	**1,862,216**	**1,519,929**	**0**		**1,462,405**	**1,324,299**	**1,519,929**	**1,519,929**		**1,110,093**	**1,324,401**	**0**	**0**
Deferred Outflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities	526,330	944,454	528,885	452,187	0		228,512	178,023	446,882	452,187		341,164	416,685	0	0
Other Long Term Liabilities	0	8,558	11,210	5,904	0		11,209	11,209	11,209	5,904		5,902	5,902	0	0
Unfunded OPEB Liabilities	0	0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities	**526,330**	**953,012**	**540,095**	**458,091**	**0**		**239,722**	**189,232**	**458,091**	**458,091**		**347,067**	**422,587**	**0**	**0**
Deferred Inflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Net Assets	**1,349,016**	**1,448,873**	**1,322,121**	**1,061,838**	**0**		**1,222,683**	**1,135,067**	**1,061,838**	**1,061,838**		**763,026**	**901,815**	**0**	**0**
Total Revenues	2,513,884	2,677,049	2,774,686	2,785,330	0	2,871,684	2,755,014	2,658,409	2,695,572	2,785,330	2,798,838	2,613,120	2,765,945	0	0
Total Expenditures	2,386,815	2,577,192	2,901,438	3,045,613	0	2,797,712	2,854,451	2,845,463	2,955,855	3,045,613	2,774,440	2,911,932	2,925,968	0	0
Net Income / (Loss)	**127,069**	**99,857**	**(126,752)**	**(260,283)**	**0**	**73,972**	**(99,437)**	**(187,054)**	**(260,283)**	**(260,283)**	**24,398**	**(298,812)**	**(160,023)**	**0**	**0**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**127,069**	**99,857**	**(126,752)**	**(260,283)**	**0**	73,972	**(99,437)**	**(187,054)**	**(260,283)**	**(260,283)**	24,398	(298,812)	(160,023)	0	0
Net Assets, Beginning	1,221,947	1,349,016	1,448,873	1,322,121	0	1,327,334	1,322,121	1,322,121	1,322,121	1,322,121	1,135,067	1,061,838	1,061,838	0	0
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	1,221,947	1,349,016	1,448,873	1,322,121	0	1,327,334	1,322,121	1,322,121	1,322,121	1,322,121	1,135,067	1,061,838	1,061,838	0	0
Net Assets, End	**1,349,016**	**1,448,873**	**1,322,121**	**1,061,838**	**0**	**1,401,306**	**1,222,683**	**1,135,067**	**1,061,838**	**1,061,838**	**1,159,465**	**763,026**	**901,815**	**0**	**0**
Unrestricted Net Assets	1,349,016	1,448,873	1,322,121	1,061,838	0		1,040,684	1,113,004	1,061,838	1,061,838		763,026	661,638	0	0
Restricted Net Assets	0	0	0	0	0		182,000	22,063	0	0		0	240,177	0	0

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive. However, please see **Item #2** in the **Areas Noted for Further Growth and/or Improvements** section regarding the school's low student enrollment and operating loss trends.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 4	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$1,349,016	$1,448,873	$1,322,121	$1,061,838	$901,815
Net Income / (Loss)	$127,069	$99,857	($126,752)[1]	($260,283)[2]	($160,023)[3]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$1,105,035	$1,599,759	$1,265,070	$902,769	$919,727
Unrestricted Net Assets	$1,349,016	$1,448,873	$1,322,121	$1,061,838	$661,638
Norm Enrollment Reported by the School	110	101	120	133	124
FINANCIAL RATIO ANALYSIS					

Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	56.52%	56.22%	45.57%	34.86%	22.61%
Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	46.30%	62.07%	43.60%	29.64%	31.43%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	340.22%	248.10%	346.26%	332.82%	313.22%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	28.07%	39.68%	29.00%	30.14%	31.91%

According to Magnolia Educational & Research Foundation (MERF):

[1]The reported net loss of ($126,752) for Fiscal Year 2023-2024 was primarily due to unexpected operational needs and necessary staffing expenses, including costs related to substitute and Special Education staffing, certificated aids, and rent and leases. The school explained that the deficit does not indicate long-term fiscal instability but reflects a set of temporary and unanticipated cost increases.

[2]The reported net loss of ($260,283) for Fiscal Year 2024-2025 was primarily due to increases in Special Education consulting services, additional educational software, facility-related costs, and substitute services, which exceeded revenue growth for the year.

[3]The projected net loss of ($160,023) for Fiscal Year 2025-2026 is due to a decline in student enrollment and ADA percentage, which resulted in lower-than-expected revenue for the school year. See **Item#2** under the **Areas Noted for Further Growth and/or Improvement** section below.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation		
Source: Independent Audit Report for the Year Ending June 30, 2025		
# of Charter Schools	**Including related parties and charter schools**	**Excluding related parties and charter schools**

Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[4]	4[4]	$60,016,994	**($2,017,671)**[5]	$441,370	**($2,511,233)**[5]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 4 paid annual management fees of $179,169 (approximately 2% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and Special Education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[4]The other LAUSD-authorized MERF charter schools are: (1) MSA 6; (2) MSA 7; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[5]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671)**, inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations+	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**

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Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 4's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6			12	8	9
7			9	17	10
8			1	10	15
9	35	23	20	21	29
10	22	34	30	21	16
11	27	20	33	28	17
12	26	24	15	28	28
Total Enrollment	**110**	**101**	**120**	**133**	**124**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(9)**	**19**	**13**	**(9)**
Enrollment Growth/(Decrease) (%)	**N/A**	**(8.2%)**	**18.8%**	**10.8%**	**(6.8%)**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**14**

Accumulated increase in student enrollment percentage	**12.7%**
Current Board-approved enrollment capacity in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
Per Board-approved enrollment capacity in the school's operative charter	**360**
2025-2026 Norm Enrollment	**124**
Below Board-approved enrollment capacity in the school's operative charter	**(236)**[6]
Below Board-approved enrollment capacity percentage in the school's operative charter	**(65.6%)**

[6]See **Item#2** under the **Areas Noted for Further Growth and/or Improvement** section below.

On November 17, 2025, the LAUSD Board of Education approved MSA 4's renewal petition with a maximum enrollment capacity of 360 students for the renewal charter term (2026-2031). The projected student enrollment for the 2026-2031 renewal term is 155, 165, 175, 185, and 195. The CSD will continue to monitor the school's student enrollment and financial condition through oversight.

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

Areas Noted for Further Growth and/or Improvement:

Through conducting fiscal oversight, the CSD requests and receives fiscal documents from the charter operator operating multiple charter schools (including bank statements, bank reconciliations, credit card statements, and check registers) that are currently authorized by LAUSD. The CSD reviews these financial documents—along with a sample of checks/disbursements and credit card transactions, as applicable—across these charter schools, to assess the organization's overall compliance with the charter operator governing board-approved fiscal policies and procedures, applicable federal, state, and local laws and regulations, District and charter requirements, and the effectiveness of the charter operator's internal controls and systems in place in alignment with best business practices. Any areas noted for further growth and/or improvement and other observations relating to the charter operator's and its charter schools' overall compliance and fiscal operations—including fiscal mismanagement, regulatory non-compliance, fiscal governance or internal control issues, or fiscally operational deficiencies, audit findings, etc. that *directly and systemically* impact the charter schools operated under the charter operator—are documented within each charter school's Annual Performance-Based Oversight Visit Report. These issues may or may not have been observed for the specific charter school under the same charter network, based on the CSD's sampling review. Lastly, school-specific exceptions, such as the fiscal condition, unique oversight observations, or audit findings applicable to individual schools, are reviewed and documented separately for each charter school.

1. **Type of Observations: Discrepancies Between Invoices and Supporting Documentation; Absence of Management Detailed Review Prior to Approving and Processing Payments**

- **Source of Documents Reviewed: Check Register**
- **Description of Observations:** Based on the CSD's review of three (3) transactions from a total of seventeen (17) check register samples, the CSD identified discrepancies between the invoices submitted and MERF's initial supporting documentation provided to the CSD. Although MERF subsequently provided additional documentation in response to the CSD's observations and inquiries, these discrepancies suggest weakness in internal controls, particularly the lack of management review and reconciliation of billed hours, days, and amounts prior to approving and processing payments to vendors and contractors. A summary of the CSD's observations is provided in the table below.

Sample # and School	Date	Check#	Vendor Name	Invoice #	Invoice Amount	# of Hours/ Days Billed	# of Hours/ Days per Initial Supporting Documentation	Overbilled Hours/ Days	Overbilled Amount	Description of CSD Observations
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903022	$12,071.67	97.1667 hours	35 hours	62.17 hours	$7,575.67	The school provided supporting documents that did not match the hours billed by the vendor. ***Additional documentation was subsequently submitted that matched the billed hours***; however, this documentation was provided ***after the fact***, indicating weak internal controls. It further reflected a failure to verify invoices against contract terms and a lack of adequate review processes before approving and processing the payment to the vendor/contractor.
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903175	$11,464.67	93.6667 hours	47 hours	46.67 hours	$5,571.06	
#16 MSA 8	5/13/2025	800203	Nextgen Teachers LLC	9-APRIL 2025	$30,210.00	90 days	86 days	4 days	$1,336.00	The school provided sign-in sheets to support the billed service days; however, four days lacked sign-ins. Additional issues included billing inconsistencies with contract rates and duplicate charges for the

										same subject on the same day.
#17 MSA 8	5/16/2025	800207	Nextgen Teachers LLC	8-MARCH 2025	$28,524.00	85 days	85 days	-	-	Although the billed days were consistent with the days per the supporting documentation submitted to the CSD, and the school provided sign-in sheets to support billed service days, the CSD identified that some dates did not match vendor invoices, and duplicate billing was identified for the same teacher and subject on the same day. These discrepancies indicate a lack of internal controls in reviewing and reconciling invoices to supporting documentation and contractual terms.

- **Charter Operator's Fiscal Policies and Procedures:** Pages 248 and 249 (Title: PUR104 Accounts Payable and Cash Disbursements) of the MERF's Financial Policies and Procedures Manual, approved by the MERF Board on June 26, 2025, states: "Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, …." It further states: "Scope: This procedure applies to all purchases, including contractors, consultants, and merchandise and non-merchandise purchases."

- **CSD's Comments:** The CSD continues to urge MERF's leadership team to improve its process and exercise greater diligence in reviewing and verifying invoices prior to processing payments to ensure that accurate calculations and appropriate supporting documentation support all disbursements of the school funds, aligning with the organization's board-approved fiscal policies and procedures as well as best business practices.

2. **Type of Observation: Low Student Enrollment and Operating Loss Trends**
   - **Source of Documents Reviewed:** Norm Enrollment Reported by the School, Audited Financials, Interim Projections
   - **Description of Observations:** Pursuant to the District's oversight obligations, the CSD reviews the charter schools' financial condition and Norm Enrollment trends, given that they are considered key indicators of a charter school's future revenue stream and financial viability. The CSD also compares charter schools' Norm Enrollment year-by-year to the approved enrollment capacity as part of its oversight review.

As summarized in the table under the **Norm Enrollment Data and Trends** section above, MSA 4's reported Norm Enrollment was 110, 101, 120, 133, and 124 for Fiscal Years 2021-2022 through 2025-2026, respectively. Norm Enrollment of 124 students for Fiscal Year 2025-2026, which represents 236 students (or approximately 65.6%) below its approved enrollment capacity (i.e., 360 students).

As noted in the Financial Highlights section above, the school reported consecutive net losses of ($126,752) and ($260,283) for Fiscal Years 2023-2024 and 2024-2025, respectively, and continues to project an additional net loss of ($160,023) for Fiscal Year 2025-2026 based on its 2025-2026 Second Interim Financials.

Although the school maintains positive net assets, MSA's recurring operating losses, along with the decline in student enrollment in 2025-2026, raise concerns as these may negatively impact the school's long-term financial position if the trend continues.

- **Charter Operator's Fiscal Policies and Procedures: N/A**
- **Charter School's Response:** According to the school during MSA 4's renewal process in FY 2025-2026, "Beginning this year [2025-2026], MERF has revamped its recruitment approach to focus on five key factors: Focus on attrition and persistence efforts for student enrollment, working from the inside out, through strategically engaging current families, leveraging intentional community partnerships, and outreach to prospective families." The school further stated, "Through these concrete strategies, we are confident that MSA-4 will see continued growth in its current site. However, in the unlikely event that MSA-4 does not achieve its enrollment projections through these revamped efforts, MERF is prepared to support the Charter School by reducing the CMO fee if needed." Additionally, according to the school, during the FY 2025-2026 oversight process, their efforts to boost student enrollment center on enhanced recruitment strategies that increase visibility through marketing and events, build stronger community relationships, ensure access for diverse families, and leverage data to refine and improve recruitment over time.
- **CSD's Comments:** As discussed in the table under the **Charter Operator Fiscal Information** section above**,** MERF's Home Office reported a significant operational deficit in FY 2024-2025, leading to significantly reduced net assets, which may negatively impact its ability to provide financial support to the MERF charter schools. As noted above, MSA 4 projected 155, 165, 175, 185, and 195 students for its renewal charter term 2026-2031. The CSD will continue to monitor the school's student enrollment and its financial condition through oversight.

The governing board and leadership team of the charter school are responsible for managing the operations of the school. The CSD recommends that the Annual Performance-Based Oversight Visit Report, including the above-noted fiscal findings and observations, be discussed at the MERF's next governing board meeting, highly preferably no later than 90 days following the school's receipt of this report, so that the charter school and its governing board may address any issues early enough to implement changes in order to see results in its next fiscal year. It is the school's responsibility to provide the CSD with its action plans/steps, proof of implementation of the mitigating actions taken by the school, and/or documentation (e.g., governing board meeting agendas and approved board meeting minutes, updated fiscal policies and procedures, etc.), as applicable, prior to or during the next Annual Performance-Based Oversight Visit. The CSD will continue to monitor these issues through oversight and may take additional appropriate oversight actions. The results may be factored into the school's rating for next year.

Other Observations (Items described in this section, which may not have been addressed in the charter school's Fiscal Policies and Procedures, are recommended for improvement to align with optimal business practices).

LAUSD CHARTER SCHOOLS DIVISION SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report DATE OF VISIT: **3/4/2026**

1. **Type of Observation: 2024-2025 Audit Finding – Material Weakness Concerning Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed financial statements-related findings identified as a material weakness concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC. Details regarding the audit finding are provided below:

     "**2025-001 30000 – Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments as it Relates to the Title Transfer for the Newly Formed LLC (Material Weakness)**

     Criteria or Specific Requirements
     Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This includes designing, implementing, and monitoring controls to ensure that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are free from material misstatement, whether caused by error or fraud. As part of this responsibility, management ensures that accounting considerations related to complex or non-routine transactions, including those involving legal entity structure or ownership, are appropriately identified, documented, reviewed, and recorded prior to year-end close.

     Condition
     During the course of our engagement, we identified material misstatements of beginning balances presented within the consolidated financial position, as reported on the 2022-2023 audited financial statements. This prior period restatement due to errors resulted in an understatement of $3,774,168. In addition, we identified adjustments related to cash and cash equivalents, property and equipment, notes payable, and the related revenues and expenditures. Specifically:

     Magnolia Educational & Research Foundation
     - Cash and cash equivalents were understated by $2,000,000.
     - Property and equipment were understated by $7,600,000.
     - Intra-entity receivables were overstated by $1,308,807.
     - Intra-entity payables were understated by $427,630.
     - Interest payable was understated by $307,131.
     - Notes payable were understated by $7,825,000.

     Magnolia Science Academy 5
     - Property and equipment were overstated by $3,964,890.
     - Intra-entity receivables were understated by $1,081,742.
     - Proposition construction loans were overstated by $1,441,574.

Magnolia Science Academy 7

- Property and equipment were overstated by $1,736,437.
- Intra-entity receivables were understated by $427,630.
- Intra-entity payables were overstated by $1,308,807.

MPM, Inc/LLC

- Notes receivable were understated by $3,540,002.
- Property and equipment were understated by $1,081,742.
- Intra-entity payables were understated by $1,081,742.

These adjustments resulted in an overall understatement of $1,829,860 in Net Assets.

During the fiscal year 2024-2025, the Organization established MPM 18120 Sherman Way LLC to hold title to the property at 18120 Sherman Way. The purchase transaction was completed during the year; however, as of June 30, 2025, the formal transfer of title from MERF to the LLC had not yet been finalized.

Context

The condition identified was through inquiry with Organization personnel and through review of available Organization records related to balances reported in the Organization's cash and cash equivalents, property and equipment, interest payable, and notes payable.

Cause

The delay was due to administrative timing and coordination requirements associated with setting up the new legal entity and preparing the necessary transfer documentation, specifically to avoid triggering the Los Angeles City Measure ULA transfer tax.

Effect

The net effect of these errors resulted in misstatements that were not detected or prevented by the Organization's internal accounting control and review process.

Repeat Finding

No

Recommendation

We recommend that management and those charged with governance continue to strengthen internal controls over financial reporting related to complex, non-routine transactions, including those involving legal entity formation, ownership, and timing considerations, to ensure that financial statements are free from material misstatement. Controls should enable management, in the normal course of performing assigned functions, to identify, document, and resolve accounting considerations on a timely basis. Specifically:

- Strengthen year-end reconciliation and review procedures for significant accounts.

- Enhance pre-year-end coordination and documentation review for transactions involving legal entity structure or ownership.
- Ensure timely identification, documentation, and recording of accounting judgments related to such transactions prior to financial statement issuance.

Corrective Action Plan and Views of Responsible Officials
The Organization agrees that effective year-end review, documentation, and coordination are critical components of its internal control over financial reporting, particularly for complex or non-routine transactions involving legal entity formation or ownership. Management has implemented, and continues to implement and monitor, enhanced procedures to strengthen cross-functional coordination, pre–year-end readiness reviews, documentation of accounting judgments, and verification of legal ownership and entity structure prior to fiscal year-end. Management believes these actions will support timely identification and resolution of accounting considerations and reduce the risk of similar issues in future reporting periods."

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above. In addition, in response to the CSD's follow-up inquiries, MERF provided its action plans developed and maintained by Cafer Turan, Interim Chief Financial Officer: Management will implement stronger controls over complex and non-routine transactions by ensuring proper review, documentation, and coordination. This includes completing a formal readiness certification before major real estate or financing activities, improving collaboration across departments and with auditors, and conducting enhanced reconciliations during year-end closing. Additionally, management will maintain thorough documentation of accounting judgments and ensure appropriate technical accounting review to support accurate and consistent financial reporting. Management will monitor and implement corrective actions throughout FY 2025–26, with full implementation expected by June 30, 2026. Effectiveness will be evaluated during year-end close and ongoing audit reviews. Additionally, management will conduct a pre-year-end review of LLC-related legal, ownership, and transactional documentation to ensure completeness and alignment before the fiscal year-end.

- **CSD's Comments:** The CSD urges that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

2. **Type of Observation: 2024-2025 State Compliance Audit Finding Concerning Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed a state compliance-related audit finding identified as a significant deficiency concerning attendance reporting. Details regarding this audit finding are provided below.

     "2025-002 10000 – Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)

     Criteria

Pursuant to California Education Code Section 47612.5, the Annual Period Report of Attendance submitted to the CDE should reconcile to supporting documents to ensure that Average Daily Attendance (ADA) is reported accurately. The attendance report should be revised to reflect updates and corrections to attendance when they occur.

Condition

The ADA reported on the Annual Period Report of Attendance was inaccurate due to the Organization misclassifying classroom-based ADA and nonclassroom-based ADA. As a result, the Organization overstated classroom-based ADA by 1.20 and underreported nonclassroom-based ADA by 1.20 on the Annual Report.

Cause

The misclassification appears to have resulted from an error in categorizing instructional settings for classroom-based and nonclassroom based ADA during annual reporting.

Effect

Magnolia Science Academy San Diego

The Organization over-reported by 1.20 ADA for classroom-based and under-reported by 1.20 ADA for nonclassroom-based on its Annual Period Report Attendance, resulting in an estimated fiscal impact as follows:

Grade Span	(Over) Under Reported ADA	Derived Value of ADA by Grade Span	Penalty
Classroom-based			
4-6	(0.38)	$ 10,937.43	$ (4,156.22)
7-8	(0.82)	11,260.92	(9,233.95)
Subtotal	(1.20)		(13,390.18)
Nonclassroom-based			
4-6	0.38	$ 10,937.43	$ 4,156.22
7-8	0.82	11,260.92	9,233.95
Subtotal	1.20		13,390.18
Total	-		$ -

Questioned Costs

There were no questioned costs identified.

Repeat Finding
No

Recommendation
The Organization should ensure the Annual Period Report of Attendance is accurately completed using the correct reports from the student information system.

Corrective Action Plan and Views of Responsible Officials
The Organization acknowledges the finding and agrees that ADA was misclassified. While the variance of 1.20 ADA does not result in a questioned cost, the school recognizes the importance of accurate reporting under California Education Code Section 47612.5.

The Organization concurs with the recommendation and has initiated steps to strengthen internal controls, update policies, and train staff to ensure future compliance.

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above.
- **CSD's Comments:** The CSD recommends that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

The Charter Schools Division will continue to monitor the issues referenced above by or during the next oversight visit. The results may be factored into the school's rating for next year.

Corrective Action Required:

None noted that immediate action is required to remedy concerns in this report.

Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS (if applicable):

☐ Not Applicable

As part of the November 7, 2017 renewal petition approved by the LAUSD Board of Education (Board of Education report 178-17/18), during the 2018-2023 charter term, which, by operation of law, was extended to and expires June 30, 2026,* MSA 4 must meet the following fiscal benchmarks and take the following actions in relation to its fiscal operations:

- MERF will continue to take steps to remediate its fiscal practices and demonstrate improvement in its fiscal management and operations, based on the recommendations made by the Fiscal Crisis & Management Assistance Team and SSCal, through the end of the term of MSA 4's charter or by the end of fiscal year 2022-2023.

- MERF must provide an annual update to the Charter Schools Division starting by December 15 of each year through the end of the term of MSA 4's charter or by the end of fiscal year 2022-2023, as to its progress in improving the school's fiscal management and operations.
-

To date, MSA 4 has complied with the benchmarks cited above. On November 17, 2025, the LAUSD Board of Education approved MSA 4's renewal petition for the 2026-2031 charter term without benchmarks. The CSD will continue to monitor the school's financial operations through the oversight review process.

* Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

Notes:

I.	Review of Fiscal Documentation	Comments
1.	FY 2024-2025 Independent Audit Report	
	a. Audit opinion:	Unmodified/Unqualified
	b. Material weaknesses:	Yes. Please see the description below.
	c. Deficiencies/Findings:	Yes. Please see the description below.
	d. Lack of a Going Concern:	None Reported
	Description (if applicable):	MERF's 2024-2025 independent audit report identified a material weakness related to financial statements concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC (affecting MERF, LLC, MSA 5, and MSA 7), and a state compliance-related audit finding identified as a significant deficiency related to attendance reporting related to MSA San Diego, not authorized by LAUSD (noted in the OO section above).
	The status of audit findings from 2023-2024 (if applicable):	Not applicable
2.	(Only for **new schools** without an audit report on file) The charter school is in its first/second year of operation and there is no independent audit report on file with the CSD.	Not applicable
3.	The 2024-2025 audited and unaudited actuals:	Nearly mirror each other.
	The 2024-2025 independent audit report is not available as of the date of this report.	Not applicable

4.	Segregation of Duties (SOD) review(s) was/were conducted in-person/virtually at:	Home Office, MSA 4 and MSA 8
		No discrepancies were noted.
5.	Proposition 39 information.	Magnolia Science Academy 4 is currently located on a Proposition 39 site. According to the District Charter Schools Accounting Unit's record, as of 3/31/2026, the school does not owe any Prop. 39 over-allocated space reimbursement fees. The CSD will continue to monitor this matter through oversight.

II.	Review of 2025-2026 Fiscal Preparation Guide	Provided	Comments
1.	Most Current Fiscal Reports Reported to the Board	Yes	
2.	Board Meeting Minutes – Discussion of Fiscal Reports Presented to Board & Board Packet	Yes	
3.	Audit or Fiscal Reports – CalSTRS, CalPERS, USDE, CDE, FCMAT, IRS, SBA, OPEB, etc.	N/A	
4.	Board Meeting Minutes – Approval of 2025-2026 Budget	Yes	
5.	Evidence of Compliance – STRS, PERS, Social Security, Other Benefits	Yes	Benefits offered by the school: Social Security, STRS, PERS
6.	Board Meeting Minutes – Selection of Independent Auditor	Yes	
7.	Board Meeting Minutes – Discussion of Independent Audit Report	Yes	
8.	Board Meeting Minutes – Discussion of the Most Recent Interim Financial Reports Submitted to LAUSD	Yes	
9.	Board Meeting Minutes – Discussion of Staff or Vendors Complaints	N/A	
10.	Board Meeting Minutes – Discussion of 2024-2025 Annual Performance-Based Oversight Visit Report	Yes	
11.	Current Fiscal Policies and Procedures	Yes	
12.	Board Meeting Minutes – Approval of Fiscal Policies and Procedures	Yes	
13.	Organizational Chart(s)	Yes	
14.	Summary of Total Compensation Paid in FY 2024-2025	Yes	
15.	Related Parties	Yes	

16.	MOUs for CMO Management Fees and/or back office service provider agreements	Yes	
17.	Board Meeting Minutes – Approval of Management Fees, License Fees, or Any Other Fees	Yes	
18.	Most Current Accounts Payable Aging Report	Yes	
19.	Check Registers (12 months)	Yes	Period spanning from 1/2025 to 12/2025 Reviewed checks for sample testing The CSD's observations were noted in the ANI section above.
20.	Credit Card Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed credit card transactions for sample testing No discrepancies were noted.
21.	Monthly Bank Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed electronic credit/debit transactions for sample testing No discrepancies were noted.
22.	Student Body Financial Records (6 months)	N/A	
23.	Capitalized and Non-Capitalized Inventory Listing	Yes	
24a.	Posting of EPA on School's Website	Yes	
24b.	Posting of Audited Financials on School's Website	Yes	
25.	Financing Activities, Loans, Factoring Receivables, Intercompany Transfers/Loans, etc.	Yes	See details below.

MERF provided the following historical intra-organizational loan balances:

Date	Borrower	Lender	Balance
June 30, 2024	MSA Santa Ana	MERF	$351,452.00
June 30, 2024	MSA San Diego	MERF	213,436.00
June 30, 2024	MERF	MSA 8	562,124.00
June 30, 2024	MERF	MSA 1	137,562.00

According to MERF, as of June 2025, total repayments made to MSA 8 and MSA 1 were $562,124 and $137,562, respectively, offset by the payments from MSA Santa Ana of $351,452, MSA San Diego of $213,436, and MERF of $134,798. Accordingly, there are no remaining balances associated with this historical loan arrangement.

Based on documentation (e.g., agreements) from MERF, the current intra-organizational loans are summarized in the table below:

Approval Date	Borrower	Lender	Loan Amount	Interest Rate	Maturity Date
12/11/2025	MERF	MSA 8	3,700,000.00	4%	04/30/2031
12/11/2025	MSA OC	MERF	3,700,000.00	4%	04/30/2031
01/24/2026	MERF	MSA 8	$1,308,807.00	4%	06/30/2031
01/24/2026	MSA 7	MERF	1,308,807.00	4%	06/30/2031

According to MERF, the outstanding intra-organizational loans between MERF and MSA 8 represent pass-through loans intended for MSA 7 and its new site (e.g., facility acquisition of the site located at 18120 Sherman Way, Reseda, CA 91335 in January 2025), and MSA Orange County (MSA OC) for its operational needs. As of 3/31/2026, the outstanding loan balances are: (1) MERF to MSA 8 is $5,008,807; (2) MSA 7 to MERF is $1,308,807; and (3) MSA OC to MERF is $3,700,000. As of the writing of this report, these balances remain unchanged from their original loan amounts. The MERF Board approved, at its meetings held on 12/11/2025 and 1/24/2026, respectively, an extension of the repayment terms for an additional five (5) years, with the first payment scheduled to begin in July 2026.

26.	New and Renewed Facility Lease Agreements and Board Meeting Minutes – Approval of New or Renewed Lease	Yes	
27.	Facilities Plans – Purchase, Lease, Relocation, Expansion, Major Improvements	Yes	Please see details below:

Per MERF, the following information was provided:

Facilities Plan – MSA 4 and MSA 6
MSA 4 and MSA 6, which currently operate under separate Prop 39 co-location arrangements, previously pursued the acquisition of a facility to establish a permanent campus. The organization completed key due diligence activities and entered escrow, including submitting a substantial good-faith deposit. However, the transaction ultimately did not move forward. Following a comprehensive financial review, including multi-year budget, cash flow, and balance sheet projections, the organization determined that the acquisition is not fiscally viable at this time and has elected not to proceed with the purchase. MERF incurred a $200,000 financial loss related to this transaction.

Facilities Plan – MSA 7
MSA 7 currently operates in a leased church facility, with projections indicating a significant increase in lease costs in the next term. To address rising expenses and ensure long-term stability, the school is pursuing the development of a permanent campus. The property for the new facility was acquired in January 2025. The project is presently in the design and permitting phase, with work underway on schematic design and construction documents. Once completed, the new campus will reduce long-term occupancy costs and provide students with stable, modern learning environments. The estimated move-in date is August 2027.

28.	Employee Retention Credit	N/A	
29.	Disclosure of Legal Issues with material fiscal impact	N/A	

Notes: N/A (Provided Column) = indicated by the charter school as not applicable
ANI = Areas Noted for Further Growth and/or Improvement
OO = Other Observations

Fiscal Operations Rubrics

Existing School *– a charter school that was/is in operation/active in the preceding school year(s) and the current school year. Existing schools may receive a rating of 4, 3, 2, or 1.*
New School *– a charter school that is in its first year of operation in the current school year and does not have an independent audit report or audited financial result for its first operative year on file with LAUSD. New schools are evaluated based on current year information. New schools may receive a rating of 2 or 1.*

Existing School 4 (Accomplished)	***To receive a rating of 4 (Accomplished), an existing school, at a minimum, meets all of the Required and Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is positive;
3. The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., California State Teachers' Retirement System (CalSTRS), California Public Employees' Retirement System (CalPERS), Fiscal Crisis & Management Assistance Team (FCMAT), United States Department of Education (USDE), California Department of Education (CDE), United States Small Business Administration (SBA), Internal Revenue Service (IRS), Employment Development Department (EDD), etc.), at the time of the oversight visit, show no outstanding findings;
5. Vendors and staff are consistently paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school consistently adheres to the governing board-approved fiscal policies and procedures;
8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are consistently processed or submitted by the charter school in a timely manner;
15. There are no items cited in Areas Noted for Further Growth and/or Improvement and there are no more than five (5) items cited in Other Observations for the most current year;
16. If applicable (when audited and unaudited actuals do not mirror each other), adequate explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is consistently in place;
18. If applicable, there are no outstanding fiscal-related tiered intervention notices issued to the school; or the school has no tiered intervention notices as of the oversight report issuance date; and

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19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are fully met by the required deadline(s); or the school has no fiscal benchmarks in its current charter term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in California Code of Regulations (CCR), Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the two most current annual independent audit reports;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the two most current annual independent audit reports;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the two most current annual independent audit reports;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)), or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 3 (Proficient)	***To receive a rating of 3 (Proficient), an existing school, at a minimum, meets all of the Required and at least five (5) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is positive;
3. The most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., CalSTRS, CalPERS, FCMAT, USDE, CDE, SBA, IRS, EDD, etc.), at the time of the oversight visit, show outstanding findings, and the school is able to demonstrate evidence of remedies in addressing these findings;
5. Vendors and staff are generally paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school generally adheres to the governing board-approved fiscal policies and procedures;

8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are generally processed or submitted by the charter school in a timely manner;
15. There are no significant recurring issues cited in the Areas Noted for Further Growth and/or Improvement;
16. If applicable (when audited and unaudited actuals do not mirror each other), at least partial explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is generally in place;
18. If applicable, the charter school is in the process of resolving outstanding fiscal issues cited in a Notice issued by the CSD as part of its tiered intervention process; and
19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are partially met by the required deadline(s).

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit report;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit report;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit report;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

Existing School 2 (Developing)	***An existing school would receive a rating of 2 (Developing) if the charter school is not eligible for the rating of Accomplished or Proficient, but, at a minimum, meets all of the Required and at least four (4) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report; net assets are negative with strong trend towards becoming positive (be positive at the end of the third year per the applicable interim financials); or the school's financial condition fluctuates from year to year, with significant net losses, leading to negative net assets in the current fiscal year and/or the foreseeable future fiscal years;
2. The cash balance at the beginning of the school year is positive; and
3. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 4**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/4/2026**

Existing School 1 (Unsatisfactory)	***An existing school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:

A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Accomplished*, *Proficient*, or *Developing* above. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, audit findings that are identified as repeat material weaknesses or significant deficiencies disclosed in the charter operator's most recent annual independent audit report, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result to non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 2 (Developing)	***A new school would receive a rating of 2 (Developing) if the charter school, at a minimum, meets all of the Required Criteria listed below.***

REQUIRED CRITERIA

1. Interim reports and/or unaudited actuals project positive net assets;
2. Projected debt, if any, is managed efficiently and will not cause the charter school to end the fiscal year with negative net assets. The non-profit organization is financially viable to support the charter school;
3. If enrollment is significantly below the enrollment per the school's *Pupil Estimates for New or Significantly Expanding Charters* report and/or its approved petition budget, the charter school has made significant adjustments in their operations to allow for the reduced income, and submitted a revised viable three-year budget and three-year cash flow projections;
4. Governing board adopts the annual budget;
5. Governing board reviews and discusses the charter school's financial reports as evidenced by the governing board meeting minutes;
6. Reasonable requests for information made by the Charter Schools Division and LAUSD are processed or submitted by the charter school in a timely manner; and
7. The LCAP is submitted to the appropriate agencies.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 1 (Unsatisfactory)	***A new school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:
A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Developing*. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result in non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

Los Angeles County Office of Education
Charter School Office Oversight Protocol

INSTRUCTIONAL PROGRAM REVIEW 2025-2026

Charter School	**Magnolia Science Academy 5 (Grades 6-12)**			
Charter Term	**Current Term July 1, 2017 - June 30, 2025** **Renewed February 10, 2026, for the term of July 1, 2026 – June 30, 2031**			
Date of Visit(s)	**November 7, 2025, and May 14, 2026**			
Enrollment	**Expected (Petition): 460**	**Actual Enrollment (based on PAAC reports and DataQuest)**		
		P1: 183.92	**P2: 183.92**	**Official: 194**
Most Recent School Performance Category:	☐ High ☒ Middle ☐ Low ☐ DASS			
Compliance Monitoring and/or Technical Assistance: (check all that apply)	☐ ATSI ☐ DA ☒ Williams	☐ CSI ☐ FPM ☐ TSI ☐ None		

This document provides a summary of observations and data collected through LACOE monitoring and oversight visit(s) focusing on the implementation of the academic program described in the school's charter and adherence to applicable laws. This form is adapted from the FCMAT Charter School Annual Oversight Checklist.

A. Data for Accountability and Improvement

1. Based California School Dashboard data, describe the extent to which the charter school is on track to meet renewal criteria pursuant to EC 47607.

Magnolia Science Academy 5 (MSA 5) currently is placed in the middle performance based on 2024 and 2025 California School Dashboard data. The school has performance level data for English Language Arts (ELA), Math, College and Career Indicator (CCI), English Language Proficiency Indicator (ELPI), Graduation Rates, Chronic Absenteeism, and Suspension Rates.

- ***ELA:*** *The All-Students and all Numerically Significant Student Groups (Student Groups) outperformed the state average Distance from Standard (DFS) in ELA. Each group made at least a 35-point increase. The school's DFS for All Students is 9.7, 17.8 points above the state.*
- ***Math****: All Students and the majority of Student Groups outperformed the state average DFS in Math. Further, the school made more than a 62-point increase. The school's DFS for All Students is -8.6, 33.8 points above the state.*
- ***ELPI:*** *The school's ELPI score was above the state, 79.6% of EL students making progress. Further, LTELs, while only 22 students, were also above the state average, with 81.8% making progress.*
- ***CCI:*** *The school only graduated 19 students; thus, it had no CCI performance level, but this data was still analyzed. The school continues to outperform the state for All Students and all Student Groups with CCIs of over 81% for every group with data.*
- ***Graduation Rates:*** *The school continues to have an exceedingly high graduation rate (over 91% for all groups with data, higher than the state averages), but with only 19 graduates, the school did not have a dashboard color performance color.*
- ***Chronic Absenteeism****: All Students and Student Groups have a Chronic Absenteeism rate higher than the state. While most groups saw a significant decrease, further analysis is needed to determine the effectiveness of current interventions.*
- ***Suspension Rate:*** *The school continues to have a low suspension rate for All Students (2.4%) and the majority of Student Groups with rates below the state average. SWD have a rate of 6.1%, higher than the state and over twice as much as any other student group, and analysis of the gap from their peers should be explored.*

Magnolia Science Academy-5 2025 Dashboard Summary							
Student Group	**ELA DFS**	**Math DFS**	**ELPI %**	**CCI %**	**Graduation Rate %**	**Chronic Absenteeism %**	**Suspension %**
All Students	9.7	-8.6	79.6	89.5**	94.7**	**24.5**	2.4
Hispanic	9.9	-12.6		88.2**	94.1**	**25.6**	3
ELs	-12.6	-14.6	79.6	81.8**	90.9**	**27.8**	1.4
LTEL			81.8**			33.3*	
SED	7.5	-19.3		94.4**	100**	**26.7**	2.9
SWD							**6.1**

Green denotes outperforming the state, Red denoted not outperforming the state.
* These groups have less than 30 students but are included due to the achievement gap.
**These groups were included even though there were less than 30 students for reference.

Appendix A includes comprehensive data for all dashboard indicators.

While the ELA and Math data will be further discussed in the next section on verified data, the school's improvement plans should include Chronic Absenteeism for all student groups, and Suspension Rates for the Student Groups indicated above.

The three-year trend shows that the school has outperformed the state in CAASPP ELA, CCI, and ELPI, but not in CAASPP Math. These are the four academic indicators, and they hold greater weight during renewal. The other three dashboard indicators show a three-year trend that the school is typically outperforming the state for Suspension Rate and for Graduation Rate when there is data. Chronic Absenteeism for the All-Students and all Student Groups did not outperform the state in any of the three years.

Magnolia Science Academy 5 Dashboard Summary													
Year	**ELA**		**Math**		**ELPI**	**CCI**		**Graduation Rate**		**Chronic Absenteeism**		**Suspension**	
	All	SG	All	SG	All	All	SG	All	SG	All	SG	All	SG
2023	Y	3/3	**N**	3/3	Y	Y	2/2	Y	2/2	**N**	**0/3**	Y	4/4
2024	**N**	3/3	**N**	**1/3**	Y	-	-	-	-	**N**	**0/3**	Y	4/4
2025	Y	3/3	Y	3/3	Y	-	-	-	-	**N**	**0/3**	Y	3/4
Majority	YES		**NO**		YES	YES		YES		**NO**		YES	

In addition to NWEA, the school also conducts systematic learning rounds to improve instruction and achievement throughout the year. These learning rounds are both done internally and with the Magnolia Public Schools (MPS) Central Office staff.

2. Describe the process that the charter school uses to collect and analyze verified data to continuously improve pupil achievement.

MSA 5 uses NWEA MAP testing to monitor its annual growth. NWEA MAP Growth released updated national normative data in October 2025, replacing the previous norms utilized in prior Charter Schools Office End-of-Year Oversight Reports. The updated norms were developed to reflect current student performance patterns, changes in U.S. student demographics, post-pandemic academic trends, and enhancements to the MAP Growth assessment platform and item-selection algorithm.

As part of this publisher-led update, the 2025 norms were retroactively applied to previously administered NWEA MAP Growth assessments. Therefore, the Conditional Growth Index (CGI) metrics presented in this report reflect the updated 2025 normative framework and may differ from values reported in prior years that were based on the previous 2020 norms. Direct comparisons between previously reported NWEA MAP CGI values and those presented in this report should be interpreted with consideration of this norming update. Best practice is to compare results using the same normative framework.

Upon review of the most recent NWEA MAP data from 2025-26, all grade levels made at least one year progress in both reading and math as indicated with a score of -0.2 CGI or above. The data was disaggregated further by student groups. Groups with fewer than 10 students were excluded from this report to protect student privacy. In addition, groups with less than half of the grade levels with data were also excluded, such as ELs with only one grade level with data. Using these guidelines, there were two student groups included in both reading and math (Hispanic students and SED) for all grade levels.

Using these guidelines, there were two (2) or three (3) student groups included in reading and math (socioeconomically disadvantaged (SED) and Hispanic students for all three (3) years and EL for some years with limited grades included).

- ***Reading:** All grade levels for All Students and student groups are making one year progress.*
- ***Language Usage:** The school does not give this test. This is an important component of ELA and should be part of the school's assessment profile.*
- ***Math:** ALL grade levels for All Students and student groups are making one year progress.*

The three-year trend shows that the majority of students are consistently making one year progress each year. While the chart below summarizes the data, Appendix A includes comprehensive data for verified data for All Students and student groups by grade level.

MSA 5 NWEA MAP Reading, Language Usage and Math Summary of Student Groups Meeting CGI

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index								
All Students	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
Numerically Significant Student Groups									
Hispanic or Latino	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
English Learners	4 of 4*	—	1 of 1**	—	—	—	2 of 3*	—	1 of 1**
Socioeconomically Disadvantaged	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
Are the majority of student groups performing above the state average?	YES (3 of 3)	YES (2 of 2)	YES (2 of 2))	—	—	—	YES (3 of 3)	YES (2 of 2)	YES (2 of 2))

3. To what extent did the charter school timely submit a complete and compliant LACOE Annual Report/Mid-Year LCAP?
The LACOE Annual Report/Mid-Year LCAP for MSA 5 was approved and submitted in March 2025.
4. Does the charter school annually review its measurable pupil outcomes (MPOs)? What actions has the charter school implemented to address unmet outcomes?
MSA 5 reviewed its MPOs for 2024-25 through the LACOE Annual Report/Mid-Year LCAP. During their review, the school identified areas for improvement. Some interventions identified in the LCAP and Mid-Year LCAP lack specificity, during site visits the school indicated some of the specific interventions they are implementing. The following is a list of interventions from both the plans and site visit data: • ***Student grades**: Strengthen course performance by using D/F lists every 2–3 weeks; coordinating targeted tutoring and office hours; data-driven instruction to address learning gaps; and offer Professional Development (PD) on grading strategies.* • ***Math EAP**: Explicitly connect 11th-grade ELA and Math instruction to EAP expectations by integrating performance-task practice, aligning benchmark assessments to CAASPP blueprints, and using data to identify and support students who are "nearly met."* • ***Average Daily Attendance (ADA) and Chronic Absenteeism:** Implement a more robust attendance MTSS; strengthen PBIS intervention and supports; continue utilizing attendance team to identify students and their needs; use the SARB process; continue expanding SEL supports (counseling, small-group sessions, and CORE SEL survey use) to address the underlying social-emotional and mental health needs that contribute to absenteeism and behavior incidents.* • ***CCI (CTE, Seal of Biliteracy, Advanced/Honors diploma, college going rates, etc.)**: Strengthen early college and career advising in grades 9–12 (and exposure in middle school) so that all students build four-year graduation plans aligned to UC/CSU a-g, AP, dual enrollment, and CTE sequences; continue to monitor subgroup participation and success in AP, dual enrollment, and advanced math (particularly EL, SED, and SWD students) to ensure that opportunities for "Prepared" status on the CCI are equitably distributed.* *Many of these interventions were evident and/or reported on during the LACOE spring site visit. Many are the same interventions each year. An analysis of impact and effectiveness of intervention may help to better target efforts.*
5. What process does the charter school use to review the LCAP annually? What LCAP goals were not met? What actions were implemented to address unmet LCAP goals?
MSA 5 reviewed its LCAP Goals for 2024-25 though the LACOE Annual Report/Mid-Year LCAP. The school's LCAP has many of the same goals as its MPOs. All unmet goals were the same as the unmet MPOs. *While LACOE CSO does not approve the LCAP, the CSO has focused on the following three areas and provided monthly training on the LCAP in regard to these areas:* ***The LCAP must address all 8 State priorities:** All 8 State priorities were addressed.* ***The LCAP must indicate how it engaged educational partners**: LCAPs indicate how educational partners were engaged.*

Actions on LCAP that are marked as Contributing must contribute to improving services/programs for low-income students, ELs and foster youth. *All actions marked as contributing are actions targeted to improve services/programs for these student groups. (Goals 1.4, 2.2, 2.3, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.4, 4.5). LACOE Staff recommends including data to strengthen the argument of the need for the action, specific actions, and determine how the action will primarily benefit unduplicated students.*

B. Educational Program and Curriculum

1. How is the charter school implementing the curricular and instructional program as approved in the charter petition?

MSA 5 is implementing the curricular and instructional plan as outlined in the approved charter. The school focuses on science, technology, engineering, arts, and mathematics (STEAM). The school has a college and career emphasis on the graduation requirements aligned to the UC's A-G requirements, two advanced placement courses, dual enrollment with Los Angeles Pierce College and the school's electives continue the STEAM education including Computers.

2. To what extent is the staffing sufficient, appropriately assigned, and stable enough to effectively implement the educational program?

The current school staff is sufficient to carry out the educational program. There are currently 15 certificated staff, including two special education teachers. In addition, there are 16 classified staff and seven other contracted staff.

3. What instructional approvals and accreditations (e.g., A–G, AP, CTE, IB, WASC) does the charter school hold and are these all the necessary approvals and accreditations needed to operate the approved program?

MSA 5 is accredited through the Western Association of Schools and Colleges (WASC) through June 30, 2029, with a mid-year cycle during the 2025-26 school year.

4. How does the instructional design framework align to the learning needs of all students and all numerically significant student groups?

The target population for MSA 5 are students in grades 6-12, from Reseda, California, and neighboring communities. There are many MSA 5 households that speak languages other than English and have a high population of socially economically disadvantaged students. MSA 5 provides a college preparatory educational program emphasizing STEAM and includes a variety of additional supports within the school day such as AP courses, Dual enrollment including IGETC, Power English and Math classes, and the program No Red Ink. The school continues to make annual growth as indicated on the NWEA MAP test in both reading and math for all student groups. Additionally, the school makes use of Saturday school and summer academy for further supplemental instruction and credit recovery. The school also uses CA-ISP and PBIS for SEL instruction.

Of note, the targeted community will change slightly upon relocation to the community of Winnetka.

5. What standards-aligned, non-faith-based instructional materials does the charter use for all content areas?

MSA 5 uses California Standard based materials for all classes.

C. Services to Special Populations

1. To what extent has the charter school adopted and implemented legally compliant policies and practices for special education services?

MSA 5 has adopted policies and practices that are compliant with all laws related to the provision of special education. The school's special education model includes push-in and pull-out models as well as Specialized Academic Instruction.

MSA 5 currently has 30 special education students (DataQuest), 15.5% of enrollment (2024-25 special education was 21.1% of enrollment). Using the most recent school special education report, the average caseload for the special education staff was approximately 15 students, well under the maximum caseload limit of 28 students. Additionally, according to quarterly special education reports, all IEPs were up to date each quarter, and no services were owed at the end of the year.

The Local Level Annual Performance Report (2023-24) found that the rate of eligibility determined within 60 days and the rate of students with transition goals/service is below the target (due to small n size, the exact percentage was not calculated but was determined to be less than the target of 100%). Local Level Annual Performance Report from CDE found at **https://www.cde.ca.gov/sp/se/ds/leadatarpts.asp**.

2. In what ways does the charter school demonstrate implementation of compliant procedures for identifying, serving, monitoring, and reclassifying English Learners consistent with its EL Master Plan and law?

MSA 5 administers the ELPAC, as well as benchmarks, the CAASPP, and classroom level data to determine English learner (EL) progress toward language proficiency. The school's process for identifying and reclassifying are defined in the school's Master Plan for English Learners and documentation for monitoring was observed during the spring site visit. The school currently (2025-26) serves an EL population of 19.6%.

The ELPI results for 2024-25 indicated that 79.6% of EL students made progress towards English language proficiency (an increase of 26.6%), 12.2% maintained their level, and 20.4% regressed. Their EPLI CA Dashboard Performance level was blue and above the state average (46.4% making progress). Of note, the school made a 26.6% increase in their ELPI score.

3. What structures and services have the charter school established to support foster youth and students experiencing homelessness?

MSA 5 has identified the homeless and foster youth liaison. This year MPS has revisited policy affecting homeless youth to ensure compliance with all state and federal laws.

D. Professional Development & Teacher Qualification

1. To what extent have all staff received required clearances, certifications, and mandated trainings in compliance with law and board policy?

MSA 5 staff have all the required training. Additionally, MPS staff attended all bi-weekly LACOE trainings.

2. What professional development did the charter school provide aligned to the instructional program, identified needs, and continuous improvement priorities?

Professional development is provided on a regular basis. Professional development included discussion of best teaching practices (Teach Like a Champion & Capturing Kids Hearts), improving instruction, collaboration between general education and special education programs and services, using data to inform instruction (IXL and IAB interim benchmarks), SEL instruction (CA ISP and Sown to Grow) and PBIS practices.

3. To what extent does the charter school verify that all courses are taught by appropriately credentialed teachers, including required English Learner authorizations?

Fall 2025 and Spring 2026 staffing rosters reflected that all teachers held appropriate credentials or temporary clearances to teach.

The 2024-25 CALSAAS summary report indicates that the school had no misassigned teachers or vacancies. While the school had 19 exceptions, 12 were deemed Local Assignment Options, 4 were Cored Setting, 2 were CALPADS errors and there was one other.

The school is currently eligible for Williams monitoring, 2025-2027, as more than 15 percent (26.3%) of the school's teachers did not possess a valid clear or preliminary teacher credential in 2022-2023.

E. Facilities, Operations and Safety

1. To what extent does the charter school maintain facilities in a condition that is safe, clean, and conducive to learning?

The annual facilities inspection was conducted on October 8, 2025, and there were no required corrections.

MSA 5 was approved for a material revision on June 9, 2026, to relocate the school 7111 Winnetka Ave. in the city of Winnetka. The school plans on relocating prior to the start of the 2026-2027 school year. It will be critical that fiscal health and enrollment/ADA is closely monitored.

2. What evidence is there that the charter school maintains required safety documentation, supplies, and emergency preparedness procedures?

MSA 5 has proper documentation, schedule of drills, and student safety plan.

3. How does the school create a climate that is safe, inclusive, and supportive of student learning and engagement?

MSA 5 received the California PBIS Gold Recognition for its work with implementing the PBIS system with fidelity. The school's suspension rate is lower than the state for All Students (2.4%) and all Student Groups except SWD (school 6.1% and state 5%).

4. To what extent is the organizational and leadership structure sufficient to effectively operate the instructional program in compliance with law?

The current leadership structure and staffing are sufficient to carry out the education program and effectively operate the school.

Summary

Evidence from the oversight visits and documentation review demonstrates that the school has implemented an instructional program that is aligned with the Common Core State Standards. Instructional lessons observed were standard-based aligned and provided several instructional strategies and supports to assist student groups. Many classrooms had at least two adults working with students. The school is continuing its PBIS work and was recognized as a Gold program for PBIS by the State. The school has implemented a dual enrollment program, with 83% of seniors completing at least one course.

The school continues to struggle with Chronic Absenteeism, and suspension of SWD. Many interventions have remained constant and future work should analyze the effectiveness of interventions and modify accordingly.

The school saw significant growth in CAASPP ELA and Math, as well as ELPI. The school's NWEA data shows the school is making one year growth for all grade levels for each student group in Reading and Math. The school is currently not utilizing the Language Usage portion, a key component of English Language Arts.

The California dashboard for MSA 5 shows many areas where the school is improving and exceeding the state averages. This positive data can be attributed to the school's attention to data and utilizing formative data from NWEA and IABs to target instruction. The school has a focus on college and career readiness as well as PBIS and social emotional support to ensure students are supported in their learning process. The school continues to reflect on all goals and data to create a system of continuous improvement.

MSA 5 has also provided its students and community with some unique opportunity and services including and second year of "Tacos and Taxes event providing free tax filing services to underserved communities and continues to collaborate with a variety of community partners.

Recommendations

1. *A comprehensive plan is recommended that includes specific changes, timelines, professional development schedules, and cycle of inquiry/Plan-Do-Study-Act cycles with actions grounded in current research. This plan should focus on Chronic Absenteeism for all students and suspension rates for SWD. Additionally, the school should evaluate current interventions for implementation with fidelity, impact, and effectiveness to target its future efforts.*
2. *The school should implement the Language Usage assessment from the NWEA MAP testing to fully assess students' ELA growth.*
3. *The Central Office and Board should closely monitor and support of the transition to the new site, including final construction details, expansion of staff and students, fiscal health, and enrollment/ADA.*
4. *The school should continue its focus on the implementation of PBIS and culturally responsive teaching into the schoolwide program and monitor the student social emotional needs, engagement, and absenteeism.*
5. *The school leadership should continue to closely monitor progress on Dashboard data for All Students and all applicable numerically significant student groups in comparison to the state, as well as any applicable Verified Data, Measurable Pupil Outcomes, and LCAP goals and ensure implementation of any action items to meet criteria for renewal. It is incumbent on each school to formulate a plan for analyzing and organizing assessment results to present clear and convincing data as evidence the school is fulfilling its requirement to increase student academic achievement.*

Report completed by LACOE Lead Coordinator:	Approved by LACOE Charter School Office Director:
Michelle Nye (Jul 20, 2026 16:19:30 PDT)	
Cheli Nye, Ed.D., Coordinator III	Indra Ciccarelli, Director II
Date report provided to the charter school: July 7, 2026	Report provided to charter school via: ☒ US Postal Mail/Email ☐ In-Person Meeting ☒ Video/Phone Conference

Glossary of Acronyms

Term	Detail
AP	Advanced Placement
ATSI	Additional Targeted Support and Improvement
CSI	Comprehensive Support and Improvement
CTE	Career and Technical Education
DA	Differentiated Assistance
EL	English Learner
ELA	English Language Arts
ELD	English Language Development
ELPI	English Language Proficiency Indicator
FPM	Federal Program Monitoring
FY	Foster Youth
IB	International Baccalaureate
LCAP	Local Control and Accountability Plan
LTEL	Long-Term English Learner
MPO	Measurable Pupil Outcome
P1	First Principal Apportionment
P2	Second Principal Apportionment
RSP	Resource Specialist Program
SDC	Special Day Class
SWD	Students With Disabilities
TSI	Targeted Support and Improvement
WASC	Western Association of Schools and Colleges

Appendix A

MAGNOLIA SCIENCE ACADEMY 5
CALIFORNIA DASHBOARD INDICATORS AND VERIFIED DATA

Table 1: MSA 5 2024-2025 Enrollment by Ethnicity

Student Groups	Number Enrolled	Percent of Total Enrollment
All	218	100%
AA/Black	4	1.8%
American Indian	2	0.9%
Asian	10	4.6%
Filipino	5	2.3%
Hispanic	183	83.9%
Pac Islander	—	—
Two or more	1	0.5%
White	13	6.0%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 1-5-26

Table 2: MSA 5 2024-2025 Enrollment by Student Group

Student Groups	Number Enrolled	Percent of Total Enrollment
EL	62	28.4%
Foster	1	0.5%
Homeless	8	3.7%
SED	181	83.0%
SWD	46	21.1%

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp Retrieved 1-5-26

Table 3: MSA 5 Enrollment by Year and Grade

Year	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Total
2017-18	61	53	54	31	11	0	0	210
2018-19	60	61	53	39	24	11	0	248
2019-20	51	62	61	51	30	21	5	281
2020-21	48	50	59	37	46	28	22	290
2021-22	30	48	50	23	28	41	27	247
2022-23	28	35	51	31	28	28	37	238
2023-24	34	28	39	38	27	27	25	218
2024-25	38	32	26	45	31	27	19	218

Source: CDE Data & Statistics/Accessing Educational Data/Census Day Enrollment Data https://www.cde.ca.gov/ds/ad/filesenrcensus.asp CDE Data & Statistics/Accessing Educational Data/Enrollment by School (1981-2022) https://www.cde.ca.gov/ds/ad/fileshistenr8122.asp Retrieved 1-5-26

California Dashboard Tables

Table Legend for All California Dashboard Tables
"*" - The student group has fewer than 11 students and is not reported for privacy reasons
"**" - Student groups must have at least 30 or more students in both the current and prior year status denominator of the state indicator to receive a Performance Level (color)
"—" - No data available
"NPC" - No Performance Color available
"N/A" - Non-Applicable

Table 4: MSA 5 Public School Charter School California Dashboard

Year	ELA	Math	ELPI	CCI	Graduation Rate	Chronic Absenteeism	Suspension
2023	Green	Yellow	Yellow	High	NPC	Red	Yellow
2024	Orange	Orange	Orange	NPC**	NPC**	Orange	Green
2025	Green	Green	Blue	NPC**	NPC**	Orange	Yellow

Source: CA School Dashboard https://www.caschooldashboard.org/

Table 5: MSA 5 Public School 2023 ELA Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Green	99	126	0.5	+3.2	-13.6	14.1	Higher
AA/Black	NPC*	100	2	*	—	-59.6	—	—
Am Indian	NPC*	100	1	*	—	-47.9	—	—
Asian	NPC*	100	2	*	—	61.8	—	—
Filipino	NPC*	80	5	*	—	44	—	—
Hispanic or Latino	Green	100	111	-2.7	+5.5	-40.2	37.5	Higher
Pacific Islander	—	—	0	—	—	-32.5	—	—
Two or More	NPC*	100	1	*	—	24.3	—	—
White	NPC*	100	5	*	—	20.8	—	—
English Learners	Orange	98	46	-54.2	-3.9	-67.7	13.5	Higher
Foster Youth	—	—	0	—	—	-89.2	—	—
Homeless Youth	NPC*	100	2	*	—	-67.9	—	—
LTEL	—	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Green	99	115	-3.4	+5.8	-42.6	39.2	Higher
Students With Disabilities	NPC**	100	17	-35.9	-2.4**	-96.3	60.4	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-7-25

Table 6: MSA 5 Public School 2024 ELA Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Orange	99	115	-27.9	**-28.4**	-13.2	-14.7	Lower
AA/Black	NPC*	100	2	*	—	-58.9	—	—
Am Indian	NPC*	100	2	*	—	-49	—	—
Asian	NPC*	100	3	*	—	60.7	—	—
Filipino	NPC*	100	1	*	—	45.8	—	—
Hispanic or Latino	Orange	99	101	-31.2	**-28.6**	-39.3	8.1	Higher
Pacific Islander	—	—	0	—	—	-34.7	—	—
Two or More	—	—	0	—	—	24.3	—	—
White	NPC*	100	6	*	—	19.2	—	—
English Learners	Orange	100	61	-66.0	**-11.8**	-67.6	1.6	Higher
Foster Youth	NPC*	100	1	*	—	-87.3	—	—
Homeless Youth	NPC*	75	4	*	—	-70.4	—	—
LTEL	NPC**	100	18	-51.9	2.3**	-109.6	57.7	Higher**
Socioeconomically Disadvantaged	Orange	99	104	-28.3	**-24.9**	-40.9	12.6	Higher
Students With Disabilities	NPC**	96	24	-46.8	-10.8**	-95.6	48.8	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-7-25

Table 7: MSA 5 Public School 2025 ELA Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Green	100	103	+9.7	37.6	-8.1	17.8	Higher
AA/Black	NPC*	100	4	*	—	-51.3	—	—
Am Indian	—	—	0	—	—	-45.4	—	—
Asian	NPC*	100	3	*	—	61.9	—	—
Filipino	NPC*	100	1	*	—	49.6	—	—
Hispanic or Latino	Green	100	89	+9.9	41.2	-33.7	43.6	Higher
Pacific Islander	—	—	0	—	—	-29.3	—	—
Two or More	—	—	0	—	—	29.4	—	—
White	NPC*	100	6	*	—	23.8	—	—
English Learners	Yellow	100	55	-12.6	53.4	-59.9	47.3	Higher
Foster Youth	NPC*	100	1	*	—	-79.8	—	—
Homeless Youth	NPC*	100	5	*	—	-68.9	—	—
LTEL	NPC**	100	12	-9.	+42.9**	-104.5	95.5	Higher**
Socioeconomically Disadvantaged	Green	100	87	+7.5	35.8	-35.3	42.8	Higher
Students With Disabilities	NPC**	100	27	-33.1	+13.6**	-89.4	56.3	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-17-25

Table 8: MSA 5 Public School 2023 Math Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Yellow	100	127	-49.4	17.6	-49.1	-0.3	Lower
AA/Black	NPC*	100	2	*	—	-104.5	—	—
Am Indian	NPC*	100	1	*	—	-87.3	—	—
Asian	NPC*	100	2	*	—	50.8	—	—
Filipino	NPC*	100	5	*	—	7.4	—	—
Hispanic or Latino	Yellow	100	111	-53.3	20.7	-80.8	27.5	Higher
Pacific Islander	—	—	0	—	—	-71.3	—	—
Two or More	NPC*	100	1	*	—	-7.4	—	—
White	NPC*	100	5	*	—	-11.1	—	—
English Learners	Yellow	100	47	-52.1	48.5	-93.4	41.3	Higher
Foster Youth	—	—	0	—	—	-127.4	—	—
Homeless Youth	NPC*	100	2	*	—	-101.3	—	—
LTEL	—	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Yellow	100	116	-49.4	25.7	-80.8	31.4	Higher
Students With Disabilities	NPC**	100	17	-69.8	22.3**	-127.3	57.5	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-7-25

Table 9: MSA 5 Public School 2024 Math Indicator

Student Groups	Dashboard Color	Participation Rate	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Orange	98	114	-79.6	-30.2	-47.6	-32	Lower
AA/Black	NPC*	100	1	*	—	-102.2	—	—
Am Indian	NPC*	100	2	*	—	-86.6	—	—
Asian	NPC*	100	3	*	—	49.5	—	—
Filipino	NPC*	100	1	*	—	10.4	—	—
Hispanic or Latino	Orange	98	101	-82.6	-29.3	-79.2	-3.4	Lower
Pacific Islander	—	—	0	—	—	-72.5	—	—
Two or More	—	—	0	—	—	-5.3	—	—
White	NPC*	100	6	*	—	-10.3	—	—
English Learners	Orange	99	61	-92.4	-40.3	-93.4	1	Higher
Foster Youth	NPC*	100	1	*	—	-125.1	—	—
Homeless Youth	NPC*	75	4	*	—	-106	—	—
LTEL	NPC**	94	18	-99.4	-51.2**	-163.5	64.1	Higher**
Socioeconomically Disadvantaged	Orange	98	103	-81.6	-32.1	-78.2	-3.4	Lower
Students With Disabilities	NPC**	92	24	-97.7	-27.9**	-124.3	26.6	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	NO	All Students	NO
		Student Groups	NO 1 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 4-7-25

Table 10: MSA 5 Public School 2025 Math Indicator

Student Groups	Participation Rate	Dashboard Color	Number of Students	Distance From Standard	Change	State Distance from Standard	Difference from State Average	Higher or Lower
All	Green	100	107	-8.6	70.9	-42.4	33.8	Higher
AA/Black	NPC*	100	4	*	—	-95.8	—	—
Am Indian	—	—	0	—	—	-83.3	—	—
Asian	NPC*	100	3	*	—	51.9	—	—
Filipino	NPC*	100	1	*	—	14.2	—	—
Hispanic or Latino	Green	100	92	-12.6	69.9	-73.6	61	Higher
Pacific Islander	—	—	0	—	—	-67.5	—	—
Two or More	—	—	0	—	—	-0.7	—	—
White	NPC*	100	7	*	—	-6.2	—	—
English Learners	Green	100	59	-14.6	77.7	-86.1	71.5	Higher
Foster Youth	NPC*	100	1	*	—	-121.9	—	—
Homeless Youth	NPC*	100	6	*	—	-102.8	—	—
LTEL	NPC**	100	12	-14.3	+85.2**	-158.9	144.6	Higher**
Socioeconomically Disadvantaged	Green	100	91	-19.3	62.2	-72.9	53.6	Higher
Students With Disabilities	NPC**	100	27	-43.2	+54.5**	-120.7	77.5	Higher**

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 3 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 12-17-25

Table 11: MSA 5 Public School English Learner Progress Indicator

Year/ Student Group	Dashboard Color	Participation Rate	Number of Students	School Percent	State Percent	Difference from State Average	Higher or Lower
2023							
English Learners	Yellow	100	68	63.2	48.7	14.5	Higher
2024							
English Learners	Orange	98.6	66	53	45.7	7.3	Higher
LTELS	NPL	100	22	59.1	45.8	13.3	Higher**
2025							
English Learners	Blue	100	49	79.6	46.4	33.2	Higher
LTELS	NPL	100	22	81.8	49.1	32.7	Higher**

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved 1-5-26

Table 12: MSA 5 2023 College and Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	High	38	60.5	—	43.9	16.6	Higher
AA/Black	NPC*	1	*	—	25.1	—	—
Am Indian	—	0	—	—	26.5	—	—
Asian	NPC*	2	*	—	75.8	—	—
Filipino	NPC*	1	*	—	65.2	—	—
Hispanic or Latino	Medium	31	54.8	—	35.5	19.3	Higher
Pacific Islander	—	0	—	—	33.1	—	—
Two or More	—	0	—	—	52.9	—	—
White	NPC*	3	*	—	53.2	—	—
English Learners	NPC**	14	35.7	—	15.3	20.4	Higher**
Foster Youth	—	0	—	—	11.6	—	—
Homeless Youth	NPC*	4	*	—	20.4	—	—
LTEL	—	—	—	—	—	—	—
Socioeconomically Disadvantaged	High	35	60	—	35.4	24.6	Higher
Students With Disabilities	NPC*	4	*	—	12.3	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 13: MSA 5 2024 College and Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	NPC**	26	80.8	20.2**	45.3	35.5	Higher**
AA/Black	—	0	—	—	28.1	—	—
Am Indian	—	0	—	—	28.9	—	—
Asian	—	0	—	—	74.5	—	—
Filipino	NPC*	1	*	—	67.7	—	—
Hispanic or Latino	NPC**	24	83.3	28.5**	37.4	45.9	Higher**
Pacific Islander	—	0	—	—	34.6	—	—
Two or More	—	0	—	—	53.7	—	—
White	NPC*	1	*	—	54.3	—	—
English Learners	NPC*	8	*	—	17.2	—	—
Foster Youth	—	0	—	—	13	—	—
Homeless Youth	NPC*	3	*	—	21.8	—	—
LTEL	NPC*	1	*	—	16.5	—	—
Socioeconomically Disadvantaged	NPC**	26	80.8	20.8**	37.4	43.4	Higher**
Students With Disabilities	NPC*	2	*	—	13.5	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	N/A	All Students	N/A
		Student Groups	N/A

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 14: MSA 5 2025 College and Career Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	NPC**	19	89.5	+1.0**	51.7	37.8	Higher**
AA/Black	—	0	—	—	35.7	—	—
Am Indian	—	0	—	—	35.3	—	—
Asian	NPC*	1	*	—	77.9	—	—
Filipino	—	0	—	—	74.6	—	—
Hispanic or Latino	NPC**	17	88.2	-3.4**	45.1	43.1	Higher**
Pacific Islander	—	0	—	—	40.2	—	—
Two or More	—	0	—	—	58.6	—	—
White	NPC*	1	*	—	58.6	—	—
English Learners	NPC**	11	81.8	—	24.3	—	—
Foster Youth	—	0	—	—	17.7	—	—
Homeless Youth	—	0	—	—	26.5	—	—
LTEL	NPC*	7	*	—	24.9	—	—
Socioeconomically Disadvantaged	NPC**	18	94.4	+6.0**	44.8	49.6	Higher**
Students With Disabilities	NPC*	3	*	—	18.7	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	N/A	All Students	N/A
		Student Groups	N/A

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-18-25

Table 15: MSA 5 2023 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	NPC**	39	92.3	-4.1	86.4	5.9	Higher
AA/Black	NPC*	1	*	—	78.5	—	—
Am Indian	—	0	—	—	79.6	—	—
Asian	NPC*	2	*	—	94.5	—	—
Filipino	NPC*	1	*	—	94.7	—	—
Hispanic or Latino	NPC**	32	90.6	-5.2	84.2	6.4	Higher
Pacific Islander	—	0	—	—	84.6	—	—
Two or More	—	0	—	—	88.6	—	—
White	NPC*	3	*	—	89.8	—	—
English Learners	NPC**	15	80	—	73.5	6.5	Higher**
Foster Youth	—	0	—	—	63.2	—	—
Homeless Youth	NPC*	4	*	—	73.7	—	—
LTEL	—	—	—	—	—	—	—
Socioeconomically Disadvantaged	NPC**	36	91.7	-4.8	83.7	8	Higher
Students With Disabilities	NPC*	4	*	—	72.7	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	YES	All Students	YES
		Student Groups	YES 2 of 2

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 16: MSA 5 2024 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	NPC**	26	96.2	+3.8**	86.7	9.5	Higher**
AA/Black	—	0	—	—	79.1	—	—
Am Indian	—	0	—	—	80.1	—	—
Asian	—	0	—	—	92.2	—	—
Filipino	NPC*	1	*	—	95.2	—	—
Hispanic or Latino	NPC**	24	95.8	+5.2**	85.3	10.3	Higher**
Pacific Islander	—	0	—	—	83.1	—	—
Two or More	—	0	—	—	88.3	—	—
White	NPC*	1	*	—	89.2	—	—
English Learners	NPC*	8	*	—	77.9	—	—
Foster Youth	—	0	—	—	65.7	—	—
Homeless Youth	NPC*	3	*	—	75.7	—	—
LTEL	NPC*	1	*	—	80.8	—	—
Socioeconomically Disadvantaged	NPC**	26	96.2	+4.5**	84.4	11.8	Higher**
Students With Disabilities	NPC*	2	*	—	74.4	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	N/A	All Students	N/A
		Student Groups	N/A

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 17: MSA 5 2025 Graduation Rate Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	NPC**	19	94.7	-1.4**	87.8	6.9	Higher**
AA/Black	—	0	—	—	82.6	—	—
Am Indian	—	0	—	—	80.6	—	—
Asian	NPC*	1	*	—	92.6	—	—
Filipino	—	0	—	—	95.4	—	—
Hispanic or Latino	NPC**	17	94.1	-1.7**	86.9	7.2	Higher**
Pacific Islander	—	0	—	—	87.2	—	—
Two or More	—	0	—	—	87.9	—	—
White	NPC*	1	*	—	89.0	—	—
English Learners	NPC*	11	90.9	—	79.7	—	—
Foster Youth	—	0	—	—	68.5	—	—
Homeless Youth	—	0	—	—	77.1	—	—
LTEL	NPC*	7	*	—	84.0	—	—
Socioeconomically Disadvantaged	NPC**	18	100	+3.8**	86.2	13.8	Higher**
Students With Disabilities	NPC*	3	*	—	77.1	—	—

Are All Students and the majority of the numerically significant student groups performing above the state average?	N/A	All Students	N/A
		Student Groups	N/A

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-18-25

Table 18: MSA 5 2023 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Red	120	30.8	+0.5	24.3	6.5	Higher
AA/Black	NPC*	2	—	—	36.4	—	—
Am Indian	NPC*	1	—	—	36.1	—	—
Asian	NPC*	2	—	—	10.1	—	—
Filipino	NPC*	4	—	—	13.8	—	—
Hispanic or Latino	Orange	101	29.7	-1.9	28.4	1.3	Higher
Pacific Islander	—	0	—	—	37.6	—	—
Two or More	NPC*	1	*	—	21.6	—	—
White	—	9	—	—	18.5	—	—
English Learners	Red	43	44.2	+8.0	26.3	17.9	Higher
Foster Youth	NPC*	0	*	—	33.6	—	—
Homeless Youth	NPC*	1	*	—	38.7	—	—
LTEL	—	—	—	—	—	—	—
Socioeconomically Disadvantaged	Orange	110	31.8	-0.7	29.9	1.9	Higher
Students With Disabilities	NCP**	15	20.0**	0**	33.1	0.2	Lower**

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 19: MSA 5 2024 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Orange	111	26.1	-4.7	18.6	7.5	Higher
AA/Black	NPC*	2	*	—	31.3	—	—
Am Indian	NPC*	2	*	—	30.6	—	—
Asian	NPC*	3	*	—	7.5	—	—
Filipino	NPC*	2	*	—	9.6	—	—
Hispanic or Latino	Orange	95	24.2	-5.5	21.7	2.5	Higher
Pacific Islander	—	0	—	—	32.6	—	—
Two or More	—	0	—	—	16.2	—	—
White	NPC*	7	*	—	13.5	—	—
English Learners	Orange	41	36.6	-7.6	20.1	16.5	Higher
Foster Youth	NPC*	1	*	—	30.5	—	—
Homeless Youth	NPC*	5	*	—	32.7	—	—
LTEL	NPC**	12	58.3	8.3**	23.9	34.4	Higher**
Socioeconomically Disadvantaged	Orange	96	26	-5.8	23.4	2.6	Higher
Students With Disabilities	NPC**	22	31.8	11.8**	26.3	5.5	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 20: MSA 5 2025 Chronic Absenteeism Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Orange	106	24.5	-1.6	17.1	7.4	Higher
AA/Black	NPC*	6	*	—	29.8	—	—
Am Indian	—	0	—	—	28.9	—	—
Asian	NPC*	2	*	—	6.7	—	—
Filipino	NPC*	1	*	—	8.4	—	—
Hispanic or Latino	Red	86	25.6	1.4	20.1	5.5	Higher
Pacific Islander	—	0	—	—	31	—	—
Two or More	—	0	—	—	14.9	—	—
White	NPC**	11	27.3	—	12.2	—	—
English Learners	Orange	36	27.8	-8.8	18.1	9.7	Higher
Foster Youth	NPC*	1	*	—	30.6	—	—
Homeless Youth	NPC*	8	*	—	30.7	—	—
LTEL	NPC**	12	33.3	-25.0**	22.5	10.8	Higher**
Socioeconomically Disadvantaged	Red	90	26.7	0.6	21.7	5	Higher
Students With Disabilities	NPC**	26	34.6	+2.8**	24.9	9.7	Higher**

Are All Students and the majority of the numerically significant student groups performing below the state average?	NO	All Students	NO
		Student Groups	NO 0 of 3

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-17-25

Table 21: MSA 5 2023 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	256	2.3	+2.0	3.5	-1.2	Lower
AA/Black	NPC*	3	*	—	8.8	—	—
Am Indian	NPC*	1	*	—	7.4	—	—
Asian	NPC*	5	*	—	1.1	—	—
Filipino	NPC*	7	*	—	1.3	—	—
Hispanic or Latino	Yellow	225	2.2	+1.8	3.8	-1.6	Lower
Pacific Islander	—	0	—	—	4.9	—	—
Two or More	NPC*	1	*	—	3.3	—	—
White	NPC**	14	0	+.0	2.9	-2.9	Lower**
English Learners	Orange	89	6.7	+5.7	3.7	3	Higher
Foster Youth	—	0	—	—	13.6	—	—
Homeless Youth	NPC*	5	*	—	6.5	—	—
LTEL	—	0	—	—	—	—	—
Socioeconomically Disadvantaged	Yellow	232	2.2	+1.7	4.5	-2.3	Lower
Students With Disabilities	Blue	38	0	+.0	5.9	-5.9	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 3 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 22: MSA 5 2024 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Green	239	1.3	-1.1	3.2	-1.9	Lower
AA/Black	NPC*	2	*	—	8.4	—	—
Am Indian	NPC*	2	*	—	7	—	—
Asian	NPC*	4	*	—	1	—	—
Filipino	NPC*	5	*	—	1.2	—	—
Hispanic or Latino	Blue	215	0.9	-1.3	3.4	-2.5	Lower
Pacific Islander	—	0	—	—	4.4	—	—
Two or More	NPC*	1	*	—	3	—	—
White	NPC*	10	*	—	2.6	—	—
English Learners	Green	80	1.3	-5.5	3.4	-2.1	Lower
Foster Youth	NPC*	1	*	—	13.2	—	—
Homeless Youth	NPC*	8	*	—	5.7	—	—
LTEL	NPC**	26	0	-3.0**	8.1	-8.1	Lower**
Socioeconomically Disadvantaged	Green	212	1.4	-.7	4	-2.6	Lower
Students With Disabilities	Orange	39	5.1	+5.1	5.4	-0.3	Lower

Are All Students and the majority of the numerically significant student groups performing below the state average?	YES	All Students	YES
		Student Groups	YES 4 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 4-11-25

Table 23: MSA 5 2025 Suspension Indicator

Student Groups	Dashboard Color	Number of Students	School Percent	Change	State Percent	Difference from State Average	Higher or Lower
All	Yellow	245	2.4	+1.2	2.9	-0.5	Lower
AA/Black	NPC*	6	*	—	7.7	—	—
Am Indian	NPC*	2	*	—	6.1	—	—
Asian	NPC*	10	*	—	1	—	—
Filipino	NPC*	5	*	—	1.1	—	—
Hispanic or Latino	Orange	199	3	+2.1	3	0	Equal
Pacific Islander	—	0	—	—	4.2	—	—
Two or More	NPC*	1	*	—	2.8	—	—
White	NPC**	22	0	—	2.4	-2.4	Lower**
English Learners	Green	71	1.4	+.2	3.2	-1.8	Lower
Foster Youth	NPC*	1	*	—	13	—	—
Homeless Youth	NPC*	10	*	—	5.1	—	—
LTEL	NPC**	26	0	+0.0**	7	-7	Lower**
Socioeconomically Disadvantaged	Orange	209	2.9	+1.5	3.6	-0.7	Lower
Students With Disabilities	Orange	49	6.1	+1.0	5	1.1	Higher
Are All Students and the majority of the numerically significant student groups performing below the state average?				YES	All Students		YES
					Student Groups		YES 3 of 4

Source: CA School Dashboard https://www.caschooldashboard.org/ Retrieved: 12-17-25

Table 24: MSA 5 Local Indicators

	2023	2024	2025
Local Indicators			
Basics: teachers, Instructional Materials, Facilities	Standard Met	Standard Met	Standard Met
Implementation of Academic Standards	Standard Met	Standard Met	Standard Met
Parent & Family Engagement	Standard Met	Standard Met	Standard Met
Local Climate Survey	Standard Met	Standard Met	Standard Met
Access to a Broad Course of Study	Standard Met	Standard Met	Standard Met

Source: https://www.caschooldashboard.org/

MSA 5 Charter School - Verified Data

Table Legend for All NWEA MAP Tables
Tables are a Summary of the NWEA MAP Reports
Green cell indicates student group has met the minimum requirement for one year's growth, CGI ≥ - 0.2
Red cell indicates student group has not met the minimum requirement for one year's growth, CGI < - 0.2
* indicates the number is less than 10 students, the minimum size for reporting in one or more grade levels.
** less than 50% of eligible grade levels for that student group have valid data
"—" No data available
N/A indicates test does not apply to student group.
"^" – NWEA does not provide CGI scores for Language Usage in grade 12, but the school still administered the test.
Data reflects grade levels with ten or more students in that student group.

Table 25: MSA 5 NWEA MAP Reading, Language Usage and Math Summary of Student Groups Meeting CGI

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Grade Levels Meeting Conditional Growth Index								
All Students	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
Numerically Significant Student Groups									
Hispanic or Latino	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
English Learners	4 of 4*	—	1 of 1**	—	—	—	2 of 3*	—	1 of 1**
Socioeconomically Disadvantaged	6 of 6	6 of 6	6 of 6	—	—	—	5 of 6	6 of 6	6 of 6
Are the majority of student groups performing above the state average?	YES (3 of 3)	YES (2 of 2)	YES (2 of 2))	—	—	—	YES (3 of 3)	YES (2 of 2)	YES (2 of 2))

Table 26: MSA 5 NWEA MAP Reading, Language Usage and Math (All Students)

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Conditional Growth Index			Conditional Growth Index			Conditional Growth Index		
6	1.64	0.84	0.61	—	—	—	0.44	0.85	0.57
7	1.81	1.00	0.83	—	—	—	1.18	0.06	1.27
8	1.62	0.89	1.21	—	—	—	1.31	1.52	1.25
9	1.82	1.67	1.52	—	—	—	2.17	0.96	3.13
10	1.21	1.52	0.90	—	—	—	0.79	0.01	0.47
11	1.95	1.57	1.13	—	—	—	3.30	1.01	0.67

Table 27: MSA 5 NWEA MAP Reading, Language Usage and Math (Hispanic)

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Conditional Growth Index			Conditional Growth Index			Conditional Growth Index		
6	1.64	0.59	0.49	—	—	—	0.44	0.62	0.47
7	1.93	1.00	0.68	—	—	—	1.18	0.06	1.13
8	1.62	0.80	1.22	—	—	—	1.35	1.45	2.31

9	1.77	1.61	1.51	—	—	—	2.02	1.03	3.24
10	1.21	1.55	0.67	—	—	—	0.79	0.01	0.42
11	1.61	1.64	1.11	—	—	—	3.01	0.95	1.03

Table 28: MSA 5 NWEA MAP Reading, Language Usage and Math (ELs)

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Conditional Growth Index			Conditional Growth Index			Conditional Growth Index		
6	1.84	—	—	—	—	—	1.14	—	—
7	1.70	—	0.69	—	—	—	0.66	—	0.91
8	3.00	—	—	—	—	—	0.84	—	—
9	—	—	—	—	—	—	—	—	—
10	0.30	—	—	—	—	—	0.91	—	—
11	—	—	—	—	—	—	—	—	—

Table 29: MSA 5 NWEA MAP Reading, Language Usage and Math (SED)

	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26	2023-24	2024-25	2025-26
Grade Level	NWEA MAP Reading			NWEA MAP Language Usage			NWEA MAP Math		
	Conditional Growth Index			Conditional Growth Index			Conditional Growth Index		
6	1.82	0.96	0.61	—	—	—	0.46	0.84	0.57
7	1.64	1.06	0.49	—	—	—	1.13	0.22	0.82
8	1.61	0.89	1.57	—	—	—	1.41	1.63	2.16
9	1.97	1.59	1.37	—	—	—	2.34	1.21	2.94
10	1.18	1.62	1.07	—	—	—	0.95	-0.01	0.39
11	2.06	1.61	1.06	—	—	—	3.35	1.21	0.63

LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION

ANNUAL PERFORMANCE-BASED OVERSIGHT VISIT REPORT*
2025-2026 SCHOOL YEAR
FOR

MAGNOLIA SCIENCE ACADEMY 6 - 8013

Name and Location Code of Charter School

LAUSD Vision

Los Angeles Unified will be the premier public school district by eliminating educational inequities to graduate ALL students ready for the world – to thrive in college, career, and life.

CSD Mission

The LAUSD Charter Schools Division (CSD) fosters high quality educational opportunities and outcomes for students in the greater Los Angeles community through exemplary charter public school authorizing, oversight, and sharing of promising practices so that all students maximize their potential.

CSD Core Values

We believe that our success depends on:

- Making decisions that put the interests of students first.
- Serving with high expectations, integrity, professionalism, and commitment.
- Employing authentic, responsive, and effective leadership and teamwork.
- Continuously learning as a dynamic organization.
- Building and sustaining a healthy workplace culture where high performance, diversity, and creativity thrive.
- Developing productive relationships with our charter schools and all stakeholders.

* Charter School shall comply in a timely manner with all applicable federal and state laws and regulations, as they may change from time to time, including but not limited to matters related to the school's governance, programs, facilities, operations, and/or fiscal management.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **4/10/2026**

Charter School Name:	**Magnolia Science Academy 6 (MSA6)**			**Location Code:**	**8013**
Current Address:		**City:**	**ZIP Code:**	**Phone:**	**Fax:**
745 S. Wilton Place		**Los Angeles**	**90005**	**310-842-8555**	**310-842-8558**
Current Term of Charter[1]:		**LAUSD Board District:**		**LAUSD Region:**	
July 1, 2019 to June 30, 2027		**1**		**West**	
Number of Students Currently Enrolled:	**Enrollment Capacity Per Charter:**		**Number Above/Below Enrollment Capacity (day of visit):**		**Below by 140**
160	**300**				
Grades Currently Served:	**Grades To Be Served Per Charter:**		**Percent Above/Below Enrollment Capacity (day of visit):**		**Below by 46.67%**
6-8	**6-8**				
Norm Enrollment Number:	**155**				
Total Number of Staff Members:	**18**	**Certificated:**	**7**	**Classified:**	**11**
Charter School's Leadership Team Members:	**James Choe, Principal; Gokhan Serce, CAO; Traci Lewin, Director of Education Services; Nasim Azari, Assistant Principal**				
Charter School's Contact for Special Education:	**Liz Shultz, Director of Special Education**		**SELPA & Option:**		**LAUSD Option 3**
CSD Assigned Administrator:	**Yolanda Jordan**		**CSD Fiscal Oversight Manager:**		**Cristina Balderas**
Other CSD Team Members:	**N/A**				
Oversight Visit Date(s):	**April 10, 2026**		**Fiscal Review Date (if different):**		**N/A**
Is school located on a District facility? If so, please indicate the applicable program (e.g., Prop 39, PSC, conversion, etc.):	**Yes, Prop 39**		**LAUSD Co-Location Campus(es) (if applicable):**		**Wilton Place EL**

SUMMARY OF RATINGS

(4)=Accomplished (3)=Proficient (2)=Developing (1)=Unsatisfactory

Governance	Student Achievement and Educational Performance	Organizational Management, Programs, and Operations	Fiscal Operations
4, Accomplished	**3, Proficient**	**4, Accomplished**	**3, Proficient**

[1] Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **4/10/2026**

CHARTER RENEWAL CRITERIA

In accordance with Education Code §§ 47605, 47607, and 47607.2, in order to renew a charter, the District must determine whether the charter school has met specific renewal criteria prescribed in statute.

REPORT GUIDE

LAUSD's oversight procedures are intended to balance a charter school's autonomy of operation with its accountability to the public. LAUSD utilizes a holistic, performance-based approach to evaluate all charter schools, guided principally by making decisions in the best interest of students. The CSD observes and monitors each charter school in accordance with applicable laws, regulations, LAUSD policy, memoranda of understanding, and the school's operative charter. Information gathered through oversight serves as part of the charter school's ongoing record for the District to make informed decisions about charter school authorization, renewal, material revisions, sharing of promising practices, and if need be, revocation. While LAUSD is responsible to provide oversight of its charter schools and the entities managing charter schools, the primary oversight of each charter school must first and foremost be performed by the charter school's own Governing Board. The Governing Board of a charter school has an ongoing responsibility to oversee the operations of its charter school(s), ensuring that every charter school it oversees is providing a high-quality educational program for students enrolled, is successfully fulfilling the terms of their charter, is fiscally sound, and complies with applicable laws, regulations, and court orders. In designing this document, the District has considered the California Charter Schools Act, the *LAUSD Policy and Procedures for Charter Schools,* the factors and guidance promulgated by the California State Board of Education in evaluating charter schools, and the National Association of Charter School Authorizers' *Principles and Standards of Quality Authorizing*. This reporting tool provides guidelines and criteria used by the CSD to observe, record, assess, and reflect with the charter school on school performance as captured during the annual oversight visit process in these four categories:

- ***Governance*** – demonstrating fulfillment of the Governing Board's fiduciary responsibility to effectively direct and provide oversight for the charter public school, including but not limited to enactment and monitoring of policies and procedures to ensure the school's full compliance with applicable law, policy, and the terms of the charter approved by the LAUSD Board of Education
- ***Student Achievement and Educational Performance*** – demonstrating positive academic achievement and growth for all students
- ***Organizational Management, Programs, and Operations*** – demonstrating effective leadership and implementation of the governing board's policies and procedures, as well as the school's educational program and systems and procedures for the day-to-day operations of the school
- ***Fiscal Operations*** – demonstrating sound fiscal management, appropriate use of public funds, and compliance with regulatory requirements

This report, including the ratings in each category, is based on information and evidence gathered for the annual oversight visit. The CSD considers evidence provided through CSD staff observations, document review, interviews, and discussion with school representatives and stakeholders. All charter schools are expected to prepare for the visit and have available, as applicable, all documentation requested in the *Annual Performance Based Oversight Visit Preparation Guide.* The "Sources of Evidence" sections below identify key information sources generally relevant to their respective indicators; these lists are not exhaustive, however, and some items may not be applicable to the grades served. Schools may present additional evidence as deemed relevant and appropriate. As needed, CSD staff also may request additional information and/or documentation prior to, during, and/or following the visit.

The tool employs the following four-point rubric to rate the school's performance in each category: *(4) Accomplished, (3) Proficient, (2) Developing, and (1) Unsatisfactory*. In addition, the *Summary of School Performance* section in each category captures key findings under one or more of the following headings: (1) Areas of Demonstrated Strength and/or Progress; (2) Areas Noted for Further Growth and/or Improvement; and, if applicable, (3) Corrective Action Required. Under "Corrective Action Required," the CSD reports findings of material noncompliance with applicable law, LAUSD charter policy, or the school's approved charter. **If the report includes any findings under "Corrective Action Required," the charter school must take immediate and appropriate steps to remedy the identified concern.** In accordance with its "tiered intervention" approach to charter school non-compliance and poor performance, the CSD may also send the school appropriate notices, separate and apart from this report, to provide and document time-specific follow-up as necessary. At the other end of the spectrum of performance, any school that earns a rating of *Accomplished* in any category is encouraged to submit to the CSD a summary of those "promising practices" that the school believes have contributed to its success, in order to support the CSD's ongoing efforts to promote and facilitate reciprocal sharing of promising practices among education leaders from across all LAUSD schools.

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GOVERNANCE	RATING*
Summary of School Performance	4, Accomplished

Areas of Demonstrated Strength and/or Progress

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- The current Board of Directors of Magnolia Public Schools (MPS) is comprised of 7 directors, which is aligned with the organization's most recent Bylaws requiring no less than 3 and no more than 11 directors.
- Calendar of Governing Board meetings for the 2025-2026 school year, showing monthly meetings scheduled from July 10, 2025 to June 25, 2026
- Brown Act and Conflict of Interest training was held during the Board meeting on August 7, 2025 and September 11, 2025, respectively.

G2: DUE PROCESS

The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public.

As evidenced by information in Folder 1, some of the evidence include the following:

- Systems to provide due for students, employees, and parent including, but not limited to the following:
  - Uniform Complaint Procedures (UCP) and related forms in the student/parent handbook, as well as on the school's website
  - Procedures for resolving general stakeholder complaints within the "General Complaint Procedures Form" located at the school site, within the student/parent handbook and on the school's website. Procedures and forms are available in English and Spanish
  - Procedures/policies regarding Suspension/Expulsion (including appeals), grading policies, and student code of conduct located at the school site, within the student/parent handbook and the school's website
  - Employee handbook which includes descriptions of the school's employee Code of Conduct, Internal Complaint Review and Policy (e.g., complaints by employees against employees, complaints by third parties against employees), Open Door Policy, and employee discipline policy

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis, and discussion, etc.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- Agenda items during Board meetings regularly include updates/reports regarding student achievement and other key aspects of school performance (e.g., CAASPP, NWEA MAP, etc.) and operations from the organization's Chief Executive Officer, Chief Academic Officer, other home office officers, and school site principals.

- Some of the specific items discussed during Board meetings include the following: approval of LCAPs for all Magnolia schools on June 26, 2025; data presentation of LCAP Mid-Year Update on February 13, 2025; enrollment update, including enrollment trends and "Glows, Grows & Priorities" presentations by MSA 4 and MSA6 on May 22, 2025, MSA7 and Bell on June 18, 2025.

Areas Noted for Further Growth and/or Improvement
None at this time.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to GOVERNANCE (if applicable):
☒ Not Applicable

RATING NOTES:

- ***A charter school may receive a rating as low as one (1) in this category for any of the following reasons: 1) Evidence of conflict(s) of interest within the organization (i.e. Governing Board, staff, contracted external parties, etc.), 2) School is in breach of the operative charter, including Federal, State, and District Required Language, 3) School is "Not in Good Standing," 4) Unresolved concern(s) and/or ongoing tiered intervention (i.e., Notice of Concern and/or Notice to Cure), and/or 5) If there are serious concerns related to fiscal matters (e.g., negative financial condition, fiscal mismanagement, repeat material weaknesses, significant deficiencies, and/or significant audit findings disclosed in the charter operator's most recent annual independent audit report, etc.).***
- ***A charter school cannot receive a rating greater than three (3) in this category if it receives an overall rating of two (2) or one (1) in any other category (Student Achievement and Educational Performance; Organizational Management, Programs, and Operations; or Fiscal Operations).***

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G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has implemented the organizational structure, roles, and responsibilities set forth in the approved charter and applicable law, including:

- Governing Board composition, structure, roles, and responsibilities as set forth in the approved charter
- Governing Board committees/councils are implemented as described in the school's charter (e.g., Finance, Human Resources, Academics, etc.)
- The Governing Board has a system in place to ensure compliance with the public integrity statutes including laws requiring open meetings and laws forbidding financial and other conflicts of interest.
- The Governing Board reviews and certifies the *Compliance Monitoring and Certification of Board Compliance Review* form

Performance Rubric	Sources of Evidence
☒ The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has implemented the organizational structure set forth in the school's operative charter, including committees/councils; and has a system in place to ensure it complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has partially implemented the organizational structure set forth in the school's operative charter; and/or has an ineffective system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has not implemented the organizational structure set forth in the school's operative charter; and has an ineffective or no system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.)	☒ Organizational chart in approved charter ☒ Organizational chart (current) ☒ Board member roster ☒ Bylaws (current) ☒ Board Committee(s) Calendar(s) ☒ California open meeting law training (Brown Act) ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ Board meeting agendas, minutes, and/or documentation ☒ Observation of Governing Board meeting(s) ☒ Discussion with leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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G2: DUE PROCESS

***The Governing Board has systems in place to ensure that the school provides adequate due process, in accordance with applicable law, the school's charter, and LAUSD charter school policy, to honor and protect the rights of students, employees, parents, and the public in the following areas*:**

- Student discipline
- Employee grievances and discipline
- Stakeholder complaint resolution pursuant to the Uniform Complaint Procedures (UCP)
- Parent/stakeholder complaint resolution for complaints outside regulatory scope of UCP

Performance Rubric	Sources of Evidence
☒The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has partially developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has minimal or no systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public	☒ Student discipline policy and procedures ☒ Employee grievance and discipline policy and procedure ☒ Uniform Complaint Procedures policy and form(s) ☒ Stakeholder complaint procedures and form(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board has systems in place to ensure ongoing:

- Review and use of academic performance data (e.g., CA School Dashboard, internal assessments, etc.) and other school data and information to ensure sound Governing Board decision-making in support of continuous improvement of student achievement, fiscal viability, compliance, and overall public school excellence
- Monitoring of the school's implementation of its Local Control and Accountability Plan (LCAP) and additional school plans (e.g., Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (ATSI), School Plan for Student Achievement (SPSA), and action plans for making progress toward LCAP goals)
- Transparent governance and accountability to stakeholders, including compliance with the LAUSD BOE's Charter School Transparency Resolution, as well as consideration of input from the school's committees/councils and stakeholders

Performance Rubric	Sources of Evidence
☒ The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board seldom considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board does not consider school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.)	☒ Board meeting agendas, minutes, and/or documentation ☒ Board member and executive leadership training of Governing Board meeting(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

G4: RESPONSIVE AND ACCOUNTABLE GOVERNANCE – STAFFING AND EVALUATIONS

The Governing Board has systems in place to ensure ongoing:

- Monitoring of staffing needs and the school's compliance with all applicable credentialing, clearance, and training requirements
- Evaluation procedures with clear performance standards for all school-based staff, including but not limited to administrators, certificated staff, and classified staff
- Evaluation of executive level leadership (including, but not limited to, those positions reporting to the Governing Board, as indicated in Element 4 of the approved charter, such as Executive Director, Area Superintendent, Principal, etc.)

Performance Rubric	Sources of Evidence
☐ The Governing Board regularly monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a well-developed system for the evaluation of all school-based staff and executive level leadership staff ☒ The Governing Board monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a system for the evaluation of school-based staff and executive level leadership staff ☐ The Governing Board inconsistently monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has partially implemented a system for the evaluation of school-based staff and/or executive level leadership staff ☐ The Governing Board seldom monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has not implemented a system for the evaluation of school-based staff and/or executive level leadership staff	☒ Human Resources policies and procedures ☒ Board meeting agendas, minutes, and/or documentation ☒ Evaluation of Executive Leadership procedures and tools ☒ Evaluation of school-based staff procedures and tools ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ *Certification of Clearances, Credentialing, and Mandated Reporter Training* form ("ESSA Grid") for current academic year ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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G5: FISCAL CONDITION

The Governing Board has a system in place to ensure fiscal viability:

- The school is fiscally strong and net assets are positive in the two most current annual independent audit reports.
- If applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☒ The school is fiscally strong with positive net assets and meets the four (4) recommended financial ratios (identified as part of the Supplemental Criteria within the Fiscal Operations Rubrics section below for the rating of 4, *Accomplished)* in the two most current annual independent audit reports, ***and***, if applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s) ☐ The school is fiscally stable, with positive net assets in the most current annual independent audit report ☐ The school is fiscally weak or unstable*, net assets are negative in the most current annual independent audit report, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer ☐ The school is consistently fiscally weak, net assets are negative in the two most current annual independent audit reports, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer **Notes:** Additional factors that may affect the rating include: inadequate cash flow; financial condition and/or enrollment trend that is declining and/or beginning to reflect an unbalanced budget; indicators of deteriorating financial health that could result in negative net assets and/or fiscal insolvency (such as a negative cash balance) during the current and/or the foreseeable fiscal years; prolonged reliance on financing resources to sustain operations (e.g., factoring receivables, intraorganizational or third-party loans, ongoing deficit spending); or concerns that the school may be unable to maintain quality educational programs if the student enrollment falls below a certain threshold. *For example, the school's financial condition fluctuates from year to year, with significant net losses contributing to negative net assets in the current or upcoming school years.	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other financial information submitted by the school ☒ Other: (see Fiscal Operations section below)

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G6: FISCAL MANAGEMENT AND ACCOUNTABILITY

The Governing Board has a system in place to ensure sound fiscal management and accountability:

- The school adheres to the Governing Board-approved fiscal policies and procedures and does not have any areas noted for improvement.
- The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies.
- The school is in compliance with Generally Accepted Accounting Principles, all applicable federal, state, and local laws and regulations, LAUSD charter policy, and the school's approved charter.
- If applicable, all LAUSD Board of Education-approved fiscal management-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☐ The school **consistently adheres** to the Governing Board-approved fiscal policies and procedures, does not have any areas noted for improvement, and the two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies ☒ The school **generally adheres** to the Governing Board-approved fiscal policies and procedures, but has areas noted for improvement, and the most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies ☐ The school is **not adhering** to the Governing Board-approved fiscal policies and procedures, and has areas noted for improvement, **or** has significant fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, unresolved recurring issues, potential conflicts of interest, etc.) ☐ The school is **continuously not adhering** to the Governing Board-approved fiscal policies and procedures, **or** has significant and recurring fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, etc.)	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other: (see Fiscal Operations section below)

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STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (16.2 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - English Learner student group (-33.2 DFS) is higher than the state average (-59.9 DFS).
  - Latino student group (9.4 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (15.9 DFS) is higher than the state average (-35.3 DFS)

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Green. The school's 2025 schoolwide Math DFS (-17.0 DFS) is higher than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in Math for the school's:
  - English Learner student group (-57.9 DFS) is Choose an item. the state average (-86.1 DFS).
  - Latino student group (-21.8 DFS) is Choose an item. the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-18.9 DFS) higher than is the state average (-72.9 DFS)

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Yellow. The school's 2025 percentage of chronically absent students (15.9%) is lower than the state average (17.1%).

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Areas Noted for Further Growth and/or Improvement

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Green. The school's 2025 percentage of students suspended at least one day (3.7%) is higher than the state average (2.9%).
- School leadership shared efforts to decrease suspension. Some of the efforts include the following:
  - Continues to implement Positive Behavioral Interventions and Supports (PBIS) to reinforce positive behavior expectations
  - Students earn PBIS raffle tickets for demonstrating behaviors aligned with schoolwide expectations and the school holds PBIS assemblies to recognize students and reinforce positive behaviors
  - School leadership participates in Professional Learning Communities (PLCs) with LACOE through meetings focused on PBIS, Social Emotional Learning (SEL), and restorative practices
  - Structured sports tournaments are held during lunch to help students engage positively and help mitigate behavioral issues

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes:

The Indicator information below is provided for informational purposes only and will not be scored.

A11: ALL STUDENTS SCIENCE INDICATOR -

The school's schoolwide Dashboard Science Indicator is at 60.3 science points as compared to the state at 52.6 science points.

Local Indicators: Dashboard Year 2025

Basic Services and Conditions: Met
Implementation of State Academic Standards: Met
Parent and Family Engagement: Met
School Climate: Met
Access to a Broad Course of Study: Met

Charter School's 2025-2026 Every Student Succeeds Act (ESSA) Assistance Status:

☐ Comprehensive Support and Improvement – Low Graduation Rate (CSI- Low Grad)
☐ Comprehensive Support and Improvement – Low Performance (CSI- Low Perform)
☐ Additional Targeted Support and Improvement (ATSI)
☐ Targeted Support and Improvement (TSI)
☒ No Status

2025 LCFF Charter School Assistance Eligibility:

☒ General Assistance (Level 1) - resources and assistance that is made available to all local educational agencies

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☐ Differentiated Assistance (Level 2) - local educational agencies that meet certain eligibility criteria for additional support

For 2024-2025:
The school's percent of "At Risk" ELs is 1.3% as compared to the state's percent of 6.0%
The school's percent of "LTELs" is 13.0% as compared to the state percent of 10.4%

Progress on LAUSD Board of Education Benchmarks and/or MOU related to STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE (if applicable):
☒ Not Applicable

RATING NOTE: A charter school cannot receive a rating in this category greater than a one (1) if the school has been identified as a Low Performing charter school based on the state's published list.

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A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELA Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELA Indicator color is Blue ☒ The California School Dashboard All Students ELA Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☐ The California School Dashboard All Students ELA Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students ELA Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELA Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard ELA Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A3: ALL STUDENTS MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Math Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Math Indicator color is Blue ☒ The California School Dashboard All Students Math Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☐ The California School Dashboard All Students Math Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students Math Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Math Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A4: STUDENT GROUP MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard Math Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A5: ALL STUDENTS ENGLISH LEARNER PROGRESS INDICATOR (ELPI)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELPI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELPI color is Blue ☐ The California School Dashboard All Students ELPI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students ELPI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students ELPI color is Red ☒ Not available - No color assigned on the California School Dashboard for the ELPI	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students CCI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students CCI color is Blue ☐ The California School Dashboard All Students CCI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students CCI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students CCI color is Red ☐ Not available – No color assigned on the California School Dashboard for the CCI ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

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A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard CCI for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☐ All numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Not available – No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s) ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR - (GRADES K-8)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Chronic Absenteeism Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Blue ☒ The California School Dashboard All Students Chronic Absenteeism Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Red notwithstanding the Status (Percent) ☐ Not available - No color assigned on the California School Dashboard for the Chronic Absenteeism Indicator ☐ Not applicable - The Chronic Absenteeism Indicator is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A9: ALL STUDENTS GRADUATION RATE INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Graduation Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Graduation Rate Indicator color is Blue ☐ The California School Dashboard All Students Graduation Rate Indicator color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Graduation Rate Indicator ☒ Not applicable - The Graduation Rate Indicator is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A10: ALL STUDENTS SUSPENSION RATE INDICATOR - (GRADES K-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Suspension Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Suspension Rate Indicator color is Blue ☐ The California School Dashboard All Students Suspension Rate Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☒ The California School Dashboard All Students Suspension Rate Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Suspension Rate Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A11: ALL STUDENTS SCIENCE INDICATOR - (GRADES 5, 8, 10-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Science Indicator (CDE)

Performance Rubric	Sources of Evidence
The Science Indicator information is for informational purposes only and will not be scored. ☒ The California School Dashboard All Students Science Indicator is higher than the state ☐ The California School Dashboard All Students Science Indicator is lower than the state ☐ Not applicable - The Science Indicator is not applicable for the grade levels assigned at the charter school ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	4, Accomplished

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Sample lesson plans for English
  - Year-long professional development calendar that includes activities such as the MPS Summer Symposium in August 2025, NWEA MAP Training, Classroom Expectations, and 2025-2026 School Year Orientation
  - School site STEAM Team participation and recognition in LA County Science Fair and MPS STEAM Expo
  - 2025-2026 Curricular List (e.g., HMH Into Math, Inspire Science, McGraw Hill StudySync, etc.)

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Continuous implementation of NWEA MAP assessments for Math and ELA. Spring 2025 indicates that all students met and exceeded the school Conditional Growth Index (CGI) in both Math and ELA
  - Continued implementation of a Multi-Tiered System of Supports (MTSS) that includes core instruction, targeted support, and intensive intervention for student with imbedded monitoring of each student's progress
  - Student Support and Progress Team (SSPT) process and flowchart
  - Designated ELD schedule and sample lesson plans

Areas Noted for Further Growth and/or Improvement

None noted at this time

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

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Progress on LAUSD Board of Education Benchmarks and/or MOU related to ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS (if applicable):

☒ Not Applicable

RATING NOTES:

- ***The overall rating for this category will be impacted if the school is in breach of the operative charter, including Federal, State, and District Required Language related to this section; and/or by a failure to provide evidence of any item on the following three (3) checklists: A) Review of Clearances, Credentialing, and Mandated Training Compliance Items; B) Review of Health and Safety Compliance Items; C) Review of Transparency and Stakeholder Information Compliance Items. See checklists below.***

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has systems in place to ensure alignment to the curricular and educational program outlined in the approved charter by:

- Implementing innovative components and key features of the educational program described in the charter
- Implementing standards-based instruction in accordance with the California State Content Standards specific to the grade levels served and aligned with the needs of students
- Implementing assessments to measure the development of grade-level appropriate academic and non-academic skills
- Reviewing and analyzing school and student progress towards annual goals (schoolwide and for all student groups that the school serves) that are consistent with the educational performance measured by the California School Dashboard and state assessments
- Providing teacher, staff, and administrator professional development specific to supporting desired student outcomes, innovative components, and key features outlined in the school's charter
- Implementing a system to monitor student progress toward, and completion of, graduation and A-G requirements (**high schools only**)

Performance Rubric	Sources of Evidence

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☒ The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☐ The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has partially implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has minimally implemented, or not at all, the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served	☒ Innovative Components and Key Features of the Educational Program ☒ Standards-Based Instructional Program ☒ Master Schedule/Course Schedule ☒ Student Achievement Data Analysis ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) High School: ☐ System for monitoring student progress toward and completion of graduation and A-G Requirements ☐ WASC Accreditation Notification Letter ☐ UC Doorways course approval ☐ Graduation Requirement/Policy ☐ Math Placement Assessment Policy (9th grade only) ☐ Advanced Placement Exam: Participation Rate and Passage Rate ☐ College acceptance and enrollment rates

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O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system in place to ensure:

- Implementation of differentiated instructional strategies and approaches described in the charter designed to meet the learning needs of all students, including all numerically significant student groups identified in the school's LCAP and by the CDE
- Implementation of internal student assessments aligned with instructional outcomes to determine student mastery of California State Content Standards
- Disaggregation and analysis of data on a regular basis to address individual student needs and guide instructional planning and use of interventions
- Implementation, review, and modification, as appropriate, of its Master Plan for English Learners (EL identification, standards-based designated and integrated ELD instruction, progress monitoring, assessment, and reclassification)

Performance Rubric	Sources of Evidence
☒ The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☐ The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis ☐ The school has partially implemented the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or limited evidence of systems to modify instruction based on data analysis ☐ The school has minimally implemented, or not at all, the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or no evidence of systems to modify instruction based on data analysis	☒ Implementation of differentiated instructional strategies ☒ Intervention/Enrichment Program during the instructional day ☒ Student Group data analysis ☒ Internal assessment data ☒ Professional Development documentation ☒ Students Experiencing Homelessness Designee ☒ Foster Youth Designee ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) English Learners ☒ Master Plan for English Learners ☒ Designated English Language Development (ELD) schedule ☒ Documentation of implementation of the school's Master Plan for English Learners ☒ Implementation of a data analysis system

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O3: SPECIAL EDUCATION

The school has a system in place to ensure that the school:

- Provides special education programs and services in accordance with students' IEPs
- Maintains and monitors mandated IEP timeline records and accurate service provision records in Welligent
- Conducts a special education self-review annually, using the Special Education Self-Review Checklist
- Provides special education training for staff

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system in place for full implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with regular and ongoing professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☒ The school has a system in place for implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☐ The school has a partially developed system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ The school has a minimal or no system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ Not applicable - Charter school participates in LAUSD's Option 1 SELPA	☒ Welligent IEP Timeline and Service Tracking Reports ☒ Annual Self-Review Checklist ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with School Leadership ☐ Other: (Specify)

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O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a school climate and schoolwide student discipline system in place to ensure that the school's practices:

- Align with principles of the District's Discipline Foundation Policy and School Climate Bill of Rights Resolution, including but not limited to, tiered behavior intervention, alternatives to suspension, schoolwide positive behavior support, and data monitoring
- Provide positive opportunities for student wellness, growth, and success, aimed at making the school safe, welcoming, supportive, and inclusive
- Monitor discretionary suspensions and expulsions
- Monitor chronic absenteeism for all students and student groups
- Prevent acts of bullying, including cyberbullying, in accordance with the requirements of Ed. Code, §§ 32283.5 and 234.4

Performance Rubric	Sources of Evidence
☐ The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☒ The school has a school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate notification to the District. ☐ The school has a partially developed and/or minimally effective school climate and student discipline system that is only partially aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights, and/or the school demonstrates inconsistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☐ The school has a minimally developed school climate and student discipline system as demonstrated by one or more of the following: the issuance of repeated CSD Notices to Cure (tiered intervention) related to suspension/expulsion; noted concerns related to ensuring due process rights when implementing suspension/expulsion practices; violation of law or policy.	☒ Positive school climate system and Restorative Justice documentation ☒ Documentation of systems to prevent acts of bullying ☒ Documentation of systems to promote regular attendance ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school has a system for stakeholder engagement, including gathering input, facilitating, and encouraging involvement, sharing information, and resolving concerns, which:

- Provides parents, teachers, and students with meaningful opportunities for involvement and engagement that meet the requirements and goals of applicable federal and state law, the school's charter, and the school LCAP
- Implements a School Site Council (SSC), English Learner Advisory Committee (ELAC), and/or Parent Advisory Committee (PAC) in accordance with applicable legal requirements (e.g., member composition of committee/council, legally required topics, etc.), if applicable

Performance Rubric	Sources of Evidence
☒ The school provided evidence of a well-developed and effective system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided limited evidence of a system for stakeholder engagement, sharing information, and resolving concerns ☐ The school provided little to no evidence of a system for stakeholder engagement, sharing information, and resolving concerns	☒ Yearlong Calendar of stakeholder engagement events/meetings. ☒ Stakeholder Engagement ☒ Stakeholder Consultation ☒ School Site Council (SSC) documentation ☒ Parent Advisory Committee (PAC) documentation ☒ English Learners Advisory Committee (ELAC) documentation ☒ School website ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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A. Review of Clearances, Credentialing, and Mandated Training Compliance Items

The items below are expected to be evident to ensure the school is in compliance with applicable law and the terms of its approved charter regarding clearances, credentialing, and mandated training at all times. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

Rating Note: A charter school cannot receive an overall rating in this category greater than one (1) if any items below are not evident.

Item	Evident	Not Evident
All new employees of the charter have a DOJ Criminal Background Clearance date prior to start date, per Ed Code § 45125.	☒	☐
Charter maintains accurate vendor certification forms, which are reviewed and signed by the charter school representative, prior to start date of vendor services, per Ed Code §§ 44237 and 45125.1.	☒	☐
All sole proprietors have a Sole Proprietor Criminal Background Clearance Certification form and a Sole Proprietor Vendor Certification of Criminal Background Clearance, Tuberculosis (TB) Clearance, and Credential Verification form completed prior to start date, per Ed Code §§ 44237, 45125.1 and 49406.	☒	☐
If applicable, all volunteers who perform school-site services while not under the direct supervision of a school employee have a DOJ Criminal Background Clearance date prior to start date, Ed Code §§ 44237 and 45125.	☐	☐
	☒ Not applicable	

Rating Note: A charter school cannot receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
All employees have completed mandated child abuse reporter training within 6-weeks of the beginning of the school year or within 6-weeks of employment, per Ed Code § 44691.	☒	☐
All certificated staff are fully credentialed, including EL authorizations, and appropriately assigned as authorized by their credentials at all times, per Ed Code § 47605(l).	☒	☐

Rating Note: A charter school may not receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
The school has provided documentation for at least one Custodian of Records, per California Penal Code § 11102.2.	☒	☐
All new employees of the charter have undergone a risk assessment and/or be examined and determined to be free of active tuberculosis (TB) within the period of 60 days prior to employment/service, per Ed Code § 49406.	☒	☐
All employees have current TB clearance, per Federal, State, and District Required Language.	☒	☐
	☐	☐

All volunteers with frequent or prolonged contact with students have a current TB clearance upon initial time of assignment, per Ed Code § 49406.	☒ Not applicable
Notes: None	

B. Review of Health and Safety Compliance Items

The items below are expected to be evident at the charter school to ensure the protection of student and staff health and safety. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

A charter school cannot receive an overall rating in this category greater than one (1) if the items below are not evident.

Item	Evident	Not Evident
A current, comprehensive, site-specific comprehensive Health, Safety, and Emergency School Safety Plan per requirements of Ed. Code, §§ 47605(c)(5)(F), 32282, and 35179.4, as applicable. (Note: For schools co-located with a District school, the charter school participates in and complies with the District school's Integrated Safe School Plan)	☒	☐

A charter school may receive an overall rating in this category of two (2) if any of the items below are not evident.
If several (i.e., two or more) items below are not evident, charter school may receive an overall rating of one (1) in this category.

Item	Evident	Not Evident
School has sufficient emergency supplies in the event of a natural disaster or other emergency (Ed. Code § 32282)	☒	☐
School conducts annual emergency drills and trainings as legally required to prepare for a natural disaster or other emergency, per Ed. Code §§ 32001 and 32282	☒	☐
Provision and documentation of health screenings (e.g., vision, hearing, and scoliosis) per current applicable law and terms of the charter (Ed. Code § 49450 et seq, as referenced in FSDRL)	☒	☐
Stock and maintenance of the required number and type of emergency epinephrine auto-injectors ("epi-pen") onsite and training has been provided to volunteer staff member(s) in the storage and emergency use, per Ed. Code § 49414 and § 4119.2 of the Business and Professions Code	☒	☐
Provision of at least two meals free of charge (breakfast and lunch) during each school day to students requesting a meal, regardless of their free or reduced-price meal eligibility, per Ed. Code § 49501.5	☒	☐

A Board adopted Pupil Suicide Prevention Policy (grades 1-6 and/or grades 7-12, as applicable), requirements per of Ed. Code § 215. Suicide Prevention Lifeline and National Domestic Violence Hotline on at least one side of Student ID cards, as specified in Ed. Code § 215.5	☒	☐
For schools offering an interscholastic athletic program, at least one automated external defibrillator (AED) is onsite, and available at on-campus athletic activities or events per Ed. Code §§ 35179.4 and 35179.6.	☐	☐
	☒ Not applicable	
Notes: None		

C. Review of Transparency and Stakeholder Information Compliance Items

The items below are expected to be evident at the charter school to ensure that it operates in a transparent manner and keeps all stakeholders informed. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and impact the overall rating in the Organizational Management, Programs, and Operations category.

A charter school cannot receive a rating in this category greater than three (3) if any of the items below are not evident.

Item	Evident	Not Evident
The following information posted to the school's website: ☒ LCAP, per Ed. Code § 47606.5(h) ☒ Current Board agenda in compliance with Brown Act, per Gov. Code, § 54954.2 (a)(1) and (d). ☒ Policy on Pupil Suicide Prevention per Ed. Code § 234.6 ☒ Title IX information, including a link to CDE's Title IX website per Ed. Code § 234.6 ☒ Policies on anti-discrimination, anti-harassment, anti-intimidation, anti-bullying, and sexual harassment policies, including: anti-cyberbullying procedures, social media anti-bullying procedures, and a link to statewide resources including community-based organizations compiled by CDE, per Ed. Code § 234.6 ☒ Information provided to parents/guardians regarding the dangers associated with using synthetic drugs that are not prescribed by a physician, such as fentanyl; the possibility that dangerous synthetic drugs can be found in counterfeit pills; and the risk of social media platforms being used as a way to market and sell synthetic drugs, such as fentanyl, per Ed Code § 48985.5	☒	☐
Provides stakeholders with appropriate, accessible, and relevant information about individual student and schoolwide academic progress and performance Ed. Code § 47605(c)(5)(C)	☒	☐
Access to approved charter	☒	☐

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Documentation of informing parents/guardians about transferability of courses/course credit and eligibility to meet A-G requirements (high schools only), per Ed. Code § 47605	☐	☐
	☒ Not applicable	
Informing parents/guardians of human trafficking prevention resources (grades 6-12), per Ed. Code § 49381	☒	☐
	☐ Not applicable	
Notification of access to available mental health services (grades K-12), per Ed. Code § 49428.	☒	☐
Charter schools serving any of the grades 6 to 12, shall prominently and conspicuously display a poster that identifies approaches and shares resources regarding pupil mental health in appropriate public areas that are accessible to, and commonly frequented by, pupils, per Ed. Code § 49428.5	☒	☐
	☐ Not applicable	
Notes: None		

LOCAL CONTROL AND ACCOUNTABILITY PLAN 2025-2026 (For Informational Purposes Only)

The CSD reviewed the Local Control and Accountability Plan.	
All requested template information and descriptions were *provided*:	**Sources of Evidence**
☒ LCFF Budget Overview for Parents ☒ Plan Summary ☒ Engaging Educational Partners ☒ Goals and Actions ☒ Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students ☒ Action Tables ☒ Instructions	☒ Local Control and Accountability Plan ☒ Board Agenda and Minutes
Notes: None	

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8013	2021-2022					2022-2023					2023-2024				
Magnolia Science Academy 6	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents		2,176,082	2,397,022	2,434,523	2,434,523		2,575,028	1,888,182	2,993,077	2,993,077		2,700,534	2,721,018	2,773,148	2,773,148
Accounts Receivable		333,266	378,916	401,287	423,454		495,591	205,084	533,397	533,398		296,926	288,759	379,436	375,967
Other Current Assets		10,000	10,000	10,521	521		10,000	10,000	22,521	12,521		22,000	14,700	26,946	20,416
Total Current Assets		**2,519,348**	**2,785,938**	**2,846,331**	**2,858,498**		**3,080,619**	**2,103,266**	**3,548,995**	**3,538,996**		**3,019,461**	**3,024,477**	**3,179,530**	**3,169,531**
Fixed and Other Assets		74,080	83,361	54,070	64,069		17,849	37,076	23,727	33,727		1,562	5,606	13,305	23,306
Total Assets		**2,593,428**	**2,869,299**	**2,900,401**	**2,922,567**		**3,098,468**	**2,140,342**	**3,572,723**	**3,572,723**		**3,021,023**	**3,030,083**	**3,192,835**	**3,192,837**
Deferred Outflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities		156,315	555,780	482,445	482,446		473,112	78,803	721,138	723,790		275,428	179,825	518,605	520,108
Other Long Term Liabilities		0	0	0	0		0	0	2,651	0		473	0	7,700	6,198
Unfunded OPEB Liabilities		0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities		**156,315**	**555,780**	**482,445**	**482,446**		**473,112**	**78,803**	**723,789**	**723,790**		**275,901**	**179,825**	**526,304**	**526,306**
Deferred Inflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Net Assets		**2,437,113**	**2,313,519**	**2,417,956**	**2,440,121**		**2,625,356**	**2,061,539**	**2,848,933**	**2,848,933**		**2,745,123**	**2,850,258**	**2,666,531**	**2,666,531**
Total Revenues	1,722,802	1,811,981	1,878,243	1,781,077	1,885,786	2,173,434	2,719,572	1,998,328	2,822,565	2,872,345	2,473,074	2,355,963	2,401,023	2,218,148	2,285,291
Total Expenditures	1,673,885	1,785,412	1,975,268	1,773,665	1,856,209	2,082,288	2,512,172	2,376,910	2,413,752	2,463,533	2,449,274	2,459,774	2,399,699	2,400,550	2,467,693
Net Income / (Loss)	**48,917**	**26,569**	**(97,025)**	**7,412**	**29,577**	**91,146**	**207,400**	**(378,582)**	**408,813**	**408,812**	**23,799**	**(103,811)**	**1,325**	**(182,402)**	**(182,402)**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**48,917**	**26,569**	**(97,025)**	**7,412**	**29,577**	**91,146**	**207,400**	**(378,582)**	**408,813**	**408,812**	**23,799**	**(103,811)**	**1,325**	**(182,402)**	**(182,402)**
Net Assets, Beginning	1,993,813	2,410,544	2,410,544	2,410,544	2,410,544	2,490,028	2,417,956	2,417,956	2,417,956	2,440,121	2,061,539	2,848,933	2,848,933	2,848,933	2,848,933
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	22,165	22,165	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	**1,993,813**	**2,410,544**	**2,410,544**	**2,410,544**	**2,410,544**	**2,490,028**	**2,417,956**	**2,440,121**	**2,440,121**	**2,440,121**	2,061,539	2,848,933	2,848,933	2,848,933	2,848,933
Net Assets, End	**2,042,730**	**2,437,113**	**2,313,519**	**2,417,956**	**2,440,121**	**2,581,174**	**2,625,356**	**2,061,539**	**2,848,933**	**2,848,933**	**2,085,338**	**2,745,123**	**2,850,258**	**2,666,531**	**2,666,531**
Unrestricted Net Assets		2,258,986	2,159,947	2,355,358	2,440,121		2,519,880	1,813,555	2,825,456	2,848,933		2,441,562	2,510,771	2,650,351	2,666,531
Restricted Net Assets		178,127	153,572	62,598	0		105,476	247,984	23,477	0		303,561	339,487	16,180	0

8013	Audited Financials					2024-2025					2025-2026				
Magnolia Science Academy 6	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents	2,434,523	2,993,077	2,773,148	2,102,401	0		2,455,669	2,554,398	2,102,401	2,102,401		2,090,099	1,971,877	0	0
Accounts Receivable	423,454	533,398	375,967	574,171	0		356,623	320,875	574,170	574,171		373,311	675,689	0	0
Other Current Assets	521	12,521	20,416	3,383	0		0	0	13,383	3,383		10,000	10,000	0	0
Total Current Assets	**2,858,498**	**3,538,996**	3,169,531	2,679,955	0		**2,812,292**	**2,875,273**	**2,689,953**	**2,679,955**		**2,473,410**	**2,657,566**	**0**	**0**
Fixed and Other Assets	64,069	33,727	23,306	330,964	0		8,113	8,113	320,963	330,964		335,476	250,595	0	0
Total Assets	**2,922,567**	**3,572,723**	**3,192,837**	**3,010,919**	**0**		**2,820,405**	**2,883,386**	**3,010,917**	**3,010,919**		**2,808,886**	**2,908,161**	**0**	**0**
Deferred Outflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities	482,446	723,790	520,108	436,508	0		219,998	210,197	433,796	436,508		213,811	293,222	0	0
Other Long Term Liabilities	0	0	6,198	8,709	0		5,175	5,175	11,419	8,709		8,709	8,709	0	0
Unfunded OPEB Liabilities	0	0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities	**482,446**	**723,790**	**526,306**	**445,217**	**0**		**225,174**	**215,373**	**445,214**	**445,217**		**222,520**	**301,930**	**0**	**0**
Deferred Inflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Net Assets	**2,440,121**	**2,848,933**	**2,666,531**	**2,565,702**	**0**		**2,595,231**	**2,668,013**	**2,565,702**	**2,565,702**		**2,586,366**	**2,606,231**	**0**	**0**
Total Revenues	1,885,786	2,872,345	2,285,291	2,891,088	0	2,497,861	2,727,937	2,787,721	2,822,971	2,891,088	3,082,232	3,098,157	3,194,125	0	0
Total Expenditures	1,856,209	2,463,533	2,467,693	2,991,917	0	2,473,332	2,799,237	2,786,239	2,923,800	2,991,917	3,045,334	3,077,493	3,153,596	0	0
Net Income / (Loss)	**29,577**	**408,812**	**(182,402)**	**(100,829)**	**0**	**24,529**	**(71,300)**	**1,482**	**(100,829)**	**(100,829)**	**36,898**	**20,664**	**40,529**	**0**	**0**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**29,577**	**408,812**	**(182,402)**	**(100,829)**	**0**	24,529	**(71,300)**	**1,482**	**(100,829)**	**(100,829)**	36,898	20,664	40,529	0	0
Net Assets, Beginning	2,410,544	2,440,121	2,848,933	2,666,531	0	2,850,258	2,666,531	2,666,531	2,666,531	2,666,531	2,668,013	2,565,702	2,565,702	0	0
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	2,410,544	2,440,121	2,848,933	2,666,531	0	2,850,258	2,666,531	2,666,531	2,666,531	2,666,531	2,668,013	2,565,702	2,565,702	0	0
Net Assets, End	**2,440,121**	**2,848,933**	**2,666,531**	**2,565,702**	**0**	**2,874,787**	**2,595,231**	**2,668,013**	**2,565,702**	**2,565,702**	**2,704,911**	**2,586,366**	**2,606,231**	**0**	**0**
Unrestricted Net Assets	2,440,121	2,848,933	2,666,531	2,565,702	0		2,357,594	2,384,893	2,553,992	2,565,702		2,511,527	2,417,849	0	0
Restricted Net Assets	0	0	0	0	0		237,637	283,119	11,710	0		74,839	188,382	0	0

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **4/10/2026**

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 6	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$2,440,121	$2,848,933	$2,666,531	$2,565,702	$2,606,231
Net Income / (Loss)	$29,577	$408,812	($182,402)[1]	($100,829)[2]	$40,529
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$2,434,523	$2,993,077	$2,773,148	$2,102,401	$1,971,877
Unrestricted Net Assets	$2,440,121	$2,848,933	$2,666,531	$2,565,702	$2,417,849
Norm Enrollment Reported by the School	84	89	109	126	155
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	131.46%	115.64%	108.06%	85.75%	76.67%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	131.16%	121.50%	112.38%	70.27%	62.53%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	592.50%	488.95%	609.40%	613.95%	906.33%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	16.51%	20.26%	16.48%	14.79%	10.38%

According to Magnolia Educational & Research Foundation (MERF):
[1]The reported net loss of **($182,402)** for Fiscal Year 2023-2024 was primarily due to exceeding the budgeted amount in several key areas, including substitute staffing, school and after-school programs, Special Education instruction contracts, and both instructional and non-instructional supplies. Additionally, the school incurred unanticipated expenses related to student services and technology.
[2]The reported net loss of **($100,829)** for Fiscal Year 2024-2025 was primarily due to the school experiencing a corresponding increase in staffing needs to support instructional and student services. Higher expenditures in salaries and benefits, instructional support staffing, and related operating costs outpaced revenue growth, contributing to the net loss for the year.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[3]	4[3]	$60,016,994	**($2,017,671)**[4]	$441,370	**($2,511,233)**[4]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 6 paid annual management fees of $179,169 (approximately 2% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[3]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 7; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[4]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671),** inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions are eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 6's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6	19	33	41	44	52
7	30	22	38	44	53
8	35	34	30	38	50
Total Enrollment	**84**	**89**	**109**	**126**	**155**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**5**	**20**	**17**	**29**
Enrollment Growth/(Decrease) (%)	**N/A**	**6.0%**	**22.5%**	**15.6%**	**23.0%**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**71**
Accumulated increase in student enrollment percentage	**84.5%**
2025-2026 projected enrollment per the enrollment rollout plan or budget in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
2025-2026 per the enrollment rollout plan in the school's operative charter	**192**
2025-2026 Norm Enrollment	**155**
Below 2025-2026 per enrollment rollout plan in its operative charter	**(37)**
Below 2025-2026 per enrollment rollout plan in its operative charter percentage	**(19.3%)**

LAUSD CHARTER SCHOOLS DIVISION SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report DATE OF VISIT: **4/10/2026**

Areas of Demonstrated Strength and/or Progress:

The school has complied with and met the fiscal benchmark as noted in the **Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS** section below.

Areas Noted for Further Growth and/or Improvement:

Through conducting fiscal oversight, the CSD requests and receives fiscal documents from the charter operator operating multiple charter schools (including bank statements, bank reconciliations, credit card statements, and check registers) that are currently authorized by LAUSD. The CSD reviews these financial documents—along with a sample of checks/disbursements and credit card transactions, as applicable—across these charter schools, to assess the organization's overall compliance with the charter operator governing board-approved fiscal policies and procedures, applicable federal, state, and local laws and regulations, District and charter requirements, and the effectiveness of the charter operator's internal controls and systems in place in alignment with best business practices. Any areas noted for further growth and/or improvement and other observations relating to the charter operator's and its charter schools' overall compliance and fiscal operations—including fiscal mismanagement, regulatory non-compliance, fiscal governance or internal control issues, or fiscally operational deficiencies, audit findings, etc. that *directly and systemically* impact the charter schools operated under the charter operator—are documented within each charter school's Annual Performance-Based Oversight Visit Report. These issues may or may not have been observed for the specific charter school under the same charter network, based on the CSD's sampling review. Lastly, school-specific exceptions, such as the fiscal condition, unique oversight observations, or audit findings applicable to individual schools, are reviewed and documented separately for each charter school.

1. **Type of Observations: Discrepancies Between Invoices and Supporting Documentation; Absence of Management Detailed Review Prior to Approving and Processing Payments**
   - **Source of Documents Reviewed: Check Register**
   - **Description of Observations:** Based on the CSD's review of three (3) transactions from a total of seventeen (17) check register samples, the CSD identified discrepancies between the invoices submitted and MERF's initial supporting documentation provided to the CSD. Although MERF subsequently provided additional documentation in response to the CSD's observations and inquiries, these discrepancies suggest weakness in internal controls, particularly the lack of management review and reconciliation of billed hours, days, and amounts prior to approving and processing payments to vendors and contractors. A summary of the CSD's observations is provided in the table below.

Sample # and School	Date	Check#	Vendor Name	Invoice#	Invoice Amount	# of Hours/ Days Billed	# of Hours/ Days per Initial Supporting Documentation	Overbilled Hours/ Days	Overbilled Amount	Description of CSD Observations
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903022	$12,071.67	97.1667 hours	35 hours	62.17 hours	$7,575.67	The school provided supporting documents that did not match the hours billed by the vendor. ***Additional documentation was subsequently submitted that***

#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903175	$11,464.67	93.6667 hours	47 hours	46.67 hours	$5,571.06	***matched the billed hours***; however, this documentation was provided ***after the fact***, indicating weak internal controls. It further reflected a failure to verify invoices against contract terms and a lack of adequate review processes before approving and processing the payment to the vendor/contractor.
#16 MSA 8	5/13/2025	800203	Nextgen Teachers LLC	9-APRIL 2025	$30,210.00	90 days	86 days	4 days	$1,336.00	The school provided sign-in sheets to support the billed service days; however, four days lacked sign-ins. Additional issues included billing inconsistencies with contract rates and duplicate charges for the same subject on the same day.
#17 MSA 8	5/16/2025	800207	Nextgen Teachers LLC	8-MARCH 2025	$28,524.00	85 days	85 days	-	-	Although the billed days were consistent with the days per the supporting documentation submitted to the CSD, and the school provided sign-in sheets to support billed service days, the CSD identified that some dates did not match vendor invoices, and duplicate billing was identified for the same teacher and subject on the same day. These discrepancies indicate a lack of internal controls in reviewing and reconciling invoices to supporting documentation and contractual terms.

- **Charter Operator's Fiscal Policies and Procedures:** Pages 248 and 249 (Title: PUR104 Accounts Payable and Cash Disbursements) of the MERF's Financial Policies and Procedures Manual, approved by the MERF Board on June 26, 2025, state: "Policy: Internal controls are required to ensure that

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only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, ….” It further states: “Scope: This procedure applies to all purchases, including contractors, consultants, and merchandise and non-merchandise purchases.”

- **CSD’s Comments:** The CSD continues to urge MERF’s leadership team to improve its process and exercise greater diligence in reviewing and verifying invoices prior to processing payments to ensure that accurate calculations and appropriate supporting documentation support all disbursements of the school funds, aligning with the organization’s board-approved fiscal policies and procedures as well as best business practices.

The governing board and leadership team of the charter school are responsible for managing the operations of the school. The CSD recommends that the Annual Performance-Based Oversight Visit Report, including the above-noted fiscal findings and observations, be discussed at the MERF’s next governing board meeting, highly preferably no later than 90 days following the school’s receipt of this report, so that the charter school and its governing board may address any issues early enough to implement changes in order to see results in its next fiscal year. It is the school’s responsibility to provide the CSD with its action plans/steps, proof of implementation of the mitigating actions taken by the school, and/or documentation (e.g., governing board meeting agendas and approved board meeting minutes, updated fiscal policies and procedures, etc.), as applicable, prior to or during the next Annual Performance-Based Oversight Visit. The CSD will continue to monitor this issue through oversight and may take additional appropriate oversight actions. The results may be factored into the school’s rating for next year.

Other Observations (Items described in this section, which may not have been addressed in the charter school’s Fiscal Policies and Procedures, are recommended for improvement to align with optimal business practices).

1. **Type of Observation: 2024-2025 Audit Finding – Material Weakness Concerning Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF’s 2024-2025 annual independent audit report disclosed financial statements-related findings identified as a material weakness concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC. Details regarding the audit finding are provided below:

     “**2025-001 30000 – Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments as it Relates to the Title Transfer for the Newly Formed LLC (Material Weakness)**

     Criteria or Specific Requirements
     Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This includes designing, implementing, and monitoring controls to ensure that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are free from material misstatement, whether caused by error or fraud. As part of this responsibility, management ensures that accounting considerations related to complex or non-routine transactions, including those involving legal entity structure or ownership, are appropriately identified, documented, reviewed, and recorded prior to year-end close.

     Condition
     During the course of our engagement, we identified material misstatements of beginning balances presented within the consolidated financial position, as reported on the 2022-2023 audited financial statements. This prior period restatement due to errors resulted in an understatement of $3,774,168. In

addition, we identified adjustments related to cash and cash equivalents, property and equipment, notes payable, and the related revenues and expenditures. Specifically:

Magnolia Educational & Research Foundation

- Cash and cash equivalents were understated by $2,000,000.
- Property and equipment were understated by $7,600,000.
- Intra-entity receivables were overstated by $1,308,807.
- Intra-entity payables were understated by $427,630.
- Interest payable was understated by $307,131.
- Notes payable were understated by $7,825,000.

Magnolia Science Academy 5

- Property and equipment were overstated by $3,964,890.
- Intra-entity receivables were understated by $1,081,742.
- Proposition construction loans were overstated by $1,441,574.

Magnolia Science Academy 7

- Property and equipment were overstated by $1,736,437.
- Intra-entity receivables were understated by $427,630.
- Intra-entity payables were overstated by $1,308,807.

MPM, Inc/LLC

- Notes receivable was understated by $3,540,002.
- Property and equipment were understated by $1,081,742.
- Intra-entity payables were understated by $1,081,742.

These adjustments resulted in an overall understatement of $1,829,860 in Net Assets.

During the fiscal year 2024-2025, the Organization established MPM 18120 Sherman Way LLC to hold title to the property at 18120 Sherman Way. The purchase transaction was completed during the year; however, as of June 30, 2025, the formal transfer of title from MERF to the LLC had not yet been finalized.

Context

The condition identified was through inquiry with Organization personnel and through review of available Organization records related to balances reported in the Organization's cash and cash equivalents, property and equipment, interest payable, and notes payable.

Cause
The delay was due to administrative timing and coordination requirements associated with setting up the new legal entity and preparing the necessary transfer documentation, specifically to avoid triggering the Los Angeles City Measure ULA transfer tax.

Effect
The net effect of these errors resulted in misstatements that were not detected or prevented by the Organization's internal accounting control and review process.

Repeat Finding
No

Recommendation
We recommend that management and those charged with governance continue to strengthen internal controls over financial reporting related to complex, non-routine transactions, including those involving legal entity formation, ownership, and timing considerations, to ensure that financial statements are free from material misstatement. Controls should enable management, in the normal course of performing assigned functions, to identify, document, and resolve accounting considerations on a timely basis. Specifically:

- Strengthen year-end reconciliation and review procedures for significant accounts.
- Enhance pre-year-end coordination and documentation review for transactions involving legal entity structure or ownership.
- Ensure timely identification, documentation, and recording of accounting judgments related to such transactions prior to financial statement issuance.

Corrective Action Plan and Views of Responsible Officials
The Organization agrees that effective year-end review, documentation, and coordination are critical components of its internal control over financial reporting, particularly for complex or non-routine transactions involving legal entity formation or ownership. Management has implemented, and continues to implement and monitor, enhanced procedures to strengthen cross-functional coordination, pre–year-end readiness reviews, documentation of accounting judgments, and verification of legal ownership and entity structure prior to fiscal year-end. Management believes these actions will support timely identification and resolution of accounting considerations and reduce the risk of similar issues in future reporting periods."

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above. In addition, in response to the CSD's follow-up inquiries, MERF provided its action plans developed and maintained by Cafer Turan, Interim Chief Financial Officer: Management will implement stronger controls over complex and non-routine transactions by ensuring proper review, documentation, and coordination. This includes completing a formal readiness certification before major real estate or financing activities, improving collaboration across departments and with auditors, and conducting enhanced reconciliations during year-end closing. Additionally, management will maintain thorough documentation of accounting judgments and ensure appropriate technical accounting review to support accurate and consistent financial reporting. Management will monitor and implement corrective actions throughout FY 2025–26, with full implementation expected by June 30, 2026. Effectiveness will be evaluated during year-end close and ongoing audit reviews. Additionally, management will conduct a pre-year-end review of LLC-related legal, ownership, and transactional documentation to ensure completeness and alignment before the fiscal year-end.

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- **CSD's Comments:** The CSD urges that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

2. **Type of Observation: 2024-2025 State Compliance Audit Finding Concerning Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed a state compliance-related audit finding identified as a significant deficiency concerning attendance reporting. Details regarding this audit finding are provided below.

     "2025-002 10000 – Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)

     Criteria
     Pursuant to California Education Code Section 47612.5, the Annual Period Report of Attendance submitted to the CDE should reconcile to supporting documents to ensure that Average Daily Attendance (ADA) is reported accurately. The attendance report should be revised to reflect updates and corrections to attendance when they occur.

     Condition
     The ADA reported on the Annual Period Report of Attendance was inaccurate due to the Organization misclassifying classroom-based ADA and nonclassroom-based ADA. As a result, the Organization overstated classroom-based ADA by 1.20 and underreported nonclassroom-based ADA by 1.20 on the Annual Report.
     Cause
     The misclassification appears to have resulted from an error in categorizing instructional settings for classroom-based and nonclassroom-based ADA during annual reporting.

     Effect

     Magnolia Science Academy San Diego
     The Organization over-reported by 1.20 ADA for classroom-based and under-reported by 1.20 ADA for nonclassroom-based on its Annual Period Report Attendance, resulting in an estimated fiscal impact as follows:

Grade Span	(Over) Under Reported ADA	Derived Value of ADA by Grade Span	Penalty
Classroom-based			
4-6	(0.38)	$ 10,937.43	$ (4,156.22)
7-8	(0.82)	11,260.92	(9,233.95)
Subtotal	(1.20)		(13,390.18)
Nonclassroom-based			
4-6	0.38	$ 10,937.43	$ 4,156.22
7-8	0.82	11,260.92	9,233.95
Subtotal	1.20		13,390.18
Total	-		$ -

Questioned Costs
There were no questioned costs identified.

Repeat Finding
No

Recommendation
The Organization should ensure the Annual Period Report of Attendance is accurately completed using the correct reports from the student information system.

Corrective Action Plan and Views of Responsible Officials
The Organization acknowledges the finding and agrees that ADA was misclassified. While the variance of 1.20 ADA does not result in a questioned cost, the school recognizes the importance of accurate reporting under California Education Code Section 47612.5.

The Organization concurs with the recommendation and has initiated steps to strengthen internal controls, update policies, and train staff to ensure future compliance.

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above.
- **CSD's Comments:** The CSD recommends that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

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The Charter Schools Division will continue to monitor the issues referenced above by or during the next oversight visit. The results may be factored into the school's rating for next year.

Corrective Action Required:

None noted that immediate action is required to remedy concerns in this report.

Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS (if applicable):

☐ Not Applicable

As part of the October 23, 2018 renewal petition approved by the LAUSD Board of Education (Board of Education report 123-18/19), during the 2019-2024 charter term, which, by operation of law, was extended to and expires June 30, 2027,* MSA 6 must meet the following fiscal benchmarks and take the following actions in relation to its fiscal operations:

The school shall provide a written status report to the Charter Schools Division no later than December 15 of each year of the charter term demonstrating its progress related to the following:

1. MERF's continuous improvement in the school's fiscal management and operations, based on the recommendations made by School Services of California.

To date, MSA 6 has complied with the benchmark cited above. The CSD will continue to monitor the school's fiscal management through the remainder of the school's charter term.

*Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

Notes:

I.	Review of Fiscal Documentation	Comments
1.	FY 2024-2025 Independent Audit Report	
	a. Audit opinion:	Unmodified/Unqualified
	b. Material weaknesses:	Yes. Please see the description below.
	c. Deficiencies/Findings:	Yes. Please see the description below.
	d. Lack of a Going Concern:	None Reported

	Description (if applicable):	MERF's 2024-2025 independent audit report identified a material weakness related to financial statements concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC (affecting MERF, LLC, MSA 5, and MSA 7), and a state compliance-related audit finding identified as a significant deficiency related to attendance reporting related to MSA San Diego, not authorized by LAUSD (noted in the OO section above).
	The status of audit findings from 2023-2024 (if applicable):	Not applicable
2.	(Only for **new schools** without an audit report on file) The charter school is in its first/second year of operation and there is no independent audit report on file with the CSD.	Not applicable
3.	The 2024-2025 audited and unaudited actuals:	Nearly mirror each other.
	The 2024-2025 independent audit report is not available as of the date of this report.	Not applicable
4.	Segregation of Duties (SOD) review(s) was/were conducted in-person/virtually at:	Home Office, MSA 4 and MSA 8
		No discrepancies were noted.
5.	Proposition 39 information.	Magnolia Science Academy 6 is currently located on a Proposition 39 site. According to the District Charter Schools Accounting Unit's record, as of 3/31/2026, the school does not owe any Prop. 39 over-allocated space reimbursement fees. The CSD will continue to monitor this matter through oversight.

II.	**Review of 2025-2026 Fiscal Preparation Guide**	**Provided**	**Comments**
1.	Most Current Fiscal Reports Reported to the Board	Yes	
2.	Board Meeting Minutes – Discussion of Fiscal Reports Presented to Board & Board Packet	Yes	
3.	Audit or Fiscal Reports – CalSTRS, CalPERS, USDE, CDE, FCMAT, IRS, SBA, OPEB, etc.	N/A	
4.	Board Meeting Minutes – Approval of 2025-2026 Budget	Yes	

5.	Evidence of Compliance – STRS, PERS, Social Security, Other Benefits	Yes	Benefits offered by the school: Social Security, STRS, PERS
6.	Board Meeting Minutes – Selection of Independent Auditor	Yes	
7.	Board Meeting Minutes – Discussion of Independent Audit Report	Yes	
8.	Board Meeting Minutes – Discussion of the Most Recent Interim Financial Reports Submitted to LAUSD	Yes	
9.	Board Meeting Minutes – Discussion of Staff or Vendors Complaints	N/A	
10.	Board Meeting Minutes – Discussion of 2024-2025 Annual Performance-Based Oversight Visit Report	Yes	
11.	Current Fiscal Policies and Procedures	Yes	
12.	Board Meeting Minutes – Approval of Fiscal Policies and Procedures	Yes	
13.	Organizational Chart(s)	Yes	
14.	Summary of Total Compensation Paid in FY 2024-2025	Yes	
15.	Related Parties	Yes	
16.	MOUs for CMO Management Fees and/or back office service provider agreements	Yes	
17.	Board Meeting Minutes – Approval of Management Fees, License Fees, or Any Other Fees	Yes	
18.	Most Current Accounts Payable Aging Report	Yes	
19.	Check Registers (12 months)	Yes	Period spanning from 1/2025 to 12/2025 Reviewed checks for sample testing The CSD's observations were noted in the ANI section above.
20.	Credit Card Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed credit card transactions for sample testing No discrepancies were noted.
21.	Monthly Bank Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed electronic credit/debit transactions for sample testing No discrepancies were noted.
22.	Student Body Financial Records (6 months)	N/A	
23.	Capitalized and Non-Capitalized Inventory Listing	Yes	

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24a.	Posting of EPA on School's Website	Yes	
24b.	Posting of Audited Financials on School's Website	Yes	
25.	Financing Activities, Loans, Factoring Receivables, Intercompany Transfers/Loans, etc.	Yes	See details below.

MERF provided the following historical intra-organizational loan balances:

Date	Borrower	Lender	Balance
June 30, 2024	MSA Santa Ana	MERF	$351,452.00
June 30, 2024	MSA San Diego	MERF	213,436.00
June 30, 2024	MERF	MSA 8	562,124.00
June 30, 2024	MERF	MSA 1	137,562.00

According to MERF, as of June 2025, total repayments made to MSA 8 and MSA 1 were $562,124 and $137,562, respectively, offset by the payments from MSA Santa Ana of $351,452, MSA San Diego of $213,436, and MERF of $134,798. Accordingly, there are no remaining balances associated with this historical loan arrangement.

Based on documentation (e.g., agreements) from MERF, the current intra-organizational loans are summarized in the table below:

Approval Date	Borrower	Lender	Loan Amount	Interest Rate	Maturity Date
12/11/2025	MERF	MSA 8	3,700,000.00	4%	04/30/2031
12/11/2025	MSA OC	MERF	3,700,000.00	4%	04/30/2031
01/24/2026	MERF	MSA 8	$1,308,807.00	4%	06/30/2031
01/24/2026	MSA 7	MERF	1,308,807.00	4%	06/30/2031

According to MERF, the outstanding intra-organizational loans between MERF and MSA 8 represent pass-through loans intended for MSA 7 and its new site (e.g., facility acquisition of the site located at 18120 Sherman Way, Reseda, CA 91335 in January 2025), and MSA Orange County (MSA OC) for its operational needs. As of 3/31/2026, the outstanding loan balances are: (1) MERF to MSA 8 is $5,008,807; (2) MSA 7 to MERF is $1,308,807; and (3) MSA OC to MERF is $3,700,000. As of the writing of this report, these balances remain unchanged from their original loan amounts. The MERF Board approved, at its meetings held on 12/11/2025 and 1/24/2026, respectively, an extension of the repayment terms for an additional five (5) years, with the first payment scheduled to begin in July 2026.

26.	New and Renewed Facility Lease Agreements and Board Meeting Minutes – Approval of New or Renewed Lease	Yes	
27.	Facilities Plans – Purchase, Lease, Relocation, Expansion, Major Improvements	Yes	See details below:

	Per MERF, the following information was provided: **Facilities Plan – MSA 4 and MSA 6** MSA 4 and MSA 6, which currently operate under separate Prop 39 co-location arrangements, previously pursued the acquisition of a facility to establish a permanent campus. The organization completed key due diligence activities and entered escrow, including submitting a substantial good-faith deposit. However, the transaction ultimately did not move forward. Following a comprehensive financial review, including multi-year budget, cash flow, and balance sheet projections, the organization determined that the acquisition is not fiscally viable at this time and has elected not to proceed with the purchase. MERF incurred a $200,000 financial loss related to this transaction. **Facilities Plan – MSA 7** MSA 7 currently operates in a leased church facility, with projections indicating a significant increase in lease costs in the next term. To address rising expenses and ensure long-term stability, the school is pursuing the development of a permanent campus. The property for the new facility was acquired in January 2025. The project is presently in the design and permitting phase, with work underway on schematic design and construction documents. Once completed, the new campus will reduce long-term occupancy costs and provide students with stable, modern learning environments. The estimated move-in date is August 2027.		
28.	Employee Retention Credit	N/A	
29.	Disclosure of Legal Issues with material fiscal impact	N/A	

Notes: N/A (Provided Column) = indicated by the charter school as not applicable
ANI = Areas Noted for Further Growth and/or Improvement
OO = Other Observations

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SCHOOL NAME: **Magnolia Science Academy 6**

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DATE OF VISIT: **4/10/2026**

Fiscal Operations Rubrics

Existing School *– a charter school that was/is in operation/active in the preceding school year(s) and the current school year. Existing schools may receive a rating of 4, 3, 2, or 1.*

New School *– a charter school that is in its first year of operation in the current school year and does not have an independent audit report or audited financial result for its first operative year on file with LAUSD. New schools are evaluated based on current year information. New schools may receive a rating of 2 or 1.*

Existing School 4 (Accomplished)	***To receive a rating of 4 (Accomplished), an existing school, at a minimum, meets all of the Required and Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is positive;
3. The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., California State Teachers' Retirement System (CalSTRS), California Public Employees' Retirement System (CalPERS), Fiscal Crisis & Management Assistance Team (FCMAT), United States Department of Education (USDE), California Department of Education (CDE), United States Small Business Administration (SBA), Internal Revenue Service (IRS), Employment Development Department (EDD), etc.), at the time of the oversight visit, show no outstanding findings;
5. Vendors and staff are consistently paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school consistently adheres to the governing board-approved fiscal policies and procedures;
8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are consistently processed or submitted by the charter school in a timely manner;
15. There are no items cited in Areas Noted for Further Growth and/or Improvement and there are no more than five (5) items cited in Other Observations for the most current year;
16. If applicable (when audited and unaudited actuals do not mirror each other), adequate explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is consistently in place;
18. If applicable, there are no outstanding fiscal-related tiered intervention notices issued to the school; or the school has no tiered intervention notices as of the oversight report issuance date; and

19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are fully met by the required deadline(s); or the school has no fiscal benchmarks in its current charter term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in California Code of Regulations (CCR), Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the two most current annual independent audit reports;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the two most current annual independent audit reports;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the two most current annual independent audit reports;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)), or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 3 (Proficient)	***To receive a rating of 3 (Proficient), an existing school, at a minimum, meets all of the Required and at least five (5) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is positive;
3. The most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., CalSTRS, CalPERS, FCMAT, USDE, CDE, SBA, IRS, EDD, etc.), at the time of the oversight visit, show outstanding findings, and the school is able to demonstrate evidence of remedies in addressing these findings;
5. Vendors and staff are generally paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school generally adheres to the governing board-approved fiscal policies and procedures;

8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are generally processed or submitted by the charter school in a timely manner;
15. There are no significant recurring issues cited in the Areas Noted for Further Growth and/or Improvement;
16. If applicable (when audited and unaudited actuals do not mirror each other), at least partial explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is generally in place;
18. If applicable, the charter school is in the process of resolving outstanding fiscal issues cited in a Notice issued by the CSD as part of its tiered intervention process; and
19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are partially met by the required deadline(s).

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit report;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit report;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit report;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **4/10/2026**

Existing School 2 (Developing)	***An existing school would receive a rating of 2 (Developing) if the charter school is not eligible for the rating of Accomplished or Proficient, but, at a minimum, meets all of the Required and at least four (4) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report; net assets are negative with strong trend towards becoming positive (be positive at the end of the third year per the applicable interim financials); or the school's financial condition fluctuates from year to year, with significant net losses, leading to negative net assets in the current fiscal year and/or the foreseeable future fiscal years;
2. The cash balance at the beginning of the school year is positive; and
3. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 6**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **4/10/2026**

Existing School 1 (Unsatisfactory)	***An existing school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:

A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Accomplished*, *Proficient*, or *Developing* above. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, audit findings that are identified as repeat material weaknesses or significant deficiencies disclosed in the charter operator's most recent annual independent audit report, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result to non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 2 (Developing)	***A new school would receive a rating of 2 (Developing) if the charter school, at a minimum, meets all of the Required Criteria listed below.***

REQUIRED CRITERIA

1. Interim reports and/or unaudited actuals project positive net assets;
2. Projected debt, if any, is managed efficiently and will not cause the charter school to end the fiscal year with negative net assets. The non-profit organization is financially viable to support the charter school;
3. If enrollment is significantly below the enrollment per the school's *Pupil Estimates for New or Significantly Expanding Charters* report and/or its approved petition budget, the charter school has made significant adjustments in their operations to allow for the reduced income, and submitted a revised viable three-year budget and three-year cash flow projections;
4. Governing board adopts the annual budget;
5. Governing board reviews and discusses the charter school's financial reports as evidenced by the governing board meeting minutes;
6. Reasonable requests for information made by the Charter Schools Division and LAUSD are processed or submitted by the charter school in a timely manner; and
7. The LCAP is submitted to the appropriate agencies.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 1 (Unsatisfactory)	***A new school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:
A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Developing*. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result in non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION

ANNUAL PERFORMANCE-BASED OVERSIGHT VISIT REPORT*
2025-2026 SCHOOL YEAR
FOR

MAGNOLIA SCIENCE ACADEMY 7 - 8014

Name and Location Code of Charter School

LAUSD Vision

Los Angeles Unified will be the premier public school district by eliminating educational inequities to graduate ALL students ready for the world – to thrive in college, career, and life.

CSD Mission

The LAUSD Charter Schools Division (CSD) fosters high quality educational opportunities and outcomes for students in the greater Los Angeles community through exemplary charter public school authorizing, oversight, and sharing of promising practices so that all students maximize their potential.

CSD Core Values

We believe that our success depends on:

- Making decisions that put the interests of students first.
- Serving with high expectations, integrity, professionalism, and commitment.
- Employing authentic, responsive, and effective leadership and teamwork.
- Continuously learning as a dynamic organization.
- Building and sustaining a healthy workplace culture where high performance, diversity, and creativity thrive.
- Developing productive relationships with our charter schools and all stakeholders.

***** Charter School shall comply in a timely manner with all applicable federal and state laws and regulations, as they may change from time to time, including but not limited to matters related to the school's governance, programs, facilities, operations, and/or fiscal management.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

Charter School Name:	**Magnolia Science Academy 7 (MSA7)**			**Location Code:**	**8014**
Current Address:		**City:**	**ZIP Code:**	**Phone:**	**Fax:**
18355 Roscoe Blvd.		**Northridge**	**91325**	**818-221-5328**	**818-975-5215**
Current Term of Charter[1]:		**LAUSD Board District:**		**LAUSD Region:**	
July 1, 2019 to June 30, 2027		**3**		**North**	
Number of Students Currently Enrolled:	**Enrollment Capacity Per Charter:**		**Number Above/Below Enrollment Capacity (day of visit):**		**Below by 25**
275	**300**				
Grades Currently Served:	**Grades To Be Served Per Charter:**		**Percent Above/Below Enrollment Capacity (day of visit):**		**Below by 8.33%**
TK-5	**TK-5**				
Norm Enrollment Number:	**269**				
Total Number of Staff Members:	**38**	**Certificated:**	**18**	**Classified:**	**20**
Charter School's Leadership Team Members:	**Musa Avsar, Principal; Gil Yoon, Asst. Principal; Noreen Bolden, Dean of Academics; Gokhan Serce, Chief Academic Officer; David Yilmaz, Chief of Data & Accountability Officer**				
Charter School's Contact for Special Education:	**Aimee Cayco, Special Education Coordinator**		**SELPA & Option:**		**LAUSD Option 3**
CSD Assigned Administrator:	**Yolanda Jordan**		**CSD Fiscal Oversight Manager:**		**Cristina Balderas**
Other CSD Team Members:	**N/A**				
Oversight Visit Date(s):	**March 24, 2026**		**Fiscal Review Date (if different):**		**N/A**
Is school located on a District facility? If so, please indicate the applicable program (e.g., Prop 39, PSC, conversion, etc.):	**No**		**LAUSD Co-Location Campus(es) (if applicable):**		**N/A**

SUMMARY OF RATINGS

(4)=Accomplished (3)=Proficient (2)=Developing (1)=Unsatisfactory

Governance	Student Achievement and Educational Performance	Organizational Management, Programs, and Operations	Fiscal Operations
3, Proficient	**3, Proficient**	**3, Proficient**	**2, Developing**

[1] Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

CHARTER RENEWAL CRITERIA

In accordance with Education Code §§ 47605, 47607, and 47607.2, in order to renew a charter, the District must determine whether the charter school has met specific renewal criteria prescribed in statute.

REPORT GUIDE

LAUSD's oversight procedures are intended to balance a charter school's autonomy of operation with its accountability to the public. LAUSD utilizes a holistic, performance-based approach to evaluate all charter schools, guided principally by making decisions in the best interest of students. The CSD observes and monitors each charter school in accordance with applicable laws, regulations, LAUSD policy, memoranda of understanding, and the school's operative charter. Information gathered through oversight serves as part of the charter school's ongoing record for the District to make informed decisions about charter school authorization, renewal, material revisions, sharing of promising practices, and if need be, revocation. While LAUSD is responsible to provide oversight of its charter schools and the entities managing charter schools, the primary oversight of each charter school must first and foremost be performed by the charter school's own Governing Board. The Governing Board of a charter school has an ongoing responsibility to oversee the operations of its charter school(s), ensuring that every charter school it oversees is providing a high-quality educational program for students enrolled, is successfully fulfilling the terms of their charter, is fiscally sound, and complies with applicable laws, regulations, and court orders. In designing this document, the District has considered the California Charter Schools Act, the *LAUSD Policy and Procedures for Charter Schools,* the factors and guidance promulgated by the California State Board of Education in evaluating charter schools, and the National Association of Charter School Authorizers' *Principles and Standards of Quality Authorizing*. This reporting tool provides guidelines and criteria used by the CSD to observe, record, assess, and reflect with the charter school on school performance as captured during the annual oversight visit process in these four categories:

- ***Governance*** – demonstrating fulfillment of the Governing Board's fiduciary responsibility to effectively direct and provide oversight for the charter public school, including but not limited to enactment and monitoring of policies and procedures to ensure the school's full compliance with applicable law, policy, and the terms of the charter approved by the LAUSD Board of Education
- ***Student Achievement and Educational Performance*** – demonstrating positive academic achievement and growth for all students
- ***Organizational Management, Programs, and Operations*** – demonstrating effective leadership and implementation of the governing board's policies and procedures, as well as the school's educational program and systems and procedures for the day-to-day operations of the school
- ***Fiscal Operations*** – demonstrating sound fiscal management, appropriate use of public funds, and compliance with regulatory requirements

This report, including the ratings in each category, is based on information and evidence gathered for the annual oversight visit. The CSD considers evidence provided through CSD staff observations, document review, interviews, and discussion with school representatives and stakeholders. All charter schools are expected to prepare for the visit and have available, as applicable, all documentation requested in the *Annual Performance Based Oversight Visit Preparation Guide.* The "Sources of Evidence" sections below identify key information sources generally relevant to their respective indicators; these lists are not exhaustive, however, and some items may not be applicable to the grades served. Schools may present additional evidence as deemed relevant and appropriate. As needed, CSD staff also may request additional information and/or documentation prior to, during, and/or following the visit.

The tool employs the following four-point rubric to rate the school's performance in each category: *(4) Accomplished, (3) Proficient, (2) Developing, and (1) Unsatisfactory*. In addition, the *Summary of School Performance* section in each category captures key findings under one or more of the following headings: (1) Areas of Demonstrated Strength and/or Progress; (2) Areas Noted for Further Growth and/or Improvement; and, if applicable, (3) Corrective Action Required. Under "Corrective Action Required," the CSD reports findings of material noncompliance with applicable law, LAUSD charter policy, or the school's approved charter. **If the report includes any findings under "Corrective Action Required," the charter school must take immediate and appropriate steps to remedy the identified concern.** In accordance with its "tiered intervention" approach to charter school non-compliance and poor performance, the CSD may also send the school appropriate notices, separate and apart from this report, to provide and document time-specific follow-up as necessary. At the other end of the spectrum of performance, any school that earns a rating of *Accomplished* in any category is encouraged to submit to the CSD a summary of those "promising practices" that the school believes have contributed to its success, in order to support the CSD's ongoing efforts to promote and facilitate reciprocal sharing of promising practices among education leaders from across all LAUSD schools.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

GOVERNANCE	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- The current Board of Directors of Magnolia Public Schools (MPS) is comprised of 7 directors, which is aligned with the organization's most recent Bylaws requiring no less than 3 and no more than 11 directors.
- Calendar of Governing Board meetings for the 2025-2026 school year, showing monthly meetings scheduled from July 10, 2025 to June 25, 2026
- Brown Act and Conflict of Interest training was held during the Board meeting on August 7, 2025 and September 11, 2025, respectively.

G2: DUE PROCESS

The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public.

As evidenced by information in Folder 1, some of the evidence include the following:

- Systems to provide due for students, employees, and parent including, but not limited to the following:
  - Uniform Complaint Procedures (UCP) and related forms in the student/parent handbook, as well as on the school's website
  - Procedures for resolving general stakeholder complaints within the "General Complaint Procedures Form" located at the school site, within the student/parent handbook and on the school's website. Procedures and forms are available in English and Spanish
  - Procedures/policies regarding Suspension/Expulsion (including appeals), grading policies, and student code of conduct located at the school site, within the student/parent handbook and the school's website
  - Employee handbook which includes descriptions of the school's employee Code of Conduct, Internal Complaint Review and Policy (e.g., complaints by employees against employees, complaints by third parties against employees), Open Door Policy, and employee discipline policy

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis, and discussion, etc.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- Agenda items during Board meetings regularly include updates/reports regarding student achievement and other key aspects of school performance (e.g., CAASPP, NWEA MAP, etc.) and operations from the organization's Chief Executive Officer, Chief Academic Officer, other home office officers, and school site principals.

- Some of the specific items discussed during Board meetings include the following: approval of LCAPs for all Magnolia schools on June 26, 2025; data presentation of LCAP Mid-Year Update on February 13, 2025; enrollment update, including enrollment trends and "Glows, Grows & Priorities" presentations by MSA 4 and MSA6 on May 22, 2025, MSA7 and Bell on June 18, 2025.

Areas Noted for Further Growth and/or Improvement

G6: FISCAL MANAGEMENT AND ACCOUNTABILITY

- As noted in further detail in the Fiscal Operations category, below, the rating of "2" for this indicator is primarily due to the audit finding disclosed in Magnolia Educational & Research Foundation's 2024-2025 independent audit report, identified as a material weakness related to financial statements concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC applicable to Magnolia Science Academy 7. Please see the Areas Noted for Further Growth and/or Improvement section within the Fiscal Operations category, below, for additional information.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to GOVERNANCE (if applicable):

☒ Not Applicable

***RATING NOTES:**

- ***A charter school may receive a rating as low as one (1) in this category for any of the following reasons: 1) Evidence of conflict(s) of interest within the organization (i.e. Governing Board, staff, contracted external parties, etc.), 2) School is in breach of the operative charter, including Federal, State, and District Required Language, 3) School is "Not in Good Standing," 4) Unresolved concern(s) and/or ongoing tiered intervention (i.e., Notice of Concern and/or Notice to Cure), and/or 5) If there are serious concerns related to fiscal matters (e.g., negative financial condition, fiscal mismanagement, repeat material weaknesses, significant deficiencies, and/or significant audit findings disclosed in the charter operator's most recent annual independent audit report, etc.).***
- ***A charter school cannot receive a rating greater than three (3) in this category if it receives an overall rating of two (2) or one (1) in any other category (Student Achievement and Educational Performance; Organizational Management, Programs, and Operations; or Fiscal Operations).***

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has implemented the organizational structure, roles, and responsibilities set forth in the approved charter and applicable law, including:

- Governing Board composition, structure, roles, and responsibilities as set forth in the approved charter
- Governing Board committees/councils are implemented as described in the school's charter (e.g., Finance, Human Resources, Academics, etc.)
- The Governing Board has a system in place to ensure compliance with the public integrity statutes including laws requiring open meetings and laws forbidding financial and other conflicts of interest.
- The Governing Board reviews and certifies the *Compliance Monitoring and Certification of Board Compliance Review* form

Performance Rubric	Sources of Evidence
☒ The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has implemented the organizational structure set forth in the school's operative charter, including committees/councils; and has a system in place to ensure it complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has partially implemented the organizational structure set forth in the school's operative charter; and/or has an ineffective system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has not implemented the organizational structure set forth in the school's operative charter; and has an ineffective or no system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.)	☒ Organizational chart in approved charter ☒ Organizational chart (current) ☒ Board member roster ☒ Bylaws (current) ☒ Board Committee(s) Calendar(s) ☒ California open meeting law training (Brown Act) ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ Board meeting agendas, minutes, and/or documentation ☒ Observation of Governing Board meeting(s) ☒ Discussion with leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

G2: DUE PROCESS

***The Governing Board has systems in place to ensure that the school provides adequate due process, in accordance with applicable law, the school's charter, and LAUSD charter school policy, to honor and protect the rights of students, employees, parents, and the public in the following areas*:**

- Student discipline
- Employee grievances and discipline
- Stakeholder complaint resolution pursuant to the Uniform Complaint Procedures (UCP)
- Parent/stakeholder complaint resolution for complaints outside regulatory scope of UCP

Performance Rubric	Sources of Evidence
☒ The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has partially developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has minimal or no systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public	☒ Student discipline policy and procedures ☒ Employee grievance and discipline policy and procedure ☒ Uniform Complaint Procedures policy and form(s) ☒ Stakeholder complaint procedures and form(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board has systems in place to ensure ongoing:

- Review and use of academic performance data (e.g., CA School Dashboard, internal assessments, etc.) and other school data and information to ensure sound Governing Board decision-making in support of continuous improvement of student achievement, fiscal viability, compliance, and overall public school excellence
- Monitoring of the school's implementation of its Local Control and Accountability Plan (LCAP) and additional school plans (e.g., Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (ATSI), School Plan for Student Achievement (SPSA), and action plans for making progress toward LCAP goals)
- Transparent governance and accountability to stakeholders, including compliance with the LAUSD BOE's Charter School Transparency Resolution, as well as consideration of input from the school's committees/councils and stakeholders

Performance Rubric	Sources of Evidence
☒ The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board seldom considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board does not consider school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.)	☒ Board meeting agendas, minutes, and/or documentation ☒ Board member and executive leadership training of Governing Board meeting(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

G4: RESPONSIVE AND ACCOUNTABLE GOVERNANCE – STAFFING AND EVALUATIONS

The Governing Board has systems in place to ensure ongoing:

- Monitoring of staffing needs and the school's compliance with all applicable credentialing, clearance, and training requirements
- Evaluation procedures with clear performance standards for all school-based staff, including but not limited to administrators, certificated staff, and classified staff
- Evaluation of executive level leadership (including, but not limited to, those positions reporting to the Governing Board, as indicated in Element 4 of the approved charter, such as Executive Director, Area Superintendent, Principal, etc.)

Performance Rubric	Sources of Evidence
☐ The Governing Board regularly monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a well-developed system for the evaluation of all school-based staff and executive level leadership staff ☒ The Governing Board monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a system for the evaluation of school-based staff and executive level leadership staff ☐ The Governing Board inconsistently monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has partially implemented a system for the evaluation of school-based staff and/or executive level leadership staff ☐ The Governing Board seldom monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has not implemented a system for the evaluation of school-based staff and/or executive level leadership staff	☒ Human Resources policies and procedures ☒ Board meeting agendas, minutes, and/or documentation ☒ Evaluation of Executive Leadership procedures and tools ☒ Evaluation of school-based staff procedures and tools ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ *Certification of Clearances, Credentialing, and Mandated Reporter Training* form ("ESSA Grid") for current academic year ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

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G5: FISCAL CONDITION

The Governing Board has a system in place to ensure fiscal viability:

- The school is fiscally strong and net assets are positive in the two most current annual independent audit reports.
- If applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☒ The school is fiscally strong with positive net assets and meets the four (4) recommended financial ratios (identified as part of the Supplemental Criteria within the Fiscal Operations Rubrics section below for the rating of 4, *Accomplished)* in the two most current annual independent audit reports, ***and***, if applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s) ☐ The school is fiscally stable, with positive net assets in the most current annual independent audit report ☐ The school is fiscally weak or unstable*, net assets are negative in the most current annual independent audit report, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer ☐ The school is consistently fiscally weak, net assets are negative in the two most current annual independent audit reports, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer **Notes:** Additional factors that may affect the rating include: inadequate cash flow; financial condition and/or enrollment trend that is declining and/or beginning to reflect an unbalanced budget; indicators of deteriorating financial health that could result in negative net assets and/or fiscal insolvency (such as a negative cash balance) during the current and/or the foreseeable fiscal years; prolonged reliance on financing resources to sustain operations (e.g., factoring receivables, intraorganizational or third-party loans, ongoing deficit spending); or concerns that the school may be unable to maintain quality educational programs if the student enrollment falls below a certain threshold. *For example, the school's financial condition fluctuates from year to year, with significant net losses contributing to negative net assets in the current or upcoming school years.	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other financial information submitted by the school ☒ Other: (see Fiscal Operations section below)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

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G6: FISCAL MANAGEMENT AND ACCOUNTABILITY

The Governing Board has a system in place to ensure sound fiscal management and accountability:

- The school adheres to the Governing Board-approved fiscal policies and procedures and does not have any areas noted for improvement.
- The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies.
- The school is in compliance with Generally Accepted Accounting Principles, all applicable federal, state, and local laws and regulations, LAUSD charter policy, and the school's approved charter.
- If applicable, all LAUSD Board of Education-approved fiscal management-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☐ The school **consistently adheres** to the Governing Board-approved fiscal policies and procedures, does not have any areas noted for improvement, and the two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies ☐ The school **generally adheres** to the Governing Board-approved fiscal policies and procedures, but has areas noted for improvement, and the most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies ☒ The school is **not adhering** to the Governing Board-approved fiscal policies and procedures, and has areas noted for improvement, **or** has significant fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, unresolved recurring issues, potential conflicts of interest, etc.) ☐ The school is **continuously not adhering** to the Governing Board-approved fiscal policies and procedures, **or** has significant and recurring fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, etc.)	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other: (see Fiscal Operations section below)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	3, Proficient
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- The schoolwide Dashboard ELA Indicator performance color is Green. The school's 2025 schoolwide ELA DFS (3.5 DFS) is higher than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in ELA for the school's:
  - English Learner student group (-16.1 DFS) is higher than the state average (-59.9 DFS).
  - Latino student group (-19.2 DFS) is higher than the state average (-33.7 DFS).
  - Socioeconomically Disadvantaged student group (-3.6 DFS) is higher than the state average (-35.3 DFS)

A3: ALL STUDENTS MATH INDICATOR

- The schoolwide Dashboard Math Indicator performance color is Green. The school's 2025 schoolwide Math DFS (-9.7 DFS) is higher than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH INDICATOR

- All of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS). The 2025 average DFS in Math for the school's:
  - English Learner student group (-26.3 DFS) is Choose an item. the state average (-86.1 DFS).
  - Latino student group (-22.7 DFS) is Choose an item. the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-15.1 DFS) is Choose an item. the state average (-72.9 DFS)

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Blue. The school's 2025 percentage of students suspended at least one day (0%) is lower than the state average (2.9%).

Areas Noted for Further Growth and/or Improvement

A5: ALL STUDENTS English Learner Progress INDICATOR

- The schoolwide Dashboard ELPI performance color is Yellow. The school's 2025 percentage of English Learner students making progress towards English language proficiency (41.8%) is lower than the state average (46.4%).

- School leadership shared efforts to increase the percentage of English Learners making progress towards English proficiency. Some of the efforts include the following:
  - Continued use of the *Wonders* ELD curriculum for core instruction during Designated ELD which provides focused language development support
  - Continuing the incorporation of the Write Brain program as a supplemental resource to strengthen students' writing skills, engaging EL learners in structured, interactive writing activities."
  - ELD Coordinator provides "comprehensive ELD workshop, equipping teachers with additional resources through Google Classroom to enhance Integrated ELD instruction" and strategies to aid language acquisition

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (27.3%) is higher than the state average (17.1%).
  - School leadership shared efforts to decrease Chronic Absenteeism. Some of the efforts include the following:
    - Continuation of implementing school's attendance plan that includes rewarding strong attendance (e.g., attendance raffles, awards assemblies, brag tags for perfect attendance, etc.) and parent outreach and communication to strengthen school-home partnerships
    - Continue "sending reminder letters to families, monitoring monthly absence thresholds, and contacting families when students approach or exceed absence limits, and scheduling meetings or home visits when necessary to develop individualized plans to support improved attendance."

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes:

The Indicator information below is provided for informational purposes only and will not be scored.

A11: ALL STUDENTS SCIENCE INDICATOR -

- The school's schoolwide Dashboard Science Indicator is at 51.2 science points as compared to the state at 52.6 science points.

Local Indicators: Dashboard Year 2025
Basic Services and Conditions: Met
Implementation of State Academic Standards: Met
Parent and Family Engagement: Met
School Climate: Met
Access to a Broad Course of Study: Met

Charter School's 2025-2026 Every Student Succeeds Act (ESSA) Assistance Status:
☐ Comprehensive Support and Improvement – Low Graduation Rate (CSI- Low Grad)

LAUSD CHARTER SCHOOLS DIVISION SCHOOL NAME: **Magnolia Science Academy 7**

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☐ Comprehensive Support and Improvement – Low Performance (CSI- Low Perform)
☐ Additional Targeted Support and Improvement (ATSI)
☐ Targeted Support and Improvement (TSI)
☒ No Status

2025 LCFF Charter School Assistance Eligibility:
☒ General Assistance (Level 1) - resources and assistance that is made available to all local educational agencies
☐ Differentiated Assistance (Level 2) - local educational agencies that meet certain eligibility criteria for additional support

For 2024-2025:
The school's percent of "At Risk" ELs is 11.0% as compared to the state's percent of 6.0%
The school's percent of "LTELs" is 0% as compared to the state percent of 10.4**%**

Progress on LAUSD Board of Education Benchmarks and/or MOU related to STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE (if applicable):
☐ Not Applicable

On October 23, 2018, the LAUSD Board of Education adopted by consent vote to renew Magnolia Science Academy 7 (MSA7), to serve up to 300 students in grades TK-5, with Academic Benchmarks. MSA 7 must meet the following benchmarks during the 2019-2024 charter term in order to address academic concerns. Below is the status of each benchmark:

Note: California no longer uses any form of similar school rankings either for assessment or accountability.

1. **The school will demonstrate at least one performance level growth per academic year, as reported on the California School Dashboard, for "English Learners" in English Language Arts (ELA), as measured by CAASPP (SBAC) Assessment at a rate equal to or greater than the Resident and Similar Schools, with the goal of achieving and maintaining the "Green" performance level or higher by the end of the charter term.**
   Status: Not Met – English Learners (ELs) Performance Level (Color) in 2024 was Yellow with a DFS of -43.9 points. In 2025, although the school's DFS of –16.1 represents an increase of 27.8 points, the Performance Level (Color) continues to be Yellow. The 2025 Resident Schools Median Performance Color for ELs is Yellow and its DFS is -38.4, which is 22.3 points lower than MSA7.

2. **The school will demonstrate at least one performance level growth per academic year, as reported on the California School Dashboard, for "English Learners" in Math, as measured by CAASPP (SBAC) Assessment at a rate equal to or greater than the Resident and Similar Schools, with the goal of achieving and maintaining the "Green" performance level or higher by the end of the charter term.**
   Status: Not Met - ELs Performance Level (Color) in 2024 was Yellow with a DFS of -51.0 points. In 2025, the Performance Level (Color) continues to be Yellow with a DFS of -26.3, an increase of 24.7 points. The 2025 Resident Schools Median Performance Color for ELs is Green and its DFS is –27.2, which is 0.9 points lower than MSA7.

RATING NOTE: A charter school cannot receive a rating in this category greater than a one (1) if the school has been identified as a Low Performing charter school based on the state's published list.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

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DATE OF VISIT: **3/24/2026**

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELA Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELA Indicator color is Blue ☒ The California School Dashboard All Students ELA Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☐ The California School Dashboard All Students ELA Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students ELA Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELA Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard ELA Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A3: ALL STUDENTS MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Math Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Math Indicator color is Blue ☒ The California School Dashboard All Students Math Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☐ The California School Dashboard All Students Math Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students Math Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Math Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A4: STUDENT GROUP MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard Math Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☒ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A5: ALL STUDENTS ENGLISH LEARNER PROGRESS INDICATOR (ELPI)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELPI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELPI color is Blue ☐ The California School Dashboard All Students ELPI color is Green; or a Status (Percent) that is the same or higher than the state average ☒ The California School Dashboard All Students ELPI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students ELPI color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELPI	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students CCI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students CCI color is Blue ☐ The California School Dashboard All Students CCI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students CCI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students CCI color is Red ☐ Not available – No color assigned on the California School Dashboard for the CCI ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

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A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard CCI for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☐ All numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Not available – No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s) ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR - (GRADES K-8)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Chronic Absenteeism Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Blue ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☒ The California School Dashboard All Students Chronic Absenteeism Indicator color is Red notwithstanding the Status (Percent) ☐ Not available - No color assigned on the California School Dashboard for the Chronic Absenteeism Indicator ☐ Not applicable - The Chronic Absenteeism Indicator is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A9: ALL STUDENTS GRADUATION RATE INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Graduation Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Graduation Rate Indicator color is Blue ☐ The California School Dashboard All Students Graduation Rate Indicator color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Graduation Rate Indicator ☒ Not applicable - The Graduation Rate Indicator is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A10: ALL STUDENTS SUSPENSION RATE INDICATOR - (GRADES K-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Suspension Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☒ The California School Dashboard All Students Suspension Rate Indicator color is Blue ☐ The California School Dashboard All Students Suspension Rate Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Suspension Rate Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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ALL STUDENTS SCIENCE INDICATOR - (GRADES 5, 8, 10-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Science Indicator (CDE)

Performance Rubric	Sources of Evidence
The Science Indicator information is for informational purposes only and will not be scored. ☐ The California School Dashboard All Students Science Indicator is the same or higher than the state ☒ The California School Dashboard All Students Science Indicator is lower than the state ☐ Not applicable - The Science Indicator is not applicable for the grade levels assigned at the charter school ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Summary of key features of the educational program that includes college preparatory STEAM educational experiences (e.g., participation in STEAM Expos, etc.)
  - Community Resource Fair held on December 13, 2025. This fair featured health resources, mental health resources, and games and prizes
  - Newsletters sent to families monthly
  - Curriculum list for 2025-2026 school year that includes curriculum for all core subjects (e.g., ELA, ELD, Social Studies) and Social-Emotional Learning (e.g., Second Step).
  - Sample weekly lesson plans for 1st and 4th grade students
  - Professional Learning Calendar for the 2025-2026 school year
  - WASC accreditation through June 30, 2029 with a mid-cycle visit during the 2025-2026 school year

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis.

- Some of the evidence found in Folder 3, leadership discussion, school presentation, and responses to guiding questions include the following:
  - Tiered Interventions with intervention schedule
  - Data analysis and Goal setting per grade level. Sample of Grade 2 data analysis in Fall 2025
  - Designated ELD schedule with sample lesson plans using *Wonders* for both Designated and Integrated ELD reading
  - Professional development activities such as Understanding ELPAC on November 19, 2025 and Improving ELPI Scores & Supporting ELL Students on 11/10/2025
  - Continued used of NWEA MAP as an internal assessment for Math and ELA

Areas Noted for Further Growth and/or Improvement

None at this time.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

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Progress on LAUSD Board of Education Benchmarks and/or MOU related to ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS (if applicable):

☒ Not Applicable

RATING NOTES:

- ***The overall rating for this category will be impacted if the school is in breach of the operative charter, including Federal, State, and District Required Language related to this section; and/or by a failure to provide evidence of any item on the following three (3) checklists: A) Review of Clearances, Credentialing, and Mandated Training Compliance Items; B) Review of Health and Safety Compliance Items; C) Review of Transparency and Stakeholder Information Compliance Items. See checklists below.***

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has systems in place to ensure alignment to the curricular and educational program outlined in the approved charter by:

- Implementing innovative components and key features of the educational program described in the charter
- Implementing standards-based instruction in accordance with the California State Content Standards specific to the grade levels served and aligned with the needs of students
- Implementing assessments to measure the development of grade-level appropriate academic and non-academic skills
- Reviewing and analyzing school and student progress towards annual goals (schoolwide and for all student groups that the school serves) that are consistent with the educational performance measured by the California School Dashboard and state assessments
- Providing teacher, staff, and administrator professional development specific to supporting desired student outcomes, innovative components, and key features outlined in the school's charter
- Implementing a system to monitor student progress toward, and completion of, graduation and A-G requirements (**high schools only**)

Performance Rubric	Sources of Evidence

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☐ The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has partially implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has minimally implemented, or not at all, the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served	☒ Innovative Components and Key Features of the Educational Program ☒ Standards-Based Instructional Program ☒ Master Schedule/Course Schedule ☒ Student Achievement Data Analysis ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) High School: ☐ System for monitoring student progress toward and completion of graduation and A-G Requirements ☐ WASC Accreditation Notification Letter ☐ UC Doorways course approval ☐ Graduation Requirement/Policy ☐ Math Placement Assessment Policy (9th grade only) ☐ Advanced Placement Exam: Participation Rate and Passage Rate ☐ College acceptance and enrollment rates

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O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system in place to ensure:

- Implementation of differentiated instructional strategies and approaches described in the charter designed to meet the learning needs of all students, including all numerically significant student groups identified in the school's LCAP and by the CDE
- Implementation of internal student assessments aligned with instructional outcomes to determine student mastery of California State Content Standards
- Disaggregation and analysis of data on a regular basis to address individual student needs and guide instructional planning and use of interventions
- Implementation, review, and modification, as appropriate, of its Master Plan for English Learners (EL identification, standards-based designated and integrated ELD instruction, progress monitoring, assessment, and reclassification)

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis ☐ The school has partially implemented the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or limited evidence of systems to modify instruction based on data analysis ☐ The school has minimally implemented, or not at all, the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or no evidence of systems to modify instruction based on data analysis	☒ Implementation of differentiated instructional strategies ☒ Intervention/Enrichment Program during the instructional day ☒ Student Group data analysis ☒ Internal assessment data ☒ Professional Development documentation ☒ Students Experiencing Homelessness Designee ☒ Foster Youth Designee ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) English Learners ☒ Master Plan for English Learners ☒ Designated English Language Development (ELD) schedule ☒ Documentation of implementation of the school's Master Plan for English Learners ☒ Implementation of a data analysis system

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O3: SPECIAL EDUCATION

The school has a system in place to ensure that the school:

- Provides special education programs and services in accordance with students' IEPs
- Maintains and monitors mandated IEP timeline records and accurate service provision records in Welligent
- Conducts a special education self-review annually, using the Special Education Self-Review Checklist
- Provides special education training for staff

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system in place for full implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with regular and ongoing professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☒ The school has a system in place for implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☐ The school has a partially developed system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ The school has a minimal or no system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ Not applicable - Charter school participates in LAUSD's Option 1 SELPA	☒ Welligent IEP Timeline and Service Tracking Reports ☒ Annual Self-Review Checklist ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with School Leadership ☐ Other: (Specify)

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O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a school climate and schoolwide student discipline system in place to ensure that the school's practices:

- Align with principles of the District's Discipline Foundation Policy and School Climate Bill of Rights Resolution, including but not limited to, tiered behavior intervention, alternatives to suspension, schoolwide positive behavior support, and data monitoring
- Provide positive opportunities for student wellness, growth, and success, aimed at making the school safe, welcoming, supportive, and inclusive
- Monitor discretionary suspensions and expulsions
- Monitor chronic absenteeism for all students and student groups
- Prevent acts of bullying, including cyberbullying, in accordance with the requirements of Ed. Code, §§ 32283.5 and 234.4

Performance Rubric	Sources of Evidence
☒ The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☐ The school has a school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate notification to the District. ☐ The school has a partially developed and/or minimally effective school climate and student discipline system that is only partially aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights, and/or the school demonstrates inconsistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☐ The school has a minimally developed school climate and student discipline system as demonstrated by one or more of the following: the issuance of repeated CSD Notices to Cure (tiered intervention) related to suspension/expulsion; noted concerns related to ensuring due process rights when implementing suspension/expulsion practices; violation of law or policy.	☒ Positive school climate system and Restorative Justice documentation ☒ Documentation of systems to prevent acts of bullying ☒ Documentation of systems to promote regular attendance ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school has a system for stakeholder engagement, including gathering input, facilitating, and encouraging involvement, sharing information, and resolving concerns, which:

- Provides parents, teachers, and students with meaningful opportunities for involvement and engagement that meet the requirements and goals of applicable federal and state law, the school's charter, and the school LCAP
- Implements a School Site Council (SSC), English Learner Advisory Committee (ELAC), and/or Parent Advisory Committee (PAC) in accordance with applicable legal requirements (e.g., member composition of committee/council, legally required topics, etc.), if applicable

Performance Rubric	Sources of Evidence
☒ The school provided evidence of a well-developed and effective system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided limited evidence of a system for stakeholder engagement, sharing information, and resolving concerns ☐ The school provided little to no evidence of a system for stakeholder engagement, sharing information, and resolving concerns	☒ Yearlong Calendar of stakeholder engagement events/meetings. ☒ Stakeholder Engagement ☒ Stakeholder Consultation ☒ School Site Council (SSC) documentation ☒ Parent Advisory Committee (PAC) documentation ☒ English Learners Advisory Committee (ELAC) documentation ☒ School website ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

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A. Review of Clearances, Credentialing, and Mandated Training Compliance Items

The items below are expected to be evident to ensure the school is in compliance with applicable law and the terms of its approved charter regarding clearances, credentialing, and mandated training at all times. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

Rating Note: A charter school cannot receive an overall rating in this category greater than one (1) if any items below are not evident.

Item	Evident	Not Evident
All new employees of the charter have a DOJ Criminal Background Clearance date prior to start date, per Ed Code § 45125.	☒	☐
Charter maintains accurate vendor certification forms, which are reviewed and signed by the charter school representative, prior to start date of vendor services, per Ed Code §§ 44237 and 45125.1.	☒	☐
All sole proprietors have a Sole Proprietor Criminal Background Clearance Certification form and a Sole Proprietor Vendor Certification of Criminal Background Clearance, Tuberculosis (TB) Clearance, and Credential Verification form completed prior to start date, per Ed Code §§ 44237, 45125.1 and 49406.	☒	☐
If applicable, all volunteers who perform school-site services while not under the direct supervision of a school employee have a DOJ Criminal Background Clearance date prior to start date, Ed Code §§ 44237 and 45125.	☐	☐
	☒ Not applicable	

Rating Note: A charter school cannot receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
All employees have completed mandated child abuse reporter training within 6-weeks of the beginning of the school year or within 6-weeks of employment, per Ed Code § 44691.	☒	☐
All certificated staff are fully credentialed, including EL authorizations, and appropriately assigned as authorized by their credentials at all times, per Ed Code § 47605(l).	☒	☐

Rating Note: A charter school may not receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
The school has provided documentation for at least one Custodian of Records, per California Penal Code § 11102.2.	☒	☐
All new employees of the charter have undergone a risk assessment and/or be examined and determined to be free of active tuberculosis (TB) within the period of 60 days prior to employment/service, per Ed Code § 49406.	☒	☐
All employees have current TB clearance, per Federal, State, and District Required Language.	☒	☐
	☐	☐

All volunteers with frequent or prolonged contact with students have a current TB clearance upon initial time of assignment, per Ed Code § 49406.	☒ Not applicable
Notes: None	

B. Review of Health and Safety Compliance Items

The items below are expected to be evident at the charter school to ensure the protection of student and staff health and safety. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

A charter school cannot receive an overall rating in this category greater than one (1) if the items below are not evident.

Item	Evident	Not Evident
A current, comprehensive, site-specific comprehensive Health, Safety, and Emergency School Safety Plan per requirements of Ed. Code, §§ 47605(c)(5)(F), 32282, and 35179.4, as applicable. (Note: For schools co-located with a District school, the charter school participates in and complies with the District school's Integrated Safe School Plan)	☒	☐

A charter school may receive an overall rating in this category of two (2) if any of the items below are not evident.
If several (i.e., two or more) items below are not evident, charter school may receive an overall rating of one (1) in this category.

Item	Evident	Not Evident
School has sufficient emergency supplies in the event of a natural disaster or other emergency (Ed. Code § 32282)	☒	☐
School conducts annual emergency drills and trainings as legally required to prepare for a natural disaster or other emergency, per Ed. Code §§ 32001 and 32282	☒	☐
Provision and documentation of health screenings (e.g., vision, hearing, and scoliosis) per current applicable law and terms of the charter (Ed. Code § 49450 et seq, as referenced in FSDRL)	☒	☐
Stock and maintenance of the required number and type of emergency epinephrine auto-injectors ("epi-pen") onsite and training has been provided to volunteer staff member(s) in the storage and emergency use, per Ed. Code § 49414 and § 4119.2 of the Business and Professions Code	☒	☐
Provision of at least two meals free of charge (breakfast and lunch) during each school day to students requesting a meal, regardless of their free or reduced-price meal eligibility, per Ed. Code § 49501.5	☒	☐

A Board adopted Pupil Suicide Prevention Policy (grades 1-6 and/or grades 7-12, as applicable), requirements per of Ed. Code § 215. Suicide Prevention Lifeline and National Domestic Violence Hotline on at least one side of Student ID cards, as specified in Ed. Code § 215.5	☒	☐
For schools offering an interscholastic athletic program, at least one automated external defibrillator (AED) is onsite, and available at on-campus athletic activities or events per Ed. Code §§ 35179.4 and 35179.6.	☐	☐
	☒ Not applicable	
Notes: None		

C. Review of Transparency and Stakeholder Information Compliance Items

The items below are expected to be evident at the charter school to ensure that it operates in a transparent manner and keeps all stakeholders informed. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and impact the overall rating in the Organizational Management, Programs, and Operations category.

A charter school cannot receive a rating in this category greater than three (3) if any of the items below are not evident.

Item	Evident	Not Evident
The following information posted to the school's website: ☒ LCAP, per Ed. Code § 47606.5(h) ☒ Current Board agenda in compliance with Brown Act, per Gov. Code, § 54954.2 (a)(1) and (d). ☒ Policy on Pupil Suicide Prevention per Ed. Code § 234.6 ☒ Title IX information, including a link to CDE's Title IX website per Ed. Code § 234.6 ☒ Policies on anti-discrimination, anti-harassment, anti-intimidation, anti-bullying, and sexual harassment policies, including: anti-cyberbullying procedures, social media anti-bullying procedures, and a link to statewide resources including community-based organizations compiled by CDE, per Ed. Code § 234.6 ☒ Information provided to parents/guardians regarding the dangers associated with using synthetic drugs that are not prescribed by a physician, such as fentanyl; the possibility that dangerous synthetic drugs can be found in counterfeit pills; and the risk of social media platforms being used as a way to market and sell synthetic drugs, such as fentanyl, per Ed Code § 48985.5	☒	☐
Provides stakeholders with appropriate, accessible, and relevant information about individual student and schoolwide academic progress and performance Ed. Code § 47605(c)(5)(C)	☒	☐
Access to approved charter	☒	☐

Documentation of informing parents/guardians about transferability of courses/course credit and eligibility to meet A-G requirements (high schools only), per Ed. Code § 47605	☐	☐
	☒ Not applicable	
Informing parents/guardians of human trafficking prevention resources (grades 6-12), per Ed. Code § 49381	☐	☐
	☒ Not applicable	
Notification of access to available mental health services (grades K-12), per Ed. Code § 49428.	☒	☐
Charter schools serving any of the grades 6 to 12, shall prominently and conspicuously display a poster that identifies approaches and shares resources regarding pupil mental health in appropriate public areas that are accessible to, and commonly frequented by, pupils, per Ed. Code § 49428.5	☐	☐
	☒ Not applicable	
Notes: None		

LOCAL CONTROL AND ACCOUNTABILITY PLAN 2025-2026 (For Informational Purposes Only)

The CSD reviewed the Local Control and Accountability Plan.	
All requested template information and descriptions were *provided*:	**Sources of Evidence**
☒ LCFF Budget Overview for Parents ☒ Plan Summary ☒ Engaging Educational Partners ☒ Goals and Actions ☒ Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students ☒ Action Tables ☒ Instructions	☒ Local Control and Accountability Plan ☒ Board Agenda and Minutes
Notes: None	

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

8014	2021-2022					2022-2023					2023-2024				
Magnolia Science Academy 7	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents		1,827,090	1,800,584	1,783,300	1,783,300		2,157,002	1,985,042	2,865,842	2,865,843		3,238,701	2,585,786	3,182,955	3,182,955
Accounts Receivable		714,880	752,923	968,078	1,078,778		972,498	431,954	1,535,509	1,535,509		646,407	616,842	968,133	962,413
Other Current Assets		0	175	26,215	26,215		0	0	37,856	37,856		12,000	19,442	42,507	48,231
Total Current Assets		**2,541,970**	**2,553,682**	**2,777,593**	**2,888,293**		**3,129,500**	**2,416,996**	**4,439,208**	**4,439,208**		**3,897,108**	**3,222,070**	**4,193,595**	**4,193,599**
Fixed and Other Assets		444,694	465,468	554,606	554,605		594,551	757,705	1,921,791	1,921,791		1,610,578	1,513,238	1,621,582	1,621,581
Total Assets		**2,986,664**	**3,019,150**	**3,332,199**	**3,442,898**		**3,724,051**	**3,174,701**	**6,360,999**	**6,360,999**		**5,507,687**	**4,735,309**	**5,815,178**	**5,815,180**
Deferred Outflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities		400,267	403,023	828,250	828,250		1,030,060	180,584	1,932,571	2,185,101		1,303,076	537,619	1,565,158	1,841,307
Other Long Term Liabilities		0	0	0	0		0	0	1,169,334	916,804		921,829	825,019	921,084	644,937
Unfunded OPEB Liabilities		0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities		**400,267**	**403,023**	**828,250**	**828,250**		**1,030,060**	**180,584**	**3,101,905**	**3,101,905**		**2,224,904**	**1,362,638**	**2,486,242**	**2,486,244**
Deferred Inflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Net Assets		**2,586,397**	**2,616,127**	**2,503,949**	**2,614,648**		**2,693,991**	**2,994,117**	**3,259,094**	**3,259,094**		**3,282,782**	**3,372,671**	**3,328,936**	**3,328,936**
Total Revenues	4,333,373	4,327,191	4,655,863	4,532,050	4,793,728	5,917,134	5,662,632	5,861,674	6,093,598	6,211,616	6,362,563	6,262,820	6,450,455	6,186,013	6,327,263
Total Expenditures	4,232,824	4,239,940	4,538,882	4,527,247	4,678,226	5,667,299	5,472,590	5,482,205	5,449,152	5,567,170	6,112,891	6,239,132	6,336,879	6,116,171	6,257,421
Net Income / (Loss)	**100,549**	**87,251**	**116,981**	**4,803**	**115,502**	**249,835**	**190,042**	**379,469**	**644,446**	**644,446**	**249,672**	**23,688**	**113,576**	**69,842**	**69,842**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**100,549**	**87,251**	**116,981**	**4,803**	**115,502**	**249,835**	**190,042**	**379,469**	**644,446**	**644,446**	**249,672**	**23,688**	**113,576**	**69,842**	**69,842**
Net Assets, Beginning	1,948,773	2,499,146	2,499,146	2,499,146	2,499,146	2,667,932	2,503,949	2,503,949	2,503,949	2,614,648	2,994,116	3,259,094	3,259,094	3,259,094	3,259,094
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	110,699	110,699	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	**1,948,773**	**2,499,146**	**2,499,146**	**2,499,146**	**2,499,146**	**2,667,932**	**2,503,949**	**2,614,648**	**2,614,648**	**2,614,648**	2,994,116	3,259,094	3,259,094	3,259,094	3,259,094
Net Assets, End	**2,049,322**	**2,586,397**	**2,616,127**	**2,503,949**	**2,614,648**	**2,917,767**	**2,693,991**	**2,994,117**	**3,259,094**	**3,259,094**	**3,243,788**	**3,282,782**	**3,372,671**	**3,328,936**	**3,328,936**
Unrestricted Net Assets		1,883,905	2,009,160	2,297,732	2,614,648		1,857,722	2,171,628	3,245,084	3,259,094		2,961,179	3,365,732	3,315,815	3,328,936
Restricted Net Assets		702,492	606,967	206,217	0		836,269	822,489	14,011	0		321,604	6,938	13,121	0

8014	Audited Financials					2024-2025					2025-2026				
Magnolia Science Academy 7	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents	1,783,300	2,865,843	3,182,955	2,350,229	0		3,069,774	3,139,618	2,350,228	2,350,229		299,621	857,148	0	0
Accounts Receivable	1,078,778	1,535,509	962,413	1,033,860	0		672,872	567,820	606,230	1,033,860		651,583	701,092	0	0
Other Current Assets	26,215	37,856	48,231	34,822	0		0	0	34,822	34,822		1,736,437	0	0	0
Total Current Assets	**2,888,293**	**4,439,208**	4,193,599	3,418,911	0		**3,742,646**	**3,707,438**	**2,991,280**	**3,418,911**		**2,687,640**	**1,558,240**	**0**	**0**
Fixed and Other Assets	554,605	1,921,791	1,621,581	1,691,866	0		1,290,578	1,290,578	3,426,628	1,691,866		2,037,650	2,102,882	0	0
Total Assets	**3,442,898**	**6,360,999**	**5,815,180**	**5,110,777**	**0**		**5,033,225**	**4,998,017**	**6,417,908**	**5,110,777**		**4,725,291**	**3,661,122**	**0**	**0**
Deferred Outflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities	828,250	2,185,101	1,841,307	1,314,455	0		1,014,130	943,439	2,323,998	1,314,455		1,229,647	334,537	0	0
Other Long Term Liabilities	0	916,804	644,937	349,092	0		668,292	668,292	646,680	349,092		619,247	619,247	0	0
Unfunded OPEB Liabilities	0	0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities	**828,250**	**3,101,905**	**2,486,244**	**1,663,547**	**0**		**1,682,422**	**1,611,731**	**2,970,679**	**1,663,547**		**1,848,894**	**953,784**	**0**	**0**
Deferred Inflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Net Assets	**2,614,648**	**3,259,094**	**3,328,936**	**3,447,230**	**0**		**3,350,803**	**3,386,285**	**3,447,230**	**3,447,230**		**2,876,397**	**2,707,338**	**0**	**0**
Total Revenues	4,793,728	6,211,616	6,327,263	6,413,378	0	6,172,046	6,160,709	6,112,317	6,275,750	6,413,378	6,341,855	6,369,514	6,305,544	0	0
Total Expenditures	4,678,226	5,567,170	6,257,421	6,295,084	0	6,143,952	6,138,842	6,054,968	6,157,456	6,295,084	6,299,396	6,940,347	7,045,435	0	0
Net Income / (Loss)	**115,502**	**644,446**	**69,842**	**118,294**	**0**	**28,094**	**21,867**	**57,350**	**118,294**	**118,294**	**42,459**	**(570,833)**	**(739,891)**	**0**	**0**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**115,502**	**644,446**	**69,842**	**118,294**	**0**	28,094	**21,867**	**57,350**	**118,294**	**118,294**	42,459	(570,833)	(739,891)	0	0
Net Assets, Beginning	2,499,146	2,614,648	3,259,094	3,328,936	0	3,372,671	3,328,936	3,328,936	3,328,936	3,328,936	3,386,285	3,447,230	3,447,230	0	0
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	2,499,146	2,614,648	3,259,094	3,328,936	0	3,372,671	3,328,936	3,328,936	3,328,936	3,328,936	3,386,285	3,447,230	3,447,230	0	0
Net Assets, End	**2,614,648**	**3,259,094**	**3,328,936**	**3,447,230**	**0**	**3,400,765**	**3,350,803**	**3,386,285**	**3,447,230**	**3,447,230**	**3,428,744**	**2,876,397**	**2,707,338**	**0**	**0**
Unrestricted Net Assets	2,614,648	3,259,094	3,328,936	3,447,230	0		3,246,998	3,299,935	3,445,616	3,447,230		2,771,223	2,624,695	0	0
Restricted Net Assets	0	0	0	0	0		103,805	86,350	1,613	0		105,173	82,644	0	0

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

FISCAL OPERATIONS	RATING
Summary of School Performance	2, Developing

Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy 7	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$2,614,648	$3,259,094	$3,328,936	$3,447,230	$2,707,339
Net Income / (Loss)	$115,502	$644,446	$69,842	$118,294	($739,891)[1]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$1,783,300	$2,865,843	$3,182,955	$2,350,229	$857,148
Unrestricted Net Assets	$2,614,648	$3,259,094	$3,328,936	$3,447,230	$2,624,695
Norm Enrollment Reported by the School	279	262	281	268	269
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	55.89%	58.54%	53.20%	54.76%	37.25%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	38.12%	51.48%	50.87%	37.33%	12.17%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	348.72%	203.16%	227.75%	260.10%	465.79%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	24.06%	48.76%	42.75%	32.55%	26.05%

[1]According to Magnolia Educational & Research Foundation (MERF), "the projected net loss of ($739,891) for Fiscal Year 2025-2026 is primarily attributable to increased interest expense associated with the acquisition and financing of the school's facilities. The additional debt service costs related to the facility financing significantly increased expenditure during the fiscal year, resulting in a projected net loss."

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[2]	4[2]	$60,016,994	**($2,017,671)[3]**	$441,370	**($2,511,233)[3]**

Management Fees: According to MERF, Magnolia Science Academy (MSA) 7 paid annual management fees of $537,507 (approximately 5.9% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year. Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[2]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 6; and (3) MSA 8. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[3]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671)**, inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy 7's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**

TK*		15	9	19	27
K*	27	38	40	23	35
1	50	27	45	48	28
2	56	45	30	43	53
3	52	47	50	30	45
4	42	47	50	54	30
5	52	43	57	51	51
Total Enrollment	**279**	**262**	**281**	**268**	**269**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(17)**	**19**	**(13)**	**1**
Enrollment Growth/(Decrease) (%)	**N/A**	**(6.1%)**	**7.3%**	**(4.6%)**	**0.4%**

*Prior to FY 2022-2023, TK (Transitional Kindergarten) and K (Kindergarten) counts were reported together. Therefore, the K counts (if applicable) include the TK counts for the school years prior to 2022-2023.

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated decrease in student enrollment count	**(10)**
Accumulated decrease in student enrollment percentage	**(3.6%)**
2025-2026 projected enrollment per the enrollment rollout plan or budget in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
2025-2026 per the enrollment rollout plan in the school's operative charter	**292**
2025-2026 Norm Enrollment	**269**
Below 2025-2026 per enrollment rollout plan in its operative charter	**(23)**
Below 2025-2026 per enrollment rollout plan in its operative charter percentage	**(7.9%)**

LAUSD CHARTER SCHOOLS DIVISION | SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report | DATE OF VISIT: **3/24/2026**

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

Areas Noted for Further Growth and/or Improvement:

Through conducting fiscal oversight, the CSD requests and receives fiscal documents from the charter operator operating multiple charter schools (including bank statements, bank reconciliations, credit card statements, and check registers) that are currently authorized by LAUSD. The CSD reviews these financial documents—along with a sample of checks/disbursements and credit card transactions, as applicable—across these charter schools, to assess the organization's overall compliance with the charter operator governing board-approved fiscal policies and procedures, applicable federal, state, and local laws and regulations, District and charter requirements, and the effectiveness of the charter operator's internal controls and systems in place in alignment with best business practices. Any areas noted for further growth and/or improvement and other observations relating to the charter operator's and its charter schools' overall compliance and fiscal operations—including fiscal mismanagement, regulatory non-compliance, fiscal governance or internal control issues, or fiscally operational deficiencies, audit findings, etc. that *directly and systemically* impact the charter schools operated under the charter operator—are documented within each charter school's Annual Performance-Based Oversight Visit Report. These issues may or may not have been observed for the specific charter school under the same charter network, based on the CSD's sampling review. Lastly, school-specific exceptions, such as the fiscal condition, unique oversight observations, or audit findings applicable to individual schools, are reviewed and documented separately for each charter school.

1. **Type of Observation: 2024-2025 Audit Finding – Material Weakness Concerning Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed financial statements-related findings identified as a material weakness concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC. Details regarding the audit finding are provided below:

     "**2025-001 30000 – Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments as it Relates to the Title Transfer for the Newly Formed LLC (Material Weakness)**

     Criteria or Specific Requirements
     Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This includes designing, implementing, and monitoring controls to ensure that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are free from material misstatement, whether caused by error or fraud. As part of this responsibility, management ensures that accounting considerations related to complex or non-routine transactions, including those involving legal entity structure or ownership, are appropriately identified, documented, reviewed, and recorded prior to year-end close.

     Condition
     During the course of our engagement, we identified material misstatements of beginning balances presented within the consolidated financial position, as reported on the 2022-2023 audited financial statements. This prior period restatement due to errors resulted in an understatement of $3,774,168. In

addition, we identified adjustments related to cash and cash equivalents, property and equipment, notes payable, and the related revenues and expenditures. Specifically:

Magnolia Educational & Research Foundation

- Cash and cash equivalents were understated by $2,000,000.
- Property and equipment were understated by $7,600,000.
- Intra-entity receivables were overstated by $1,308,807.
- Intra-entity payables were understated by $427,630.
- Interest payable was understated by $307,131.
- Notes payable were understated by $7,825,000.

Magnolia Science Academy 5

- Property and equipment were overstated by $3,964,890.
- Intra-entity receivables were understated by $1,081,742.
- Proposition construction loans were overstated by $1,441,574.

Magnolia Science Academy 7

- Property and equipment were overstated by $1,736,437.
- Intra-entity receivables were understated by $427,630.
- Intra-entity payables were overstated by $1,308,807.

MPM, Inc/LLC

- Notes receivable was understated by $3,540,002.
- Property and equipment were understated by $1,081,742.
- Intra-entity payables were understated by $1,081,742.

These adjustments resulted in an overall understatement of $1,829,860 in Net Assets.
During the fiscal year 2024-2025, the Organization established MPM 18120 Sherman Way LLC to hold title to the property at 18120 Sherman Way. The purchase transaction was completed during the year; however, as of June 30, 2025, the formal transfer of title from MERF to the LLC had not yet been finalized.

Context
The condition identified was through inquiry with Organization personnel and through review of available Organization records related to balances reported in the Organization's cash and cash equivalents, property and equipment, interest payable, and notes payable.

Cause

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The delay was due to administrative timing and coordination requirements associated with setting up the new legal entity and preparing the necessary transfer documentation, specifically to avoid triggering the Los Angeles City Measure ULA transfer tax.

Effect
The net effect of these errors resulted in misstatements that were not detected or prevented by the Organization's internal accounting control and review process.

Repeat Finding
No
Recommendation
We recommend that management and those charged with governance continue to strengthen internal controls over financial reporting related to complex, non-routine transactions, including those involving legal entity formation, ownership, and timing considerations, to ensure that financial statements are free from material misstatement. Controls should enable management, in the normal course of performing assigned functions, to identify, document, and resolve accounting considerations on a timely basis. Specifically:

- Strengthen year-end reconciliation and review procedures for significant accounts.
- Enhance pre-year-end coordination and documentation review for transactions involving legal entity structure or ownership.
- Ensure timely identification, documentation, and recording of accounting judgments related to such transactions prior to financial statement issuance.

Corrective Action Plan and Views of Responsible Officials
The Organization agrees that effective year-end review, documentation, and coordination are critical components of its internal control over financial reporting, particularly for complex or non-routine transactions involving legal entity formation or ownership. Management has implemented, and continues to implement and monitor, enhanced procedures to strengthen cross-functional coordination, pre–year-end readiness reviews, documentation of accounting judgments, and verification of legal ownership and entity structure prior to fiscal year-end. Management believes these actions will support timely identification and resolution of accounting considerations and reduce the risk of similar issues in future reporting periods."

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above. In addition, in response to the CSD's follow-up inquiries, MERF provided its action plans developed and maintained by Cafer Turan, Interim Chief Financial Officer: Management will implement stronger controls over complex and non-routine transactions by ensuring proper review, documentation, and coordination. This includes completing a formal readiness certification before major real estate or financing activities, improving collaboration across departments and with auditors, and conducting enhanced reconciliations during year-end closing. Additionally, management will maintain thorough documentation of accounting judgments and ensure appropriate technical accounting review to support accurate and consistent financial reporting. Management will monitor and implement corrective actions throughout FY 2025–26, with full implementation expected by June 30, 2026. Effectiveness will be evaluated during year-end close and ongoing audit reviews. Additionally, management will conduct a pre-year-end review of LLC-related legal, ownership, and transactional documentation to ensure completeness and alignment before the fiscal year-end.

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- **CSD's Comments:** The CSD urges that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

2. **Type of Observations: Discrepancies Between Invoices and Supporting Documentation; Absence of Management Detailed Review Prior to Approving and Processing Payments**
   - **Source of Documents Reviewed: Check Register**
   - **Description of Observations:** Based on the CSD's review of three (3) transactions from a total of seventeen (17) check register samples, the CSD identified discrepancies between the invoices submitted and MERF's initial supporting documentation provided to the CSD. Although MERF subsequently provided additional documentation in response to the CSD's observations and inquiries, these discrepancies suggest weakness in internal controls, particularly the lack of management review and reconciliation of billed hours, days, and amounts prior to approving and processing payments to vendors and contractors. A summary of the CSD's observations is provided in the table below.

Sample # and School	Date	Check#	Vendor Name	Invoice#	Invoice Amount	# of Hours/ Days Billed	# of Hours/ Days per Initial Supporting Documentation	Overbilled Hours/ Days	Overbilled Amount	Description of CSD Observations
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903022	$12,071.67	97.1667 hours	35 hours	62.17 hours	$7,575.67	The school provided supporting documents that did not match the hours billed by the vendor. ***Additional documentation was subsequently submitted that matched the billed hours***; however, this documentation was provided ***after the fact***, indicating weak internal controls. It further reflected a failure to verify invoices against contract terms and a lack of adequate review processes before approving and processing the payment to the vendor/contractor.
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903175	$11,464.67	93.6667 hours	47 hours	46.67 hours	$5,571.06	
#16 MSA 8	5/13/2025	800203	Nextgen Teachers LLC	9-APRIL 2025	$30,210.00	90 days	86 days	4 days	$1,336.00	The school provided sign-in sheets to support the billed service days; however, four

										days lacked sign-ins. Additional issues included billing inconsistencies with contract rates and duplicate charges for the same subject on the same day.
#17 MSA 8	5/16/2025	800207	Nextgen Teachers LLC	8-MARCH 2025	$28,524.00	85 days	85 days	-	-	Although the billed days were consistent with the days per the supporting documentation submitted to the CSD, and the school provided sign-in sheets to support billed service days, the CSD identified that some dates did not match vendor invoices, and duplicate billing was identified for the same teacher and subject on the same day. These discrepancies indicate a lack of internal controls in reviewing and reconciling invoices to supporting documentation and contractual terms.

- **Charter Operator's Fiscal Policies and Procedures:** Pages 248 and 249 (Title: PUR104 Accounts Payable and Cash Disbursements) of the MERF's Financial Policies and Procedures Manual, approved by the MERF Board on June 26, 2025, state: "Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, …." It further states: "Scope: This procedure applies to all purchases, including contractors, consultants, and merchandise and non-merchandise purchases."
- **CSD's Comments:** The CSD continues to urge MERF's leadership team to improve its process and exercise greater diligence in reviewing and verifying invoices prior to processing payments to ensure that accurate calculations and appropriate supporting documentation support all disbursements of the school funds, aligning with the organization's board-approved fiscal policies and procedures as well as best business practices.

The governing board and leadership team of the charter school are responsible for managing the operations of the school. The CSD recommends that the Annual Performance-Based Oversight Visit Report, including the above-noted fiscal findings and observations, be discussed at the MERF's next governing board meeting, highly preferably no later than 90 days following the school's receipt of this report, so that the charter school and its governing board may address any issues early enough to implement changes in order to see results in its next fiscal year. It is the school's responsibility to provide the CSD with its action plans/steps, proof of implementation of the mitigating actions taken by the school, and/or documentation (e.g., governing board meeting agendas and approved board meeting minutes, updated fiscal policies and procedures, etc.), as applicable, prior to or during the next Annual Performance-Based Oversight Visit. The

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CSD will continue to monitor these issues through oversight and may take additional appropriate oversight actions. The results may be factored into the school's rating for next year.

Other Observations (Items described in this section, which may not have been addressed in the charter school's Fiscal Policies and Procedures, are recommended for improvement to align with optimal business practices).

1. **Type of Observation: 2024-2025 State Compliance Audit Finding Concerning Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed a state compliance-related audit finding identified as a significant deficiency concerning attendance reporting. Details regarding this audit finding are provided below.

     "2025-002 10000 – Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)

     Criteria
     Pursuant to California Education Code Section 47612.5, the Annual Period Report of Attendance submitted to the CDE should reconcile to supporting documents to ensure that Average Daily Attendance (ADA) is reported accurately. The attendance report should be revised to reflect updates and corrections to attendance when they occur.

     Condition
     The ADA reported on the Annual Period Report of Attendance was inaccurate due to the Organization misclassifying classroom-based ADA and nonclassroom-based ADA. As a result, the Organization overstated classroom-based ADA by 1.20 and underreported nonclassroom-based ADA by 1.20 on the Annual Report.
     Cause
     The misclassification appears to have resulted from an error in categorizing instructional settings for classroom-based and nonclassroom-based ADA during annual reporting.

     Effect

     Magnolia Science Academy San Diego
     The Organization over-reported by 1.20 ADA for classroom-based and under-reported by 1.20 ADA for nonclassroom-based on its Annual Period Report Attendance, resulting in an estimated fiscal impact as follows:

Grade Span	(Over) Under Reported ADA	Derived Value of ADA by Grade Span	Penalty
Classroom-based			
4-6	(0.38)	$ 10,937.43	$ (4,156.22)
7-8	(0.82)	11,260.92	(9,233.95)
Subtotal	(1.20)		(13,390.18)
Nonclassroom-based			
4-6	0.38	$ 10,937.43	$ 4,156.22
7-8	0.82	11,260.92	9,233.95
Subtotal	1.20		13,390.18
Total	-		$ -

Questioned Costs
There were no questioned costs identified.

Repeat Finding
No

Recommendation
The Organization should ensure the Annual Period Report of Attendance is accurately completed using the correct reports from the student information system.

Corrective Action Plan and Views of Responsible Officials
The Organization acknowledges the finding and agrees that ADA was misclassified. While the variance of 1.20 ADA does not result in a questioned cost, the school recognizes the importance of accurate reporting under California Education Code Section 47612.5.

The Organization concurs with the recommendation and has initiated steps to strengthen internal controls, update policies, and train staff to ensure future compliance.

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above.
- **CSD's Comments:** The CSD recommends that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

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LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

The Charter Schools Division will continue to monitor the issue referenced above by or during the next oversight visit. The results may be factored into the school's rating for next year.

Corrective Action Required:

None noted that immediate action is required to remedy concerns in this report.

Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS (if applicable):

☐ Not Applicable

As part of the October 23, 2018 renewal petition approved by the LAUSD Board of Education (Board of Education report 124-18/19), during the 2019-2024 charter term, which, by operation of law, was extended to and expires June 30, 2027,* MSA 7 must meet the following fiscal benchmarks and take the following actions in relation to its fiscal operations:

The school shall provide a written status report to the Charter Schools Division no later than December 15 of each year of the charter term demonstrating its progress related to the following:

1. MERF's continuous improvement in the school's fiscal management and operations, based on the recommendations made by School Services of California.

To date, MSA 7 has complied with the benchmark cited above. The CSD will continue to monitor the school's fiscal management through the remainder of the school's charter term.

*Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

Notes:

I.	Review of Fiscal Documentation	Comments
1.	FY 2024-2025 Independent Audit Report	
	a. Audit opinion:	Unmodified/Unqualified
	b. Material weaknesses:	Yes. Please see the description below.
	c. Deficiencies/Findings:	Yes. Please see the description below.
	d. Lack of a Going Concern:	None Reported

	Description (if applicable):	MERF's 2024-2025 independent audit report identified a material weakness related to financial statements concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC affecting MERF, LLC, MSA 5, and MSA 7 (noted in the ANI section above), and a state compliance-related audit finding identified as a significant deficiency related to attendance reporting related to MSA San Diego, not authorized by LAUSD (noted in the OO section above).
	The status of audit findings from 2023-2024 (if applicable):	Not applicable
2.	(Only for **new schools** without an audit report on file) The charter school is in its first/second year of operation and there is no independent audit report on file with the CSD.	Not applicable
3.	The 2024-2025 audited and unaudited actuals:	Do not mirror each other; however, the charter school provided reasonable variance explanation/s.
	The 2024-2025 independent audit report is not available as of the date of this report.	Not applicable
4.	Segregation of Duties (SOD) review(s) was/were conducted in-person/virtually at:	Home Office, MSA 4 and MSA 8
		No discrepancies were noted.
5.	Proposition 39 information.	Not applicable.

II.	**Review of 2025-2026 Fiscal Preparation Guide**	**Provided**	**Comments**
1.	Most Current Fiscal Reports Reported to the Board	Yes	
2.	Board Meeting Minutes – Discussion of Fiscal Reports Presented to Board & Board Packet	Yes	
3.	Audit or Fiscal Reports – CalSTRS, CalPERS, USDE, CDE, FCMAT, IRS, SBA, OPEB, etc.	N/A	
4.	Board Meeting Minutes – Approval of 2025-2026 Budget	Yes	
5.	Evidence of Compliance – STRS, PERS, Social Security, Other Benefits	Yes	Benefits offered by the school: Social Security, STRS, PERS
6.	Board Meeting Minutes – Selection of Independent Auditor	Yes	

7.	Board Meeting Minutes – Discussion of Independent Audit Report	Yes	
8.	Board Meeting Minutes – Discussion of the Most Recent Interim Financial Reports Submitted to LAUSD	Yes	
9.	Board Meeting Minutes – Discussion of Staff or Vendors Complaints	N/A	
10.	Board Meeting Minutes – Discussion of 2024-2025 Annual Performance-Based Oversight Visit Report	Yes	
11.	Current Fiscal Policies and Procedures	Yes	
12.	Board Meeting Minutes – Approval of Fiscal Policies and Procedures	Yes	
13.	Organizational Chart(s)	Yes	
14.	Summary of Total Compensation Paid in FY 2024-2025	Yes	
15.	Related Parties	Yes	
16.	MOUs for CMO Management Fees and/or back office service provider agreements	Yes	
17.	Board Meeting Minutes – Approval of Management Fees, License Fees, or Any Other Fees	Yes	
18.	Most Current Accounts Payable Aging Report	Yes	
19.	Check Registers (12 months)	Yes	Period spanning from 1/2025 to 12/2025 Reviewed checks for sample testing The CSD's observations were noted in the ANI section above.
20.	Credit Card Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed credit card transactions for sample testing No discrepancies were noted.
21.	Monthly Bank Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed electronic credit/debit transactions for sample testing No discrepancies were noted.
22.	Student Body Financial Records (6 months)	N/A	
23.	Capitalized and Non-Capitalized Inventory Listing	Yes	
24a.	Posting of EPA on School's Website	Yes	
24b.	Posting of Audited Financials on School's Website	Yes	

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	Financing Activities, Loans, Factoring Receivables, Intercompany Transfers/Loans, etc.	Yes	See details below.

MERF provided the following historical intra-organizational loan balances:

Date	Borrower	Lender	Balance
June 30, 2024	MSA Santa Ana	MERF	$351,452.00
June 30, 2024	MSA San Diego	MERF	213,436.00
June 30, 2024	MERF	MSA 8	562,124.00
June 30, 2024	MERF	MSA 1	137,562.00

According to MERF, as of June 2025, total repayments made to MSA 8 and MSA 1 were $562,124 and $137,562, respectively, offset by the payments from MSA Santa Ana of $351,452, MSA San Diego of $213,436, and MERF of $134,798. Accordingly, there are no remaining balances associated with this historical loan arrangement.

25.

Based on documentation (e.g., agreements) from MERF, the current intra-organizational loans are summarized in the table below:

Approval Date	Borrower	Lender	Loan Amount	Interest Rate	Maturity Date
12/11/2025	MERF	MSA 8	3,700,000.00	4%	04/30/2031
12/11/2025	MSA OC	MERF	3,700,000.00	4%	04/30/2031
01/24/2026	MERF	MSA 8	$1,308,807.00	4%	06/30/2031
01/24/2026	MSA 7	MERF	1,308,807.00	4%	06/30/2031

According to MERF, the outstanding intra-organizational loans between MERF and MSA 8 represent pass-through loans intended for MSA 7 and its new site (e.g., facility acquisition and building purchase of the site located at 18120 Sherman Way, Reseda, CA 91335 in January 2025), and MSA Orange County (MSA OC) for its operational needs. As of 3/31/2026, the outstanding loan balances are: (1) MERF to MSA 8 is $5,008,807; (2) MSA 7 to MERF is $1,308,807; and (3) MSA OC to MERF is $3,700,000. As of the writing of this report, these balances remain unchanged from their original loan amounts. The MERF Board approved, at its meetings held on 12/11/2025 and 1/24/2026, respectively, an extension of the repayment terms for an additional five (5) years, with the first payment scheduled to begin in July 2026.

26.	New and Renewed Facility Lease Agreements and Board Meeting Minutes – Approval of New or Renewed Lease	Yes	
27.	Facilities Plans – Purchase, Lease, Relocation, Expansion, Major Improvements	Yes	See details below:

Per MERF, the following information was provided:

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	Facilities Plan – MSA 4 and MSA 6 MSA 4 and MSA 6, which currently operate under separate Prop 39 co-location arrangements, previously pursued the acquisition of a facility to establish a permanent campus. The organization completed key due diligence activities and entered escrow, including submitting a substantial good-faith deposit. However, the transaction ultimately did not move forward. Following a comprehensive financial review, including multi-year budget, cash flow, and balance sheet projections, the organization determined that the acquisition is not fiscally viable at this time and has elected not to proceed with the purchase. MERF incurred a $200,000 financial loss related to this transaction. **Facilities Plan – MSA 7** MSA 7 currently operates in a leased church facility, with projections indicating a significant increase in lease costs in the next term. To address rising expenses and ensure long-term stability, the school is pursuing the development of a permanent campus. The property for the new facility was acquired in January 2025. The project is presently in the design and permitting phase, with work underway on schematic design and construction documents. Once completed, the new campus will reduce long-term occupancy costs and provide students with stable, modern learning environments. The estimated move-in date is August 2027.		
28.	Employee Retention Credit	N/A	
29.	Disclosure of Legal Issues with material fiscal impact	N/A	

Notes: N/A (Provided Column) = indicated by the charter school as not applicable
ANI = Areas Noted for Further Growth and/or Improvement
OO = Other Observations

Fiscal Operations Rubrics

Existing School *– a charter school that was/is in operation/active in the preceding school year(s) and the current school year. Existing schools may receive a rating of 4, 3, 2, or 1.*
New School *– a charter school that is in its first year of operation in the current school year and does not have an independent audit report or audited financial result for its first operative year on file with LAUSD. New schools are evaluated based on current year information. New schools may receive a rating of 2 or 1.*

Existing School 4 (Accomplished)	***To receive a rating of 4 (Accomplished), an existing school, at a minimum, meets all of the Required and Supplemental Criteria listed below.***

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LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy 7**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **3/24/2026**

REQUIRED CRITERIA

1. Net assets are positive in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is positive;
3. The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., California State Teachers' Retirement System (CalSTRS), California Public Employees' Retirement System (CalPERS), Fiscal Crisis & Management Assistance Team (FCMAT), United States Department of Education (USDE), California Department of Education (CDE), United States Small Business Administration (SBA), Internal Revenue Service (IRS), Employment Development Department (EDD), etc.), at the time of the oversight visit, show no outstanding findings;
5. Vendors and staff are consistently paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school consistently adheres to the governing board-approved fiscal policies and procedures;
8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are consistently processed or submitted by the charter school in a timely manner;
15. There are no items cited in Areas Noted for Further Growth and/or Improvement and there are no more than five (5) items cited in Other Observations for the most current year;
16. If applicable (when audited and unaudited actuals do not mirror each other), adequate explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is consistently in place;
18. If applicable, there are no outstanding fiscal-related tiered intervention notices issued to the school; or the school has no tiered intervention notices as of the oversight report issuance date; and
19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are fully met by the required deadline(s); or the school has no fiscal benchmarks in its current charter term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in California Code of Regulations (CCR), Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the two most current annual independent audit reports;

3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the two most current annual independent audit reports;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the two most current annual independent audit reports;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)), or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 3 (Proficient)	***To receive a rating of 3 (Proficient), an existing school, at a minimum, meets all of the Required and at least five (5) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is positive;
3. The most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., CalSTRS, CalPERS, FCMAT, USDE, CDE, SBA, IRS, EDD, etc.), at the time of the oversight visit, show outstanding findings, and the school is able to demonstrate evidence of remedies in addressing these findings;
5. Vendors and staff are generally paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school generally adheres to the governing board-approved fiscal policies and procedures;
8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are generally processed or submitted by the charter school in a timely manner;
15. There are no significant recurring issues cited in the Areas Noted for Further Growth and/or Improvement;

16. If applicable (when audited and unaudited actuals do not mirror each other), at least partial explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is generally in place;
18. If applicable, the charter school is in the process of resolving outstanding fiscal issues cited in a Notice issued by the CSD as part of its tiered intervention process; and
19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are partially met by the required deadline(s).

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit report;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit report;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit report;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 2 (Developing)	***An existing school would receive a rating of 2 (Developing) if the charter school is not eligible for the rating of Accomplished or Proficient, but, at a minimum, meets all of the Required and at least four (4) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report; net assets are negative with strong trend towards becoming positive (be positive at the end of the third year per the applicable interim financials); or the school's financial condition fluctuates from year to year, with significant net losses, leading to negative net assets in the current fiscal year and/or the foreseeable future fiscal years;
2. The cash balance at the beginning of the school year is positive; and

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3. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 1 (Unsatisfactory)	***An existing school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:
A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Accomplished*, *Proficient*, or *Developing* above. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, audit findings that are identified as repeat material weaknesses or significant deficiencies disclosed in the charter operator's most recent annual independent audit report, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result to non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 2 (Developing)	***A new school would receive a rating of 2 (Developing) if the charter school, at a minimum, meets all of the Required Criteria listed below.***

REQUIRED CRITERIA

1. Interim reports and/or unaudited actuals project positive net assets;
2. Projected debt, if any, is managed efficiently and will not cause the charter school to end the fiscal year with negative net assets. The non-profit organization is financially viable to support the charter school;
3. If enrollment is significantly below the enrollment per the school's *Pupil Estimates for New or Significantly Expanding Charters* report and/or its approved petition budget, the charter school has made significant adjustments in their operations to allow for the reduced income, and submitted a revised viable three-year budget and three-year cash flow projections;
4. Governing board adopts the annual budget;
5. Governing board reviews and discusses the charter school's financial reports as evidenced by the governing board meeting minutes;
6. Reasonable requests for information made by the Charter Schools Division and LAUSD are processed or submitted by the charter school in a timely manner; and
7. The LCAP is submitted to the appropriate agencies.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 1 (Unsatisfactory)	***A new school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:
A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Developing*. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result in non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

LOS ANGELES UNIFIED SCHOOL DISTRICT
CHARTER SCHOOLS DIVISION

ANNUAL PERFORMANCE-BASED OVERSIGHT VISIT REPORT*
2025-2026 SCHOOL YEAR
FOR

MAGNOLIA SCIENCE ACADEMY BELL (PSC) - 5166

Name and Location Code of Charter School

LAUSD Vision

Los Angeles Unified will be the premier public school district by eliminating educational inequities to graduate ALL students ready for the world – to thrive in college, career, and life.

CSD Mission

The LAUSD Charter Schools Division (CSD) fosters high quality educational opportunities and outcomes for students in the greater Los Angeles community through exemplary charter public school authorizing, oversight, and sharing of promising practices so that all students maximize their potential.

CSD Core Values

We believe that our success depends on:

- Making decisions that put the interests of students first.
- Serving with high expectations, integrity, professionalism, and commitment.
- Employing authentic, responsive, and effective leadership and teamwork.
- Continuously learning as a dynamic organization.
- Building and sustaining a healthy workplace culture where high performance, diversity, and creativity thrive.
- Developing productive relationships with our charter schools and all stakeholders.

* Charter School shall comply in a timely manner with all applicable federal and state laws and regulations, as they may change from time to time, including but not limited to matters related to the school's governance, programs, facilities, operations, and/or fiscal management.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

Charter School Name:	**Magnolia Science Academy Bell (PSC) – (MSA8)**			**Location Code:**	**5166**
Current Address:		**City:**	**ZIP Code:**	**Phone:**	**Fax:**
6411 Orchard Avenue		**Bell**	**90201**	**323-826-3925**	**323-826-3926**
Current Term of Charter[1]:		**LAUSD Board District:**		**LAUSD Region:**	
July 1, 2020 to June 30, 2028		**5**		**East**	
Number of Students Currently Enrolled:	**Enrollment Capacity Per Charter:**		**Number Above/Below Enrollment Capacity (day of visit):**		**Below by 103**
392	**495**				
Grades Currently Served:	**Grades To Be Served Per Charter:**		**Percent Above/Below Enrollment Capacity (day of visit):**		**Below by 20.81%**
6-8	**6-8**				
Norm Enrollment Number:	**394**				
Total Number of Staff Members:	**42**	**Certificated:**	**21**	**Classified:**	**21**
Charter School's Leadership Team Members:	**Adrian Uribe, Principal; Gokhan Serce, Chief Academic Officer; Daniel Sumer, A.P.; Arturo Prado, A.P.; Meagan Wittek, Director of Student Services; Maria Mendoza, A.P.**				
Charter School's Contact for Special Education:	**Cecelia Martinez, Special Education Coordinator**		**SELPA & Option:**		**LAUSD Option 3**
CSD Assigned Administrator:	**Yolanda Jordan**		**CSD Fiscal Oversight Manager:**		**Cristina Balderas**
Other CSD Team Members:	**N/A**				
Oversight Visit Date(s):	**May 8, 2026**		**Fiscal Review Date (if different):**		**N/A**
Is school located on a District facility? If so, please indicate the applicable program (e.g., Prop 39, PSC, conversion, etc.):	**Yes, PSC**		**LAUSD Co-Location Campus(es) (if applicable):**		**Orchard Academies**

SUMMARY OF RATINGS

(4)=Accomplished (3)=Proficient (2)=Developing (1)=Unsatisfactory

Governance	Student Achievement and Educational Performance	Organizational Management, Programs, and Operations	Fiscal Operations
3, Proficient	**2, Developing**	**3, Proficient**	**3, Proficient**

[1] Education Code section 47607.4 provides that "all charter schools whose term expires on or between January 1, 2022, and June 30, 2025, inclusive, shall have their term extended by two years, and all charter schools whose term expires on or between January 1, 2024, and June 30, 2027, inclusive, shall have their term extended by one additional year."

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

CHARTER RENEWAL CRITERIA

In accordance with Education Code §§ 47605, 47607, and 47607.2, in order to renew a charter, the District must determine whether the charter school has met specific renewal criteria prescribed in statute.

REPORT GUIDE

LAUSD's oversight procedures are intended to balance a charter school's autonomy of operation with its accountability to the public. LAUSD utilizes a holistic, performance-based approach to evaluate all charter schools, guided principally by making decisions in the best interest of students. The CSD observes and monitors each charter school in accordance with applicable laws, regulations, LAUSD policy, memoranda of understanding, and the school's operative charter. Information gathered through oversight serves as part of the charter school's ongoing record for the District to make informed decisions about charter school authorization, renewal, material revisions, sharing of promising practices, and if need be, revocation. While LAUSD is responsible to provide oversight of its charter schools and the entities managing charter schools, the primary oversight of each charter school must first and foremost be performed by the charter school's own Governing Board. The Governing Board of a charter school has an ongoing responsibility to oversee the operations of its charter school(s), ensuring that every charter school it oversees is providing a high-quality educational program for students enrolled, is successfully fulfilling the terms of their charter, is fiscally sound, and complies with applicable laws, regulations, and court orders. In designing this document, the District has considered the California Charter Schools Act, the *LAUSD Policy and Procedures for Charter Schools,* the factors and guidance promulgated by the California State Board of Education in evaluating charter schools, and the National Association of Charter School Authorizers' *Principles and Standards of Quality Authorizing*. This reporting tool provides guidelines and criteria used by the CSD to observe, record, assess, and reflect with the charter school on school performance as captured during the annual oversight visit process in these four categories:

- ***Governance*** – demonstrating fulfillment of the Governing Board's fiduciary responsibility to effectively direct and provide oversight for the charter public school, including but not limited to enactment and monitoring of policies and procedures to ensure the school's full compliance with applicable law, policy, and the terms of the charter approved by the LAUSD Board of Education
- ***Student Achievement and Educational Performance*** – demonstrating positive academic achievement and growth for all students
- ***Organizational Management, Programs, and Operations*** – demonstrating effective leadership and implementation of the governing board's policies and procedures, as well as the school's educational program and systems and procedures for the day-to-day operations of the school
- ***Fiscal Operations*** – demonstrating sound fiscal management, appropriate use of public funds, and compliance with regulatory requirements

This report, including the ratings in each category, is based on information and evidence gathered for the annual oversight visit. The CSD considers evidence provided through CSD staff observations, document review, interviews, and discussion with school representatives and stakeholders. All charter schools are expected to prepare for the visit and have available, as applicable, all documentation requested in the *Annual Performance Based Oversight Visit Preparation Guide.* The "Sources of Evidence" sections below identify key information sources generally relevant to their respective indicators; these lists are not exhaustive, however, and some items may not be applicable to the grades served. Schools may present additional evidence as deemed relevant and appropriate. As needed, CSD staff also may request additional information and/or documentation prior to, during, and/or following the visit.

The tool employs the following four-point rubric to rate the school's performance in each category: *(4) Accomplished, (3) Proficient, (2) Developing, and (1) Unsatisfactory*. In addition, the *Summary of School Performance* section in each category captures key findings under one or more of the following headings: (1) Areas of Demonstrated Strength and/or Progress; (2) Areas Noted for Further Growth and/or Improvement; and, if applicable, (3) Corrective Action Required. Under "Corrective Action Required," the CSD reports findings of material noncompliance with applicable law, LAUSD charter policy, or the school's approved charter. **If the report includes any findings under "Corrective Action Required," the charter school must take immediate and appropriate steps to remedy the identified concern.** In accordance with its "tiered intervention" approach to charter school non-compliance and poor performance, the CSD may also send the school appropriate notices, separate and apart from this report, to provide and document time-specific follow-up as necessary. At the other end of the spectrum of performance, any school that earns a rating of *Accomplished* in any category is encouraged to submit to the CSD a summary of those "promising practices" that the school believes have contributed to its success, in order to support the CSD's ongoing efforts to promote and facilitate reciprocal sharing of promising practices among education leaders from across all LAUSD schools.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

GOVERNANCE	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- The current Board of Directors of Magnolia Public Schools (MPS) is comprised of 7 directors, which is aligned with the organization's most recent Bylaws requiring no less than 3 and no more than 11 directors.
- Calendar of Governing Board meetings for the 2025-2026 school year, showing monthly meetings scheduled from July 10, 2025 to June 25, 2026
- Brown Act and Conflict of Interest training was held during the Board meeting on August 7, 2025 and September 11, 2025, respectively.

G2: DUE PROCESS

The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public.

As evidenced by information in Folder 1, some of the evidence include the following:

- Systems to provide due for students, employees, and parent including, but not limited to the following:
  - Uniform Complaint Procedures (UCP) and related forms in the student/parent handbook, as well as on the school's website
  - Procedures for resolving general stakeholder complaints within the "General Complaint Procedures Form" located at the school site, within the student/parent handbook and on the school's website. Procedures and forms are available in English and Spanish
  - Procedures/policies regarding Suspension/Expulsion (including appeals), grading policies, and student code of conduct located at the school site, within the student/parent handbook and the school's website
  - Employee handbook which includes descriptions of the school's employee Code of Conduct, Internal Complaint Review and Policy (e.g., complaints by employees against employees, complaints by third parties against employees), Open Door Policy, and employee discipline policy

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis, and discussion, etc.).

As evidenced by information in Folder 1 and observation of Governing Board meetings, some of the evidence include the following:

- Agenda items during Board meetings regularly include updates/reports regarding student achievement and other key aspects of school performance (e.g., CAASPP, NWEA MAP, etc.) and operations from the organization's Chief Executive Officer, Chief Academic Officer, other home office officers, and school site principals.

- Some of the specific items discussed during Board meetings include the following: approval of LCAPs for all Magnolia schools on June 26, 2025; data presentation of LCAP Mid-Year Update on February 13, 2025; enrollment update, including enrollment trends and "Glows, Grows & Priorities" presentations by MSA 4 and MSA6 on May 22, 2025, MSA7 and Bell on June 18, 2025.

Areas Noted for Further Growth and/or Improvement
None at this time.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

Progress on LAUSD Board of Education Benchmarks and/or MOU related to GOVERNANCE (if applicable):
☒ Not Applicable

RATING NOTES:

- ***A charter school may receive a rating as low as one (1) in this category for any of the following reasons: 1) Evidence of conflict(s) of interest within the organization (i.e. Governing Board, staff, contracted external parties, etc.), 2) School is in breach of the operative charter, including Federal, State, and District Required Language, 3) School is "Not in Good Standing," 4) Unresolved concern(s) and/or ongoing tiered intervention (i.e., Notice of Concern and/or Notice to Cure), and/or 5) If there are serious concerns related to fiscal matters (e.g., negative financial condition, fiscal mismanagement, repeat material weaknesses, significant deficiencies, and/or significant audit findings disclosed in the charter operator's most recent annual independent audit report, etc.).***
- ***A charter school cannot receive a rating greater than three (3) in this category if it receives an overall rating of two (2) or one (1) in any other category (Student Achievement and Educational Performance; Organizational Management, Programs, and Operations; or Fiscal Operations).***

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G1: GOVERNANCE STRUCTURE AND COMPLIANCE MONITORING

The Governing Board has implemented the organizational structure, roles, and responsibilities set forth in the approved charter and applicable law, including:

- Governing Board composition, structure, roles, and responsibilities as set forth in the approved charter
- Governing Board committees/councils are implemented as described in the school's charter (e.g., Finance, Human Resources, Academics, etc.)
- The Governing Board has a system in place to ensure compliance with the public integrity statutes including laws requiring open meetings and laws forbidding financial and other conflicts of interest.
- The Governing Board reviews and certifies the *Compliance Monitoring and Certification of Board Compliance Review* form

Performance Rubric	Sources of Evidence
☒ The Governing Board has fully implemented the organizational structure set forth in the school's operative charter, including all committees/councils; and has a system in place to ensure it consistently complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has implemented the organizational structure set forth in the school's operative charter, including committees/councils; and has a system in place to ensure it complies with the applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has partially implemented the organizational structure set forth in the school's operative charter; and/or has an ineffective system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.) ☐ The Governing Board has not implemented the organizational structure set forth in the school's operative charter; and has an ineffective or no system in place to ensure it is complying with applicable open meeting requirements for local agencies (e.g., Brown Act, Gov. Code, § 54950 et seq.)	☒ Organizational chart in approved charter ☒ Organizational chart (current) ☒ Board member roster ☒ Bylaws (current) ☒ Board Committee(s) Calendar(s) ☒ California open meeting law training (Brown Act) ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ Board meeting agendas, minutes, and/or documentation ☒ Observation of Governing Board meeting(s) ☒ Discussion with leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G2: DUE PROCESS

***The Governing Board has systems in place to ensure that the school provides adequate due process, in accordance with applicable law, the school's charter, and LAUSD charter school policy, to honor and protect the rights of students, employees, parents, and the public in the following areas*:**

- Student discipline
- Employee grievances and discipline
- Stakeholder complaint resolution pursuant to the Uniform Complaint Procedures (UCP)
- Parent/stakeholder complaint resolution for complaints outside regulatory scope of UCP

Performance Rubric	Sources of Evidence
☒The Governing Board has well-developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has partially developed systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public ☐ The Governing Board has minimal or no systems in place to ensure that the school provides due process, in accordance with applicable law, the charter, and LAUSD charter policy, for students, employees, parents, and the public	☒ Student discipline policy and procedures ☒ Employee grievance and discipline policy and procedure ☒ Uniform Complaint Procedures policy and form(s) ☒ Stakeholder complaint procedures and form(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G3: RESPONSIVE AND ACCOUNTABLE GOVERNANCE - EDUCATIONAL PROGRAM

The Governing Board has systems in place to ensure ongoing:

- Review and use of academic performance data (e.g., CA School Dashboard, internal assessments, etc.) and other school data and information to ensure sound Governing Board decision-making in support of continuous improvement of student achievement, fiscal viability, compliance, and overall public school excellence
- Monitoring of the school's implementation of its Local Control and Accountability Plan (LCAP) and additional school plans (e.g., Comprehensive Support and Improvement (CSI), Additional Targeted Support and Improvement (ATSI), School Plan for Student Achievement (SPSA), and action plans for making progress toward LCAP goals)
- Transparent governance and accountability to stakeholders, including compliance with the LAUSD BOE's Charter School Transparency Resolution, as well as consideration of input from the school's committees/councils and stakeholders

Performance Rubric	Sources of Evidence
☒ The Governing Board regularly considers school performance data, stakeholder input, and other data, and takes appropriate action to achieve positive measurable pupil outcomes (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board seldom considers school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.) ☐ The Governing Board does not consider school performance data, stakeholder input, and other data to inform decision-making (e.g., approving action plans and/or resources, analysis and discussion, etc.)	☒ Board meeting agendas, minutes, and/or documentation ☒ Board member and executive leadership training of Governing Board meeting(s) ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G4: RESPONSIVE AND ACCOUNTABLE GOVERNANCE – STAFFING AND EVALUATIONS

The Governing Board has systems in place to ensure ongoing:

- Monitoring of staffing needs and the school's compliance with all applicable credentialing, clearance, and training requirements
- Evaluation procedures with clear performance standards for all school-based staff, including but not limited to administrators, certificated staff, and classified staff
- Evaluation of executive level leadership (including, but not limited to, those positions reporting to the Governing Board, as indicated in Element 4 of the approved charter, such as Executive Director, Area Superintendent, Principal, etc.)

Performance Rubric	Sources of Evidence
☐ The Governing Board regularly monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a well-developed system for the evaluation of all school-based staff and executive level leadership staff ☒ The Governing Board monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and has implemented a system for the evaluation of school-based staff and executive level leadership staff ☐ The Governing Board inconsistently monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has partially implemented a system for the evaluation of school-based staff and/or executive level leadership staff ☐ The Governing Board seldom monitors school staffing to ensure that all students are taught by appropriately credentialed and assigned teachers, and/or has not implemented a system for the evaluation of school-based staff and/or executive level leadership staff	☒ Human Resources policies and procedures ☒ Board meeting agendas, minutes, and/or documentation ☒ Evaluation of Executive Leadership procedures and tools ☒ Evaluation of school-based staff procedures and tools ☒ Compliance Monitoring and Certification of Board Compliance Review ☒ *Certification of Clearances, Credentialing, and Mandated Reporter Training* form ("ESSA Grid") for current academic year ☒ Observation of Governing Board meeting(s) ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G5: FISCAL CONDITION

The Governing Board has a system in place to ensure fiscal viability:

- The school is fiscally strong and net assets are positive in the two most current annual independent audit reports.
- If applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☒ The school is fiscally strong with positive net assets and meets the four (4) recommended financial ratios (identified as part of the Supplemental Criteria within the Fiscal Operations Rubrics section below for the rating of 4, *Accomplished)* in the two most current annual independent audit reports, ***and***, if applicable, all LAUSD Board of Education-approved fiscal condition-related benchmark(s) are met by the required deadline(s) ☐ The school is fiscally stable, with positive net assets in the most current annual independent audit report ☐ The school is fiscally weak or unstable*, net assets are negative in the most current annual independent audit report, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer ☐ The school is consistently fiscally weak, net assets are negative in the two most current annual independent audit reports, **or** the school does not have an independent audit report or audited financial result for its first operative year on file with LAUSD or prior charter authorizer **Notes:** Additional factors that may affect the rating include: inadequate cash flow; financial condition and/or enrollment trend that is declining and/or beginning to reflect an unbalanced budget; indicators of deteriorating financial health that could result in negative net assets and/or fiscal insolvency (such as a negative cash balance) during the current and/or the foreseeable fiscal years; prolonged reliance on financing resources to sustain operations (e.g., factoring receivables, intraorganizational or third-party loans, ongoing deficit spending); or concerns that the school may be unable to maintain quality educational programs if the student enrollment falls below a certain threshold. *For example, the school's financial condition fluctuates from year to year, with significant net losses contributing to negative net assets in the current or upcoming school years.	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other financial information submitted by the school ☒ Other: (see Fiscal Operations section below)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

G6: FISCAL MANAGEMENT AND ACCOUNTABILITY

The Governing Board has a system in place to ensure sound fiscal management and accountability:

- The school adheres to the Governing Board-approved fiscal policies and procedures and does not have any areas noted for improvement.
- The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies.
- The school is in compliance with Generally Accepted Accounting Principles, all applicable federal, state, and local laws and regulations, LAUSD charter policy, and the school's approved charter.
- If applicable, all LAUSD Board of Education-approved fiscal management-related benchmark(s) are met by the required deadline(s).

Performance Rubric	Sources of Evidence
☐ The school **consistently adheres** to the Governing Board-approved fiscal policies and procedures, does not have any areas noted for improvement, and the two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies ☒ The school **generally adheres** to the Governing Board-approved fiscal policies and procedures, but has areas noted for improvement, and the most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies ☐ The school is **not adhering** to the Governing Board-approved fiscal policies and procedures, and has areas noted for improvement, **or** has significant fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, unresolved recurring issues, potential conflicts of interest, etc.) ☐ The school is **continuously not adhering** to the Governing Board-approved fiscal policies and procedures, **or** has significant and recurring fiscal-related issues (e.g., fiscal mismanagement, audit findings that are identified as material weaknesses or significant deficiencies, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, etc.)	☒ Board meeting agendas and minutes ☒ Other evidence of a system for Board review and monitoring of fiscal policies, procedures, budget, and finances ☒ Observation of Governing Board meeting ☒ Discussion with leadership ☒ Independent audit report(s) ☒ Other: (see Fiscal Operations section below)

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STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE	RATING*
Summary of School Performance	2, Developing
California Department of Education's (CDE) Charter School's 2026 Performance Category	Middle Performing

Areas of Demonstrated Strength and/or Progress

A5: ALL STUDENTS English Learner Progress The schoolwide Dashboard ELPI performance color is Blue. The school's 2025 percentage of English Learner students making progress towards English language proficiency (60%) is Choose an item. the state average (46.4%).

Areas Noted for Further Growth and/or Improvement

A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA)

- The schoolwide Dashboard ELA Indicator performance color is Yellow. The school's 2025 schoolwide ELA DFS (-41.9 DFS) is lower than the state average (-8.1 DFS).

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA)

None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).

The 2025 average DFS in ELA for the school's:

- English Learner student group (-96.3 DFS) is lower than the state average (-59.9 DFS).
- Long-Term English Learners student group (-144.2 DFS) is lower than the state average (-104.5 DFS)
- Latino student group (-4.8 DFS) is lower than the state average (-33.7 DFS).
- Socioeconomically Disadvantaged student group (45.3 DFS) is lower than the state average (-35.3 DFS)
- Students with Disabilities student group (-92.6 DFS) is lower than the state average (-89.4 DFS)

- In response to indicators **A1** and **A2**, school leadership shared strategies and steps the school is taking to increase student achievement in ELA. Some of them include the following:
  - Additional time has been added into the daily schedule to allow for more reading. For example, in addition to the 15 minutes of Sustained Silent Reading (SSR) each morning, students now have an extra 15-20 minutes during Advisory to read or take their Accelerated Reader (AR) quizzes.
  - 30 minutes of reading each day is assigned as homework for each student
  - Adoption of the RACE strategy: Restate, Answer, Cite Evidence, and Explain across all subjects. Teaching teams have received training of this strategy through professional development, as well as training on reading strategies to use with English Language Learners (ELLs)
  - Continuous implementation of new ELA platform, *No Red Ink*, a program designed to "bolter student proficiency in writing and grammar"

A3: ALL STUDENTS MATH

- The schoolwide Dashboard Math Indicator performance color is Yellow. The school's 2025 schoolwide Math DFS (-90.6 DFS) is lower than the state average (-42.4 DFS).

A4: STUDENT GROUP MATH

- Less than a majority of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS).
  The 2025 average DFS in Math for the school's:
  - English Learner student group (-125.8 DFS) is lower than the state average (-86.1 DFS).
  - Long-Term English Learner student group (-164.3 DFS) is lower than the state average (-158.9 DFS).
  - Latino student group (-91.0 DFS) is lower than the state average (-73.6 DFS).
  - Socioeconomically Disadvantaged students (-92.1DFS) is lower than the state average (-72.9 DFS)
  - Students with Disabilities student group (-136.6 DFS) is lower than the state average (-120.7 DFS)
  - Homeless students (-92.6 DFS) is higher than the state average (-102.8 DFS)
- In response to indicators **A3** and **A4**, school leadership shared strategies and steps the school is taking to increase student achievement in Math. Some of them include the following:
  - Continuing to implement Houghton Mifflin Harcourt *HMH Mathematics*. Teachers have participated in professional development sessions led by HMH experts at the beginning of the school year
  - IXL Math is utilized during Advisory periods as intervention and support
  - Power Math classes are continuing this school year for 6th grade students to provide additional instructional time and support in math
  - Math teachers participate in monthly Professional Learning Communities (PLCs) and weekly meetings with the Dean of Academics. These sessions are dedicated to discussing each student's progress, identifying areas for growth, and developing targeted intervention to support individual needs.

A8: ALL STUDENTS CHRONIC ABSENTEEISM

- The schoolwide Dashboard Chronic Absenteeism Indicator performance color is Red. The school's 2025 percentage of chronically absent students (27%) is higher than the state average (17.1%).
- School leadership shared supports being implemented to decrease Chronic Absenteeism. Some include the following:
  - Continue to focus on creating a welcoming environment (e.g., greeting students at the door, clean and neat learning space, creating engaging lessons, etc.)
  - Utilizing the Crisis Prevention Institute (CPI) evidence-based strategies "to identify student triggers and effectively de-escalate stressful moments in the classroom."
  - Continuous home visits and meetings with parents to share the importance of school attendance.
  - Attendance Intervention Plan is developed during meetings (parents are invited to attend) to address student needs.
  - Incentives for attendance includes shoutouts and awards during the monthly PBIS assemblies.

A10: ALL STUDENTS SUSPENSION RATE INDICATOR

- The schoolwide Dashboard Suspension Rate Indicator performance color is Orange. The school's 2025 percentage of students suspended at least one day (6.4%) is higher than the state average (2.9%).
- School leadership shared some strategies to improve student suspension. Some of them included the following:

- Strengthening the PBIS/MTSS program though professional learning and development of a data driven PBIS system to identify trends and inform programmatic adjustments.
- Creation of a paper-based discipline referral to complement the digital system
- Implementation of data-driven behavior tracking system
- Enhance Restorative Justice Practices to address behavioral issues effectively
- Strengthen collaboration with families
- Promote Social Emotional Learning (SEL) by targeting SEL lessons to address conflict resolution, anger management, and decision-making skills.

Corrective Action Required
None noted that require immediate action to remedy concerns indicated in this report.

Notes:

The Indicator information below is provided for informational purposes only and will not be scored.

A11: ALL STUDENTS SCIENCE INDICATOR -

- The school's schoolwide Dashboard Science Indicator is at 44.9 science points as compared to the state at 52.6 science points.

Local Indicators: Dashboard Year 2025
Basic Services and Conditions: Met
Implementation of State Academic Standards: Met
Parent and Family Engagement: Met
School Climate: Met
Access to a Broad Course of Study: Met

Charter School's 2025-2026 Every Student Succeeds Act (ESSA) Assistance Status:
☐ Comprehensive Support and Improvement – Low Graduation Rate (CSI- Low Grad)
☐ Comprehensive Support and Improvement – Low Performance (CSI- Low Perform)
☐ Additional Targeted Support and Improvement (ATSI)
☐ Targeted Support and Improvement (TSI)
☒ No Status

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2025 LCFF Charter School Assistance Eligibility:

☒ General Assistance (Level 1) - resources and assistance that is made available to all local educational agencies

☐ Differentiated Assistance (Level 2) - local educational agencies that meet certain eligibility criteria for additional support

For 2024-2025:

The school's percent of "At Risk" ELs is 1% as compared to the state's percent of 6.0%

The school's percent of "LTELs" is 15.6% as compared to the state percent of 10.4%

Progress on LAUSD Board of Education Benchmarks and/or MOU related to STUDENT ACHIEVEMENT AND EDUCATIONAL PERFORMANCE (if applicable):

☐ Not Applicable

On October 15, 2019, the LAUSD Board of Education adopted by consent vote to renew Magnolia Science Academy Bell (MSA Bell), to serve up to 495 students in grades 6-8, with Academic Benchmarks. MSA Bell must meet the following benchmarks during the 2020-2025 charter term in order to address academic concerns. Below is the status of each benchmark:

1. **The Charter School shall demonstrate at least one performance level growth per academic year, as reported on the California School Dashboard, for "English Learners" in ELA as measured by CAASPP (SBAC) Assessment, with the goal of achieving and maintaining the "Green" performance level or higher by the end of the charter term. Status: Not met – Per the 2024 California School Dashboard data in ELA, the school's English Learners (ELs) Performance Level (Color) was Orange with a -102.2 DFS. However, per the 2025 California School Dashboard data in ELA, the school's ELs Performance Level (Color) remains Orange, with a -96.3 DFS (an increase of 5.9 points, classified as "Increased" per the Dashboard).**
2. **The Charter School shall demonstrate at least one performance level growth per academic year, as reported on the California School Dashboard, for "English Learners" in Math as measured by CAASPP (SBAC) Assessment, with the goal of achieving and maintaining the "Green" performance level or higher by the end of the charter term. Met – Per the 2024 California School Dashboard data in Math, the school's ELs Performance Level (Color) was Red with a -138.3 DFS. In 2025, however, the California School Dashboard data in Math indicates that the school's ELs Performance Level (Color) is Orange, with a -125.8 DFS (an increase of 12.5 points, classified as "Increased" per the Dashboard).**

RATING NOTE: A charter school cannot receive a rating in this category greater than a one (1) if the school has been identified as a Low Performing charter school based on the state's published list.

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A1: ALL STUDENTS ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELA Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students ELA Indicator color is Blue ☐ The California School Dashboard All Students ELA Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☒ The California School Dashboard All Students ELA Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students ELA Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELA Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A2: STUDENT GROUP ENGLISH LANGUAGE ARTS (ELA) INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard ELA Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☐ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☒ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A3: ALL STUDENTS MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Math Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Math Indicator color is Blue ☐ The California School Dashboard All Students Math Indicator color is Green; or a Status (DFS) that is the same or higher than the state average ☒ The California School Dashboard All Students Math Indicator color is Yellow or Orange; and a Status (DFS) that is lower than the state average ☐ The California School Dashboard All Students Math Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Math Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A4: STUDENT GROUP MATH INDICATOR - (GRADES 3-8 & 11)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard Math Indicator for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☐ All numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☒ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/DFS) ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A5: ALL STUDENTS ENGLISH LEARNER PROGRESS INDICATOR (ELPI)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students ELPI (CDE)

Performance Rubric	Sources of Evidence
☒ The California School Dashboard All Students ELPI color is Blue ☐ The California School Dashboard All Students ELPI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students ELPI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students ELPI color is Red ☐ Not available - No color assigned on the California School Dashboard for the ELPI	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A6: ALL STUDENTS COLLEGE/CAREER (CCI) INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students CCI (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students CCI color is Blue ☐ The California School Dashboard All Students CCI color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students CCI color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students CCI color is Red ☐ Not available – No color assigned on the California School Dashboard for the CCI ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

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A7: STUDENT GROUP COLLEGE/CAREER INDICATOR (CCI) - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard CCI for Numerically Significant Student Groups (30 or more students) (CDE)

Performance Rubric	Sources of Evidence
☐ All numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ The majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Less than a majority of the numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ None of the school's numerically significant student groups scored higher than their respective student group statewide average (Status/Percent) ☐ Not available – No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s) ☒ Not applicable - CCI is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A8: ALL STUDENTS CHRONIC ABSENTEEISM INDICATOR - (GRADES K-8)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Chronic Absenteeism Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Blue ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☐ The California School Dashboard All Students Chronic Absenteeism Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☒ The California School Dashboard All Students Chronic Absenteeism Indicator color is Red notwithstanding the Status (Percent) ☐ Not available - No color assigned on the California School Dashboard for the Chronic Absenteeism Indicator ☐ Not applicable - The Chronic Absenteeism Indicator is not applicable for the grade levels assigned at the charter school	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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A9: ALL STUDENTS GRADUATION RATE INDICATOR - (GRADES 9-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Graduation Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Graduation Rate Indicator color is Blue ☐ The California School Dashboard All Students Graduation Rate Indicator color is Green; or a Status (Percent) that is the same or higher than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Yellow or Orange; and a Status (Percent) that is lower than the state average ☐ The California School Dashboard All Students Graduation Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Graduation Rate Indicator ☒ Not applicable - The Graduation Rate Indicator is not applicable for the grade levels assigned at the charter school	☐ California School Dashboard (CDE) ☐ Other: (Specify)

A10: ALL STUDENTS SUSPENSION RATE INDICATOR - (GRADES K-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Suspension Rate Indicator (CDE)

Performance Rubric	Sources of Evidence
☐ The California School Dashboard All Students Suspension Rate Indicator color is Blue ☐ The California School Dashboard All Students Suspension Rate Indicator color is Green; or a Status (Percent) that is the same or lower than the state average ☒ The California School Dashboard All Students Suspension Rate Indicator color is Yellow or Orange; and a Status (Percent) that is higher than the state average ☐ The California School Dashboard All Students Suspension Rate Indicator color is Red ☐ Not available - No color assigned on the California School Dashboard for the Suspension Rate Indicator	☒ California School Dashboard (CDE) ☐ Other: (Specify)

A11: ALL STUDENTS SCIENCE INDICATOR - (GRADES 5, 8, 10-12)

The school demonstrates student academic achievement, including progress towards closing the achievement gap, as measured by:

- California School Dashboard All Students Science Indicator (CDE)

Performance Rubric	Sources of Evidence
The Science Indicator information is for informational purposes only and will not be scored. ☐ The California School Dashboard All Students Science Indicator is higher than the state ☒ The California School Dashboard All Students Science Indicator is lower than the state ☐ Not applicable - The Science Indicator is not applicable for the grade levels assigned at the charter school ☐ Not available - No assessment of performance on the California School Dashboard for this indicator; or the school does not have numerically significant student group(s)	☒ California School Dashboard (CDE) ☐ Other: (Specify)

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ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS	RATING*
Summary of School Performance	3, Proficient

Areas of Demonstrated Strength and/or Progress

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served.

- Some of the evidence found in Folder 3, responses to guiding questions, and classroom observations include the following:
  - Project Based Learning Showcase on November 20, 2025
  - STEAM Expo on March 20, 2026
  - Sample Math, ELA and Social Studies lesson plans
  - Curricular List for the 2025-2026 school year (e.g., California Inspire Science, McGraw Hill IMPACT California Social Studies, HMH Into Math, Study Sync – Comprehensive English Language Arts, etc.)
  - Year-long professional learning calendar with activities such as Support English Learning in August 2025 and CA Integrated Support Project

O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis.

- Some of the evidence found in Folders 2 and 3 include the following:
  - SSPT Process Flowchart (Student Support and Progress Team)
  - Small group or individual support is provided during Advisory, After School Tutoring, and Saturday 4 Success program
  - School continues to utilize NWEA MAP and IAB data to assess in the areas of math and reading
  - Designated ELD schedule and sample ELD lesson plans
  - Professional development activities include the following: ELD Program in December 10, 2025; Stronger Together: Elevating Multilingual Learners Through Collaboration; and MSA-Bell SPED for all staff on August 13, 2025

Areas Noted for Further Growth and/or Improvement

None noted at this time.

Corrective Action Required

None noted that require immediate action to remedy concerns indicated in this report.

Notes: None

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Progress on LAUSD Board of Education Benchmarks and/or MOU related to ORGANIZATIONAL MANAGEMENT, PROGRAMS, AND OPERATIONS (if applicable):

☒ Not Applicable

RATING NOTES:

- ***The overall rating for this category will be impacted if the school is in breach of the operative charter, including Federal, State, and District Required Language related to this section; and/or by a failure to provide evidence of any item on the following three (3) checklists: A) Review of Clearances, Credentialing, and Mandated Training Compliance Items; B) Review of Health and Safety Compliance Items; C) Review of Transparency and Stakeholder Information Compliance Items. See checklists below.***

O1: IMPLEMENTATION OF THE EDUCATIONAL PROGRAM

The school has systems in place to ensure alignment to the curricular and educational program outlined in the approved charter by:

- Implementing innovative components and key features of the educational program described in the charter
- Implementing standards-based instruction in accordance with the California State Content Standards specific to the grade levels served and aligned with the needs of students
- Implementing assessments to measure the development of grade-level appropriate academic and non-academic skills
- Reviewing and analyzing school and student progress towards annual goals (schoolwide and for all student groups that the school serves) that are consistent with the educational performance measured by the California School Dashboard and state assessments
- Providing teacher, staff, and administrator professional development specific to supporting desired student outcomes, innovative components, and key features outlined in the school's charter
- Implementing a system to monitor student progress toward, and completion of, graduation and A-G requirements (**high schools only**)

Performance Rubric	Sources of Evidence

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☐ The school has fully implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has partially implemented the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served ☐ The school has minimally implemented, or not at all, the educational program, including innovative components and key features, outlined in the school's charter and aligned to California State Content Standards specific to the grade levels served	☒ Innovative Components and Key Features of the Educational Program ☒ Standards-Based Instructional Program ☒ Master Schedule/Course Schedule ☒ Student Achievement Data Analysis ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) High School: ☐ System for monitoring student progress toward and completion of graduation and A-G Requirements ☐ WASC Accreditation Notification Letter ☐ UC Doorways course approval ☐ Graduation Requirement/Policy ☐ Math Placement Assessment Policy (9th grade only) ☐ Advanced Placement Exam: Participation Rate and Passage Rate ☐ College acceptance and enrollment rates

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O2: MEETING THE NEEDS OF ALL STUDENTS; STUDENT GROUP DATA ANALYSIS

The school has a system in place to ensure:

- Implementation of differentiated instructional strategies and approaches described in the charter designed to meet the learning needs of all students, including all numerically significant student groups identified in the school's LCAP and by the CDE
- Implementation of internal student assessments aligned with instructional outcomes to determine student mastery of California State Content Standards
- Disaggregation and analysis of data on a regular basis to address individual student needs and guide instructional planning and use of interventions
- Implementation, review, and modification, as appropriate, of its Master Plan for English Learners (EL identification, standards-based designated and integrated ELD instruction, progress monitoring, assessment, and reclassification)

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; evidence of systems to modify instruction based on data analysis; and has achieved an overall rating of "3" or "4" in the Student Achievement and Educational Performance category of this year's oversight report ☒ The school has a system to implement and monitor the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups; provides standards-aligned designated and integrated ELD for English Learners; and evidence of systems to modify instruction based on data analysis ☐ The school has partially implemented the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or limited evidence of systems to modify instruction based on data analysis ☐ The school has minimally implemented, or not at all, the components of the charter's instructional program designed to meet the learning needs of all students, including its student groups, and/or no evidence of systems to modify instruction based on data analysis	☒ Implementation of differentiated instructional strategies ☒ Intervention/Enrichment Program during the instructional day ☒ Student Group data analysis ☒ Internal assessment data ☒ Professional Development documentation ☒ Students Experiencing Homelessness Designee ☒ Foster Youth Designee ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Other: (Specify) English Learners ☒ Master Plan for English Learners ☒ Designated English Language Development (ELD) schedule ☒ Documentation of implementation of the school's Master Plan for English Learners ☒ Implementation of a data analysis system

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O3: SPECIAL EDUCATION

The school has a system in place to ensure that the school:

- Provides special education programs and services in accordance with students' IEPs
- Maintains and monitors mandated IEP timeline records and accurate service provision records in Welligent
- Conducts a special education self-review annually, using the Special Education Self-Review Checklist
- Provides special education training for staff

Performance Rubric	Sources of Evidence
☐ The school has a well-developed system in place for full implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with regular and ongoing professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☒ The school has a system in place for implementation and monitoring of its special education processes and program in compliance with all requirements; provides staff with professional development/training to support implementation of its special education program; and as documented in Welligent, adheres to mandated IEP timelines and maintains accurate service provision records ☐ The school has a partially developed system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ The school has a minimal or no system in place for implementation and monitoring of its special education processes and program in compliance with all requirements ☐ Not applicable - Charter school participates in LAUSD's Option 1 SELPA	☒ Welligent IEP Timeline and Service Tracking Reports ☒ Annual Self-Review Checklist ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with School Leadership ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

O4: SCHOOL CLIMATE AND STUDENT DISCIPLINE

The school has a school climate and schoolwide student discipline system in place to ensure that the school's practices:

- Align with principles of the District's Discipline Foundation Policy and School Climate Bill of Rights Resolution, including but not limited to, tiered behavior intervention, alternatives to suspension, schoolwide positive behavior support, and data monitoring
- Provide positive opportunities for student wellness, growth, and success, aimed at making the school safe, welcoming, supportive, and inclusive
- Monitor discretionary suspensions and expulsions
- Monitor chronic absenteeism for all students and student groups
- Prevent acts of bullying, including cyberbullying, in accordance with the requirements of Ed. Code, §§ 32283.5 and 234.4

Performance Rubric	Sources of Evidence
☐ The school has a well-developed and effective school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates effective and consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☒ The school has a school climate and student discipline system that is aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights. Additionally, the school demonstrates consistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate notification to the District. ☐ The school has a partially developed and/or minimally effective school climate and student discipline system that is only partially aligned with the principles of the Discipline Foundation Policy and School Climate Bill of Rights, and/or the school demonstrates inconsistent implementation of applicable policies related to suspensions and expulsions including, but not limited to, appropriate and timely notification to the District. ☐ The school has a minimally developed school climate and student discipline system as demonstrated by one or more of the following: the issuance of repeated CSD Notices to Cure (tiered intervention) related to suspension/expulsion; noted concerns related to ensuring due process rights when implementing suspension/expulsion practices; violation of law or policy.	☒ Positive school climate system and Restorative Justice documentation ☒ Documentation of systems to prevent acts of bullying ☒ Documentation of systems to promote regular attendance ☒ Professional Development documentation ☒ Classroom/site Observation ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

O5: STAKEHOLDER ENGAGEMENT AND INVOLVEMENT

The school has a system for stakeholder engagement, including gathering input, facilitating, and encouraging involvement, sharing information, and resolving concerns, which:

- Provides parents, teachers, and students with meaningful opportunities for involvement and engagement that meet the requirements and goals of applicable federal and state law, the school's charter, and the school LCAP
- Implements a School Site Council (SSC), English Learner Advisory Committee (ELAC), and/or Parent Advisory Committee (PAC) in accordance with applicable legal requirements (e.g., member composition of committee/council, legally required topics, etc.), if applicable

Performance Rubric	Sources of Evidence
☐ The school provided evidence of a well-developed and effective system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☒ The school provided evidence of a system for stakeholder engagement, including gathering input, encouraging involvement, sharing information, and resolving concerns; and, as applicable, implements an SSC, ELAC, and/or PAC in accordance with all legal requirements ☐ The school provided limited evidence of a system for stakeholder engagement, sharing information, and resolving concerns ☐ The school provided little to no evidence of a system for stakeholder engagement, sharing information, and resolving concerns	☒ Yearlong Calendar of stakeholder engagement events/meetings. ☒ Stakeholder Engagement ☒ Stakeholder Consultation ☒ School Site Council (SSC) documentation ☒ Parent Advisory Committee (PAC) documentation ☒ English Learners Advisory Committee (ELAC) documentation ☒ School website ☒ Discussion with school leadership ☐ Stakeholder focus group ☐ Other: (Specify)

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

A. Review of Clearances, Credentialing, and Mandated Training Compliance Items

The items below are expected to be evident to ensure the school is in compliance with applicable law and the terms of its approved charter regarding clearances, credentialing, and mandated training at all times. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

Rating Note: A charter school cannot receive an overall rating in this category greater than one (1) if any items below are not evident.

Item	Evident	Not Evident
All new employees of the charter have a DOJ Criminal Background Clearance date prior to start date, per Ed Code § 45125.	☒	☐
Charter maintains accurate vendor certification forms, which are reviewed and signed by the charter school representative, prior to start date of vendor services, per Ed Code §§ 44237 and 45125.1.	☒	☐
All sole proprietors have a Sole Proprietor Criminal Background Clearance Certification form and a Sole Proprietor Vendor Certification of Criminal Background Clearance, Tuberculosis (TB) Clearance, and Credential Verification form completed prior to start date, per Ed Code §§ 44237, 45125.1 and 49406.	☒	☐
If applicable, all volunteers who perform school-site services while not under the direct supervision of a school employee have a DOJ Criminal Background Clearance date prior to start date, Ed Code §§ 44237 and 45125.	☐	☐
	☒ Not applicable	

Rating Note: A charter school cannot receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
All employees have completed mandated child abuse reporter training within 6-weeks of the beginning of the school year or within 6-weeks of employment, per Ed Code § 44691.	☒	☐
All certificated staff are fully credentialed, including EL authorizations, and appropriately assigned as authorized by their credentials at all times, per Ed Code § 47605(l).	☒	☐

Rating Note: A charter school may not receive an overall rating in this category greater than two (2) if any items below are not evident.

Item	Evident	Not Evident
The school has provided documentation for at least one Custodian of Records, per California Penal Code § 11102.2.	☒	☐
All new employees of the charter have undergone a risk assessment and/or be examined and determined to be free of active tuberculosis (TB) within the period of 60 days prior to employment/service, per Ed Code § 49406.	☒	☐
All employees have current TB clearance, per Federal, State, and District Required Language.	☒	☐
	☐	☐

All volunteers with frequent or prolonged contact with students have a current TB clearance upon initial time of assignment, per Ed Code § 49406.	☒ Not applicable
Notes: None	

B. Review of Health and Safety Compliance Items

The items below are expected to be evident at the charter school to ensure the protection of student and staff health and safety. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and restrict the overall rating in the Organizational Management, Programs, and Operations category as indicated below.

A charter school cannot receive an overall rating in this category greater than one (1) if the items below are not evident.

Item	Evident	Not Evident
A current, comprehensive, site-specific comprehensive Health, Safety, and Emergency School Safety Plan per requirements of Ed. Code, §§ 47605(c)(5)(F), 32282, and 35179.4, as applicable. (Note: For schools co-located with a District school, the charter school participates in and complies with the District school's Integrated Safe School Plan)	☒	☐

A charter school may receive an overall rating in this category of two (2) if any of the items below are not evident.
If several (i.e., two or more) items below are not evident, charter school may receive an overall rating of one (1) in this category.

Item	Evident	Not Evident
School has sufficient emergency supplies in the event of a natural disaster or other emergency (Ed. Code § 32282)	☒	☐
School conducts annual emergency drills and trainings as legally required to prepare for a natural disaster or other emergency, per Ed. Code §§ 32001 and 32282	☒	☐
Provision and documentation of health screenings (e.g., vision, hearing, and scoliosis) per current applicable law and terms of the charter (Ed. Code § 49450 et seq, as referenced in FSDRL)	☒	☐
Stock and maintenance of the required number and type of emergency epinephrine auto-injectors ("epi-pen") onsite and training has been provided to volunteer staff member(s) in the storage and emergency use, per Ed. Code § 49414 and § 4119.2 of the Business and Professions Code	☒	☐
Provision of at least two meals free of charge (breakfast and lunch) during each school day to students requesting a meal, regardless of their free or reduced-price meal eligibility, per Ed. Code § 49501.5	☒	☐

A Board adopted Pupil Suicide Prevention Policy (grades 1-6 and/or grades 7-12, as applicable), requirements per of Ed. Code § 215. Suicide Prevention Lifeline and National Domestic Violence Hotline on at least one side of Student ID cards, as specified in Ed. Code § 215.5	☒	☐
For schools offering an interscholastic athletic program, at least one automated external defibrillator (AED) is onsite, and available at on-campus athletic activities or events per Ed. Code §§ 35179.4 and 35179.6.	☐	☐
	☒ Not applicable	
Notes: None		

C. Review of Transparency and Stakeholder Information Compliance Items

The items below are expected to be evident at the charter school to ensure that it operates in a transparent manner and keeps all stakeholders informed. Failure to provide evidence of any of the applicable items below may lead to tiered intervention, as appropriate, and impact the overall rating in the Organizational Management, Programs, and Operations category.

A charter school cannot receive a rating in this category greater than three (3) if any of the items below are not evident.

Item	Evident	Not Evident
The following information posted to the school's website: ☒ LCAP, per Ed. Code § 47606.5(h) ☒ Current Board agenda in compliance with Brown Act, per Gov. Code, § 54954.2 (a)(1) and (d). ☒ Policy on Pupil Suicide Prevention per Ed. Code § 234.6 ☒ Title IX information, including a link to CDE's Title IX website per Ed. Code § 234.6 ☒ Policies on anti-discrimination, anti-harassment, anti-intimidation, anti-bullying, and sexual harassment policies, including: anti-cyberbullying procedures, social media anti-bullying procedures, and a link to statewide resources including community-based organizations compiled by CDE, per Ed. Code § 234.6 ☒ Information provided to parents/guardians regarding the dangers associated with using synthetic drugs that are not prescribed by a physician, such as fentanyl; the possibility that dangerous synthetic drugs can be found in counterfeit pills; and the risk of social media platforms being used as a way to market and sell synthetic drugs, such as fentanyl, per Ed Code § 48985.5	☒	☐
Provides stakeholders with appropriate, accessible, and relevant information about individual student and schoolwide academic progress and performance Ed. Code § 47605(c)(5)(C)	☒	☐
Access to approved charter	☒	☐

Documentation of informing parents/guardians about transferability of courses/course credit and eligibility to meet A-G requirements (high schools only), per Ed. Code § 47605	☐	☐
	☒ Not applicable	
Informing parents/guardians of human trafficking prevention resources (grades 6-12), per Ed. Code § 49381	☒	☐
	☐ Not applicable	
Notification of access to available mental health services (grades K-12), per Ed. Code § 49428.	☒	☐
Charter schools serving any of the grades 6 to 12, shall prominently and conspicuously display a poster that identifies approaches and shares resources regarding pupil mental health in appropriate public areas that are accessible to, and commonly frequented by, pupils, per Ed. Code § 49428.5	☒	☐
	☐ Not applicable	
Notes: None		

LOCAL CONTROL AND ACCOUNTABILITY PLAN 2025-2026 (For Informational Purposes Only)

The CSD reviewed the Local Control and Accountability Plan.	
All requested template information and descriptions were *provided*:	**Sources of Evidence**
☒ LCFF Budget Overview for Parents ☒ Plan Summary ☒ Engaging Educational Partners ☒ Goals and Actions ☒ Increased or Improved Services for Foster Youth, English Learners, and Low-Income Students ☒ Action Tables ☒ Instructions	☒ Local Control and Accountability Plan ☒ Board Agenda and Minutes
Notes: None	

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

5166	2021-2022					2022-2023					2023-2024				
Magnolia Science Academy Bell	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents		4,488,619	4,521,343	3,937,972	3,937,972		5,765,147	5,342,443	6,786,891	6,786,891		7,606,053	7,761,751	7,305,692	7,305,692
Accounts Receivable		2,138,687	2,371,769	2,870,649	3,091,884		1,479,495	2,076,148	3,188,324	3,188,322		1,352,998	770,332	1,696,553	1,126,959
Other Current Assets		0	0	274	274		0	0	12,274	12,274		12,000	21,650	19,342	588,937
Total Current Assets		**6,627,306**	**6,893,112**	**6,808,895**	**7,030,130**		**7,244,642**	**7,418,591**	**9,987,488**	**9,987,487**		**8,971,052**	**8,553,733**	**9,021,588**	**9,021,588**
Fixed and Other Assets		227,615	261,887	387,292	387,292		336,904	217,742	197,813	197,813		92,574	92,210	141,514	141,514
Total Assets		**6,854,921**	**7,154,999**	**7,196,187**	**7,417,422**		**7,581,546**	**7,636,333**	**10,185,301**	**10,185,300**		**9,063,626**	**8,645,943**	**9,163,102**	**9,163,102**
Deferred Outflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities		603,471	883,969	984,578	984,578		998,024	633,780	2,574,500	2,577,446		1,356,345	630,985	1,475,585	1,478,897
Other Long Term Liabilities		0	0	0	0		0	0	5,920	2,973		4,852	2,409	12,215	8,903
Unfunded OPEB Liabilities		0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities		**603,471**	**883,969**	**984,578**	**984,578**		**998,024**	**633,780**	**2,580,419**	**2,580,419**		**1,361,197**	**633,394**	**1,487,800**	**1,487,800**
Deferred Inflows of Resources		0	0	0	0		0	0	0	0		0	0	0	0
Net Assets		**6,251,450**	**6,271,030**	**6,211,609**	**6,432,844**		**6,583,522**	**7,002,553**	**7,604,881**	**7,604,881**		**7,702,429**	**8,012,549**	**7,675,302**	**7,675,302**
Total Revenues	6,149,766	6,043,428	6,423,448	6,501,534	6,968,616	7,117,807	7,765,359	7,845,010	8,791,399	8,979,488	7,475,569	7,527,855	7,976,705	7,511,664	7,745,944
Total Expenditures	6,121,455	5,904,797	6,265,237	6,402,744	6,648,591	7,057,084	7,393,445	7,275,300	7,619,361	7,807,451	7,341,857	7,430,307	7,569,038	7,441,244	7,675,523
Net Income / (Loss)	**28,311**	**138,631**	**158,211**	**98,790**	**320,025**	**60,723**	**371,914**	**569,710**	**1,172,038**	**1,172,037**	**133,712**	**97,547**	**407,667**	**70,421**	**70,421**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**28,311**	**138,631**	**158,211**	**98,790**	**320,025**	**60,723**	**371,914**	**569,710**	**1,172,038**	**1,172,037**	**133,712**	**97,547**	**407,667**	**70,421**	**70,421**
Net Assets, Beginning	4,949,937	6,112,819	6,112,819	6,112,819	6,112,819	6,394,130	6,211,608	6,211,609	6,211,609	6,432,844	7,002,554	7,604,881	7,604,881	7,604,881	7,604,881
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	221,234	221,234	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	**4,949,937**	**6,112,819**	**6,112,819**	**6,112,819**	**6,112,819**	**6,394,130**	**6,211,608**	**6,432,843**	**6,432,843**	**6,432,844**	7,002,554	7,604,881	7,604,881	7,604,881	7,604,881
Net Assets, End	**4,978,248**	**6,251,450**	**6,271,030**	**6,211,609**	**6,432,844**	**6,454,853**	**6,583,522**	**7,002,553**	**7,604,881**	**7,604,881**	**7,136,266**	**7,702,429**	**8,012,549**	**7,675,302**	**7,675,302**
Unrestricted Net Assets		5,824,105	5,683,464	5,831,324	6,432,844		6,073,692	5,325,876	7,604,881	7,604,881		7,464,198	7,914,542	7,668,802	7,675,302
Restricted Net Assets		427,345	587,566	380,285	0		509,830	1,676,677	0	0		238,231	98,007	6,500	0

5166	Audited Financials					2024-2025					2025-2026				
Magnolia Science Academy Bell	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**	**Preliminary Budget**	**First Interim**	**Second Interim**	**Unaudited Actuals**	**Audited Financials**
Cash and Cash Equivalents	3,937,972	6,786,891	7,305,692	4,560,373	0		7,273,889	5,931,824	4,560,373	4,560,373		2,030,695	2,025,892	0	0
Accounts Receivable	3,091,884	3,188,322	1,126,959	3,632,800	0		764,415	1,953,840	3,632,801	3,632,800		5,719,141	5,697,512	0	0
Other Current Assets	274	12,274	588,937	10,090	0		0	0	10,090	10,090		0	0	0	0
Total Current Assets	**7,030,130**	**9,987,487**	9,021,588	8,203,263	0		**8,038,304**	**7,885,664**	**8,203,263**	**8,203,263**		**7,749,836**	**7,723,405**	**0**	**0**
Fixed and Other Assets	387,292	197,813	141,514	83,262	0		83,262	83,262	83,262	83,262		80,633	75,376	0	0
Total Assets	**7,417,422**	**10,185,300**	**9,163,102**	**8,286,525**	**0**		**8,121,566**	**7,968,926**	**8,286,525**	**8,286,525**		**7,830,469**	**7,798,780**	**0**	**0**
Deferred Outflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Current Liabilities	984,578	2,577,446	1,478,897	874,832	0		626,897	278,962	871,473	874,832		588,822	623,432	0	0
Other Long Term Liabilities	0	2,973	8,903	5,543	0		8,903	8,903	8,903	5,543		8,903	8,903	0	0
Unfunded OPEB Liabilities	0	0	0	0	0		0	0	0	0		0	0	0	0
Total Liabilities	**984,578**	**2,580,419**	**1,487,800**	**880,375**	**0**		**635,800**	**287,865**	**880,376**	**880,375**		**597,726**	**632,335**	**0**	**0**
Deferred Inflows of Resources	0	0	0	0	0		0	0	0	0		0	0	0	0
Net Assets	**6,432,844**	**7,604,881**	**7,675,302**	**7,406,150**	**0**		**7,485,766**	**7,681,061**	**7,406,150**	**7,406,150**		**7,232,744**	**7,166,445**	**0**	**0**
Total Revenues	6,968,616	8,979,488	7,745,944	7,321,389	0	7,526,299	7,103,090	7,121,188	7,114,331	7,321,389	7,008,625	6,825,962	6,721,445	0	0
Total Expenditures	6,648,591	7,807,451	7,675,523	7,590,540	0	7,493,517	7,292,627	7,115,429	7,383,484	7,590,540	6,983,206	6,999,367	6,961,150	0	0
Net Income / (Loss)	**320,025**	**1,172,037**	**70,421**	**(269,151)**	**0**	**32,781**	**(189,536)**	**5,759**	**(269,152)**	**(269,151)**	**25,420**	**(173,406)**	**(239,704)**	**0**	**0**
Operating Transfers In (Out) and Sources / Uses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Item - Transfer of Net Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inc / (Dec) in Net Assets	**320,025**	**1,172,037**	**70,421**	**(269,151)**	**0**	32,781	**(189,536)**	**5,759**	**(269,152)**	**(269,151)**	25,420	(173,406)	(239,704)	0	0
Net Assets, Beginning	6,112,819	6,432,844	7,604,881	7,675,301	0	8,012,549	7,675,302	7,675,302	7,675,302	7,675,301	7,681,061	7,406,150	7,406,150	0	0
Adj. for restatement / Prior Yr Adj	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Assets, Beginning, Adjusted	6,112,819	6,432,844	7,604,881	7,675,301	0	8,012,549	7,675,302	7,675,302	7,675,302	7,675,301	7,681,061	7,406,150	7,406,150	0	0
Net Assets, End	**6,432,844**	**7,604,881**	**7,675,302**	**7,406,150**	**0**	**8,045,330**	**7,485,766**	**7,681,061**	**7,406,150**	**7,406,150**	**7,706,481**	**7,232,744**	**7,166,445**	**0**	**0**
Unrestricted Net Assets	6,432,844	7,604,881	7,675,302	7,406,150	0		7,466,019	7,668,068	7,406,150	7,406,150		7,089,692	7,019,907	0	0
Restricted Net Assets	0	0	0	0	0		19,747	12,994	0	0		143,052	146,539	0	0

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

FISCAL OPERATIONS	RATING
Summary of School Performance	3, Proficient

(Other circumstances and information could influence the rating and are noted in this evaluation.

Financial Highlights

The charter school's net assets are positive.

FINANCIAL HIGHLIGHTS					
Magnolia Science Academy Bell	2021-2022 (Audited Actuals)	2022-2023 (Audited Actuals)	2023-2024 (Audited Actuals)	2024-2025 (Audited Actuals)	2025-2026 (Second Interim)
Net Assets	$6,432,844	$7,604,881	$7,675,302	$7,406,151	$7,166,446
Net Income / (Loss)	$320,025	$1,172,037	$70,421	($269,151)[1]	($239,704)[2]
Transfers In / Out	$0	$0	$0	$0	$0
Prior Year Adjustment(s)	$0	$0	$0	$0	$0
Cash and Cash Equivalents	$3,937,972	$6,786,891	$7,305,692	$4,560,373	$2,025,892
Unrestricted Net Assets	$6,432,844	$7,604,881	$7,675,302	$7,406,150	$7,019,907
Norm Enrollment Reported by the School	393	384	402	381	394
FINANCIAL RATIO ANALYSIS					
Fund Reserve (Reserve for Economic Uncertainty) (Unrestricted Net Assets /Total Expenditures) *3% - 5% and greater is recommended (depending on the school's ADA)*	96.75%	97.41%	100.00%	97.57%	100.84%

Cash Reserve Level (Cash Balance/Total Expenditures) *5% and greater is recommended*	59.23%	86.93%	95.18%	60.08%	29.10%
Current Ratio (Working Capital Ratio) (Current Assets/Current Liabilities) *At least 1.2 or 120% is recommended*	714.02%	387.50%	610.02%	937.70%	1238.85%
Debt Ratio (Total Liabilities/Total Assets) *Lower than 1.0 or 100% is recommended*	13.27%	25.33%	16.24%	10.62%	8.11%

According to Magnolia Educational & Research Foundation (MERF):
[1]The reported net loss of ($269,151) for Fiscal Year 2024-2025 was primarily due to the decline in overall enrollment and the ADA percentage, resulting in reduced revenue.
[2]The projected net loss of ($239,704) for Fiscal Year 2025-2026 is due to maintaining select expenditures to support modest enrollment growth despite cost-containment efforts, combined with conservative ADA projections that reduced anticipated revenues, resulting in expenditures exceeding revenues.

Charter Operator Fiscal Information

The financial condition of the charter operator is summarized in the table below.

Magnolia Educational & Research Foundation					
Source: Independent Audit Report for the Year Ending June 30, 2025					
# of Charter Schools		**Including related parties and charter schools**		**Excluding related parties and charter schools**	
Operated	Authorized by LAUSD	Net Assets	Net Income / (Loss)	Net Assets	Net Income / (Loss)
10[3]	4[3]	$60,016,994	($2,017,671)[4]	$441,370	($2,511,233)[4]

Management Fees: According to MERF, Magnolia Science Academy (MSA) 8 Bell paid annual management fees of $716,676 (approximately 7.8% of the home office expenses) in Fiscal Year 2025-2026 to MERF for organization-wide services, including administrative services such as management, human resources, accounting, student and special education services, technology, as well as school-specific costs such as rent, debt service, utilities, and facilities management. Home office services costs generally encompass salaries of administrators and other personnel providing services organization-wide, certain vendor costs, or other costs. These costs are budgeted and may be adjusted as needed during the year.

Organization-wide home office fees are typically calculated based on a tier factor determined by the Average Daily Attendance numbers of the schools, while school-specific costs are directly charged to the applicable schools.

[3]The other LAUSD-authorized MERF charter schools are: (1) MSA 4; (2) MSA 6; and (3) MSA 7. Per the charter operator's 2024-2025 annual independent audit report, MERF also operates six (6) other charter schools in Southern California: MSA Santa Ana, currently authorized by the State of California Department of Education, MSA San Diego, currently authorized by the San Diego Unified School District, and MSA, MSA 2, MSA 3, and MSA 5, all of which are currently authorized by the Los Angeles County Office of Education.

[4]Based on the 2024-2025 audit report, the MERF Home Office showed a significant net loss of **($2,511,233),** contributing to an overall organizational net loss of **($2,017,671),** inclusive of the home office, the charter schools, and LLCs, as shown in the above table.

According to MERF, the reported net loss was driven primarily by five factors – unrealized budgeted philanthropic revenues, grant revenues below budget expectations, unplanned expenditures, higher school-site costs funded by the home office, and higher financing costs associated with long-term capital investments that are expected to benefit the organization in future periods. MERF added that "MERF is transparent that the foundation-only net assets declined significantly, from $2,952,603 to $441,370, as resources were directed toward sustaining stability rather than maintaining reserve levels."

The MERF Home Office's reported net loss represents a significant drawdown of financial stability and warrants close monitoring. Additionally, as documented related to Financing Activities under Item 25 within the Notes II. Section below, the MERF Home Office could not support MERF charter schools (e.g., MSA OC and MSA 7) financially without borrowing from MSA 8. Based on MERF's 2024-2025 audit report, a summary of the operational results is provided in the table below.

		Home Office	Charter Schools	LLC's	Eliminations[+]	MERF
Total Support and Revenues	1	$7,316,941	$82,049,398	2,618,928	(9,060,312)	$82,924,955
Total Expenses	2	9,951,825	76,777,970	7,059,857	(8,847,026)	84,942,626
Intra-Entity Transfers	3	123,651	(625,960)	502,309	-	-
Net Income/Net Loss (1-2+3)	4	**(2,511,233)**	**4,645,468**	**(3,938,620)**	**(213,286)**	**(2,017,671)**
Net Assets, Beginning of Year	5	2,952,603	54,082,694	58,288,588	(53,289,220)	62,034,665
Net Assets, End of Year (4+5)	6	$441,370	$58,728,162	$54,349,968	($53,502,506)	$60,016,994

[+] Significant intra-entity accounts and transactions are eliminated in consolidation.

Norm Enrollment Data and Trends

The school's Norm Enrollment history by grade level is summarized below.

Magnolia Science Academy Bell's Norm Day Enrollment History					
Grade Level	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**	**2025-2026**
6	97	99	118	86	93
7	130	145	142	156	152
8	166	140	142	139	149
Total Enrollment	**393**	**384**	**402**	**381**	**394**
Increase/(Decrease) in Enrollment from Prior Year	**N/A**	**(9)**	**18**	**(21)**	**13**
Enrollment Growth (%)	**N/A**	**(2.3%)**	**4.7%**	**(5.2%)**	**3.4%**

Accumulated Increase/Decrease in Student Enrollment Since 2021-2022	
Accumulated increase in student enrollment count	**1**
Accumulated increase in student enrollment percentage	**0.3%**
Current Board-approved enrollment capacity in the school's operative charter as compared to its reported 2025-2026 Norm Enrollment	
Per Board-approved enrollment capacity in the school's operative charter	**495**
2025-2026 Norm Enrollment	**394**
Below Board-approved enrollment capacity in the school's operative charter	**(101)**[1]
Below Board-approved enrollment capacity percentage in the school's operative charter	**(20.4%)**

[1]According to the school, their efforts to boost student enrollment combine relationship-building, targeted outreach, enhanced family support, and data-driven decision-making to stabilize and grow enrollment, with a strong emphasis on community engagement and family satisfaction.

As noted above, the school has maintained positive net assets for Fiscal Year 2024-2025 and projected positive net assets for the 2025-2026 Second Interim. The CSD will continue to monitor the school's student enrollment and financial condition through oversight.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

Areas of Demonstrated Strength and/or Progress:

No significant items were noted.

Areas Noted for Further Growth and/or Improvement:

Through conducting fiscal oversight, the CSD requests and receives fiscal documents from the charter operator operating multiple charter schools (including bank statements, bank reconciliations, credit card statements, and check registers) that are currently authorized by LAUSD. The CSD reviews these financial documents—along with a sample of checks/disbursements and credit card transactions, as applicable—across these charter schools, to assess the organization's overall compliance with the charter operator governing board-approved fiscal policies and procedures, applicable federal, state, and local laws and regulations, District and charter requirements, and the effectiveness of the charter operator's internal controls and systems in place in alignment with best business practices. Any areas noted for further growth and/or improvement and other observations relating to the charter operator's and its charter schools' overall compliance and fiscal operations—including fiscal mismanagement, regulatory non-compliance, fiscal governance or internal control issues, or fiscally operational deficiencies, audit findings, etc. that *directly and systemically* impact the charter schools operated under the charter operator—are documented within each charter school's Annual Performance-Based Oversight Visit Report. These issues may or may not have been observed for the specific charter school under the same charter network, based on the CSD's sampling review. Lastly, school-specific exceptions, such as the fiscal condition, unique oversight observations, or audit findings applicable to individual schools, are reviewed and documented separately for each charter school.

1. **Type of Observations: Discrepancies Between Invoices and Supporting Documentation; Absence of Management Detailed Review Prior to Approving and Processing Payments**
   - **Source of Documents Reviewed: Check Register**
   - **Description of Observations:** Based on the CSD's review of three (3) transactions from a total of seventeen (17) check register samples, the CSD identified discrepancies between the invoices submitted and MERF's initial supporting documentation provided to the CSD. Although MERF subsequently provided additional documentation in response to the CSD's observations and inquiries, these discrepancies suggest weakness in internal controls, particularly the lack of management review and reconciliation of billed hours, days, and amounts prior to approving and processing payments to vendors and contractors. A summary of the CSD's observations is provided in the table below.

Sample# and School	Date	Check#	Vendor Name	Invoice#	Invoice Amount	# of Hours/ Days Billed	# of Hours/ Days per Initial Supporting Documentation	Overbilled Hours/ Days	Overbilled Amount	Description of CSD Observations
#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903022	$12,071.67	97.1667 hours	35 hours	62.17 hours	$7,575.67	The school provided supporting documents that did not match the hours billed by the vendor. ***Additional documentation was subsequently submitted that matched the billed hours***;

#8 MSA 7	6/20/2025	700340	Edlogical Group Corp.	903175	$11,464.67	93.6667 hours	47 hours	46.67 hours	$5,571.06	however, this documentation was provided ***after the fact***, indicating weak internal controls. It further reflected a failure to verify invoices against contract terms and a lack of adequate review processes before approving and processing the payment to the vendor/contractor.
#16 MSA 8 Bell	5/13/2025	800203	Nextgen Teachers LLC	9-APRIL 2025	$30,210.00	90 days	86 days	4 days	$1,336.00	The school provided sign-in sheets to support the billed service days; however, four days lacked sign-ins. Additional issues included billing inconsistencies with contract rates and duplicate charges for the same subject on the same day.
#17 MSA 8 Bell	5/16/2025	800207	Nextgen Teachers LLC	8-MARCH 2025	$28,524.00	85 days	85 days	-	-	Although the billed days were consistent with the days per the supporting documentation submitted to the CSD, and the school provided sign-in sheets to support billed service days, the CSD identified that some dates did not match vendor invoices, and duplicate billing was identified for the same teacher and subject on the same day. These discrepancies indicate a lack of internal controls in reviewing and reconciling invoices to supporting documentation and contractual terms.

- **Charter Operator's Fiscal Policies and Procedures:** Pages 248 and 249 (Title: PUR104 Accounts Payable and Cash Disbursements) of the MERF's Financial Policies and Procedures Manual, approved by the MERF Board on June 26, 2025, states: "Policy: Internal controls are required to ensure that only valid and authorized payables are recorded and paid. Accounting procedures should be implemented to ensure the accuracy of amounts, …." It further states: "Scope: This procedure applies to all purchases, including contractors, consultants, and merchandise and non-merchandise purchases."

- **CSD's Comments:** The CSD continues to urge MERF's leadership team to improve its process and exercise greater diligence in reviewing and verifying invoices prior to processing payments to ensure that accurate calculations and appropriate supporting documentation support all disbursements of the school funds, aligning with the organization's board-approved fiscal policies and procedures as well as best business practices.

The governing board and leadership team of the charter school are responsible for managing the operations of the school. The CSD recommends that the Annual Performance-Based Oversight Visit Report, including the above-noted fiscal findings and observations, be discussed at the CMO's next governing board meeting, highly preferably no later than 90 days following the school's receipt of this report, so that the charter school and its governing board may address any issues early enough to implement changes in order to see results in its next fiscal year. It is the school's responsibility to provide the CSD with its action plans/steps, proof of implementation of the mitigating actions taken by the school, and/or documentation (e.g., governing board meeting agendas and approved board meeting minutes, updated fiscal policies and procedures, etc.), as applicable, prior to or during the next Annual Performance-Based Oversight Visit. The CSD will continue to monitor this issue through oversight and may take additional appropriate oversight actions. The results may be factored into the school's rating for next year.

Other Observations (Items described in this section, which may not have been addressed in the charter school's Fiscal Policies and Procedures, are recommended for improvement to align with optimal business practices).

1. **Type of Observation: Intraorganizational Borrowing**
   - **Source of Documents Reviewed:** MERF Intraorganizational Agreement, California State Auditor Report 2014-135, Settlement Agreement between MERF and LAUSD in March 2015
   - **Description of Observations:** The CSD noted that the MERF schools have been engaging in intraorganizational borrowing/lending. Based on documentation (e.g., agreements) from MERF, the current intra-organizational loans are summarized in the table below.

Approval Date	Borrower	Lender	Loan Amount	Interest Rate	Maturity Date*
12/11/2025	MERF	MSA 8 Bell	$3,700,000	4%	04/30/2031
12/11/2025	MSA OC	MERF	$3,700,000	4%	04/30/2031
01/24/2026	MERF	MSA 8 Bell	$1,308,807	4%	06/30/2031
01/24/2026	MSA 7	MERF	$1,308,807	4%	06/30/2031

*Both loans were originally approved for one year and are now extended for five years.

MSA 8 Bell is owed approximately $5M in outstanding balances resulting from the intraorganizational borrowing reflected in the table above. As noted in the Financial Highlights section above, MSA 8 Bell's projected cash reserve level for Fiscal Year 2025-2026 declined significantly from 60.08% to 29.10%. While MSA 8 Bell maintains a positive net asset position, continued lending and intraorganizational borrowing could further reduce its cash reserves and potentially jeopardize its long-term fiscal stability.

   - **Charter Operator's Fiscal Policies and Procedures:** Page 151 (CSH 112 Intra-organizational Receivables and Payables [Due To/Due From]) of MERF's Fiscal Policies and Procedures states: "1.3 At the end of the fiscal year, each school's receivable or payable account will be reconciled in

accordance with **G&A105 PERIOD-END REVIEW & CLOSING**. Once balances are reconciled, an agreement is prepared at the end of the fiscal year between each school and the central office to document the amount owed and repayment terms."

- **California State Auditor Report 2014-135:** Page 24 of the California State Auditor Report 2014 of Magnolia Science Academies dated May 7, 2015 stated: "In the opinion of our legal counsel, a nonprofit public-benefit corporation, such as the Foundation, that operates multiple charter schools may temporarily loan state apportionment funds between schools, so long as the loan does not adversely affect the public school purposes of the charter school that loans the funds. However, the Foundation may not permanently transfer these funds between schools because each charter school must ultimately spend its designated allocation of state funding in a manner consistent with the Charter Schools Act, its charter petition, and other applicable laws and regulations."
- **Settlement Agreement between MERF and LAUSD:** Page 2 of the Settlement Agreement between MERF and LAUSD in March 2015 included the following provisions: **"4. Fund Transfers**:" MERF agrees that it will no longer commit or cause any further fund transfers between its schools, and between its schools and the central office of MERF. Notwithstanding this paragraph, MERF may transfer funds in accordance with generally accepted accounting principles for legitimate educational and operational expenses with approval of the MERF Board and documentation of corresponding board resolutions. MERF shall maintain records of the approval of these transfers for review by District officials as a facet of the oversight process."
- **Charter School's Response:** According to MERF, the outstanding intra-organizational loans between MERF and MSA 8 Bell represent pass-through loans intended for MSA 7 and its new site (e.g., facility acquisition of the site located at 18120 Sherman Way, Reseda, CA 91335 in January 2025), and MSA Orange County (MSA OC) for its operational needs. As of 3/31/2026, the outstanding loan balances are: (1) MERF to MSA 8 Bell is $5,008,807; (2) MSA 7 to MERF is $1,308,807; and (3) MSA OC to MERF is $3,700,000. These balances remain unchanged from their original loan amounts as summarized in the table above. The MERF Board approved, at its meetings held on 12/11/2025 and 1/24/2026, respectively, an extension of the repayment terms for an additional five (5) years, with the first payment scheduled to begin in July 2026.
- **CSD's Comments:** The CSD will continue to monitor MSA 8 Bell's fiscal condition, and MERF's and its charter schools' intraorganizational borrowing activities through oversight.

2. **Type of Observation: 2024-2025 Audit Findings – Material Weakness Concerning Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments.**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed financial statements-related findings identified as a material weakness concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC. Details regarding the audit finding are provided below:

     "2025-001 30000 – Prior Period Restatement, Financial Statement Preparation, and Audit Adjustments as it Relates to the Title Transfer for the Newly Formed LLC (Material Weakness)

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Criteria or Specific Requirements

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. This includes designing, implementing, and monitoring controls to ensure that financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are free from material misstatement, whether caused by error or fraud. As part of this responsibility, management ensures that accounting considerations related to complex or non-routine transactions, including those involving legal entity structure or ownership, are appropriately identified, documented, reviewed, and recorded prior to year-end close.

Condition

During the course of our engagement, we identified material misstatements of beginning balances presented within the consolidated financial position, as reported on the 2022-2023 audited financial statements. This prior period restatement due to errors resulted in an understatement of $3,774,168. In addition, we identified adjustments related to cash and cash equivalents, property and equipment, notes payable, and the related revenues and expenditures. Specifically:

Magnolia Educational & Research Foundation

- Cash and cash equivalents were understated by $2,000,000.
- Property and equipment were understated by $7,600,000.
- Intra-entity receivables were overstated by $1,308,807.
- Intra-entity payables were understated by $427,630.
- Interest payable was understated by $307,131.
- Notes payable were understated by $7,825,000.

Magnolia Science Academy 5

- Property and equipment were overstated by $3,964,890.
- Intra-entity receivables were understated by $1,081,742.
- Proposition construction loans were overstated by $1,441,574.

Magnolia Science Academy 7

- Property and equipment were overstated by $1,736,437.
- Intra-entity receivables were understated by $427,630.
- Intra-entity payables were overstated by $1,308,807.

MPM, Inc/LLC

- Notes receivable were understated by $3,540,002.
- Property and equipment were understated by $1,081,742.
- Intra-entity payables were understated by $1,081,742.

These adjustments resulted in an overall understatement of $1,829,860 in Net Assets.

During the fiscal year 2024-2025, the Organization established MPM 18120 Sherman Way LLC to hold title to the property at 18120 Sherman Way. The purchase transaction was completed during the year; however, as of June 30, 2025, the formal transfer of title from MERF to the LLC had not yet been finalized.

Context
The condition identified was through inquiry with Organization personnel and through review of available Organization records related to balances reported in the Organization's cash and cash equivalents, property and equipment, interest payable, and notes payable.

Cause
The delay was due to administrative timing and coordination requirements associated with setting up the new legal entity and preparing the necessary transfer documentation, specifically to avoid triggering the Los Angeles City Measure ULA transfer tax.

Effect
The net effect of these errors resulted in misstatements that were not detected or prevented by the Organization's internal accounting control and review process.

Repeat Finding
No

Recommendation
We recommend that management and those charged with governance continue to strengthen internal controls over financial reporting related to complex, non-routine transactions, including those involving legal entity formation, ownership, and timing considerations, to ensure that financial statements are free from material misstatement. Controls should enable management, in the normal course of performing assigned functions, to identify, document, and resolve accounting considerations on a timely basis. Specifically:

- Strengthen year-end reconciliation and review procedures for significant accounts.
- Enhance pre-year-end coordination and documentation review for transactions involving legal entity structure or ownership.
- Ensure timely identification, documentation, and recording of accounting judgments related to such transactions prior to financial statement issuance.

Corrective Action Plan and Views of Responsible Officials
The Organization agrees that effective year-end review, documentation, and coordination are critical components of its internal control over financial reporting, particularly for complex or non-routine transactions involving legal entity formation or ownership. Management has implemented, and continues to implement and monitor, enhanced procedures to strengthen cross-functional coordination, pre–year-end readiness reviews, documentation of accounting judgments, and verification of legal ownership and entity structure prior to fiscal year-end. Management believes these actions will support timely identification and resolution of accounting considerations and reduce the risk of similar issues in future reporting periods."

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above. In addition, in response to the CSD's follow-up inquiries, MERF provided its action plans developed and maintained by Cafer Turan, Interim Chief Financial Officer: Management will implement stronger controls over complex and non-routine transactions by ensuring proper review, documentation, and coordination. This includes completing a formal readiness certification before major real estate or financing activities, improving collaboration across departments and with auditors, and conducting enhanced reconciliations during year-end closing. Additionally, management will maintain thorough documentation of accounting judgments and ensure appropriate technical accounting review to support accurate and consistent financial reporting. Management will monitor and implement corrective actions throughout FY 2025–26, with full implementation expected by June 30, 2026. Effectiveness will be evaluated during year-end close and ongoing audit reviews. Additionally, management will conduct a pre-year-end review of LLC-related legal, ownership, and transactional documentation to ensure completeness and alignment before the fiscal year-end.
- **CSD's Comments:** The CSD urges that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

3. **Type of Observation: 2024-2025 State Compliance Audit Finding Concerning Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)**
   - **Source(s) of Document Reviewed: 2024-2025 Independent Audit Report**
   - **Description of Observations:** MERF's 2024-2025 annual independent audit report disclosed a state compliance-related audit finding identified as a significant deficiency concerning attendance reporting. Details regarding this audit finding are provided below.

     "2025-002 10000 – Attendance Reporting (Significant Deficiency in Internal Controls and Noncompliance)

     Criteria
     Pursuant to California Education Code Section 47612.5, the Annual Period Report of Attendance submitted to the CDE should reconcile to supporting documents to ensure that Average Daily Attendance (ADA) is reported accurately. The attendance report should be revised to reflect updates and corrections to attendance when they occur.

     Condition
     The ADA reported on the Annual Period Report of Attendance was inaccurate due to the Organization misclassifying classroom-based ADA and nonclassroom-based ADA. As a result, the Organization overstated classroom-based ADA by 1.20 and underreported nonclassroom-based ADA by 1.20 on the Annual Report.

     Cause
     The misclassification appears to have resulted from an error in categorizing instructional settings for classroom-based and nonclassroom-based ADA during annual reporting.

     Effect

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Magnolia Science Academy San Diego
The Organization over-reported by 1.20 ADA for classroom-based and under-reported by 1.20 ADA for nonclassroom-based on its Annual Period Report Attendance, resulting in an estimated fiscal impact as follows:

Grade Span	(Over) Under Reported ADA	Derived Value of ADA by Grade Span	Penalty
Classroom-based			
4-6	(0.38)	$ 10,937.43	$ (4,156.22)
7-8	(0.82)	11,260.92	(9,233.95)
Subtotal	(1.20)		(13,390.18)
Nonclassroom-based			
4-6	0.38	$ 10,937.43	$ 4,156.22
7-8	0.82	11,260.92	9,233.95
Subtotal	1.20		13,390.18
Total	-		$ -

Questioned Costs
There were no questioned costs identified.

Repeat Finding
No

Recommendation
The Organization should ensure the Annual Period Report of Attendance is accurately completed using the correct reports from the student information system.

Corrective Action Plan and Views of Responsible Officials
The Organization acknowledges the finding and agrees that ADA was misclassified. While the variance of 1.20 ADA does not result in a questioned cost, the school recognizes the importance of accurate reporting under California Education Code Section 47612.5.

The Organization concurs with the recommendation and has initiated steps to strengthen internal controls, update policies, and train staff to ensure future compliance.

- **Charter School's or Charter Operator's Response:** See the organization's corrective action plan above.

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

- **CSD's Comments:** The CSD recommends that MERF implement its corrective action plans described above, following the recommendation of its audit firm. The CSD will monitor MERF's progress in implementing its action plans through ongoing oversight and review MERF's 2025-2026 independent audit report next year regarding the status of these audit findings. **Repeat material weaknesses or significant audit findings may trigger additional appropriate actions in accordance with LAUSD's tiered intervention approach to oversight**. **The results will be factored into the school's rating**.

The Charter Schools Division will continue to monitor the issues referenced above by or during the next oversight visit. The results may be factored into the school's rating for next year.

Corrective Action Required:

None noted that immediate action is required to remedy concerns in this report.

Progress on LAUSD Board of Education and/or MOU Benchmarks related to FISCAL OPERATIONS (if applicable):

☒ Not Applicable

Notes:

I.	Review of Fiscal Documentation	Comments
1.	FY 2024-2025 Independent Audit Report	
	a. Audit opinion:	Unmodified/Unqualified
	b. Material weaknesses:	Yes. Please see the description below.
	c. Deficiencies/Findings:	Yes. Please see the description below.
	d. Lack of a Going Concern:	None Reported
	Description (if applicable):	MERF's 2024-2025 independent audit report identified a material weakness related to financial statements concerning prior period restatement, financial statement preparation, and audit adjustments related to the title transfer for the newly formed LLC (affecting MERF, LLC, MSA 5, and MSA 7), and a state compliance-related audit finding identified as a significant deficiency related to attendance

		reporting related to MSA San Diego, not authorized by LAUSD (noted in the OO section above).
	The status of audit findings from 2023-2024 (if applicable):	Not applicable
2.	(Only for **new schools** without an audit report on file) The charter school is in its first/second year of operation and there is no independent audit report on file with the CSD.	Not applicable
3.	The 2024-2025 audited and unaudited actuals:	Nearly mirror each other.
	The 2024-2025 independent audit report is not available as of the date of this report.	Not applicable
4.	Segregation of Duties (SOD) review(s) was/were conducted in-person/virtually at:	Home Office, MSA 4 and MSA 8 Bell
		No discrepancies were noted.
5.	Proposition 39 information.	Not applicable

II.	**Review of 2025-2026 Fiscal Preparation Guide**	**Provided**	**Comments**
1.	Most Current Fiscal Reports Reported to the Board	Yes	
2.	Board Meeting Minutes – Discussion of Fiscal Reports Presented to Board & Board Packet	Yes	
3.	Audit or Fiscal Reports – CalSTRS, CalPERS, USDE, CDE, FCMAT, IRS, SBA, OPEB, etc.	N/A	
4.	Board Meeting Minutes – Approval of 2025-2026 Budget	Yes	
5.	Evidence of Compliance – STRS, PERS, Social Security, Other Benefits	Yes	Benefits offered by the school: Social Security, STRS, PERS
6.	Board Meeting Minutes – Selection of Independent Auditor	No	
7.	Board Meeting Minutes – Discussion of Independent Audit Report	Yes	
8.	Board Meeting Minutes – Discussion of the Most Recent Interim Financial Reports Submitted to LAUSD	Yes	
9.	Board Meeting Minutes – Discussion of Staff or Vendors Complaints	N/A	
10.	Board Meeting Minutes – Discussion of 2024-2025 Annual Performance-Based Oversight Visit Report	Yes	
11.	Current Fiscal Policies and Procedures	Yes	

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

DATE OF VISIT: **5/8/2026**

12.	Board Meeting Minutes – Approval of Fiscal Policies and Procedures	Yes	
13.	Organizational Chart(s)	Yes	
14.	Summary of Total Compensation Paid in FY 2024-2025	Yes	
15.	Related Parties	Yes	
16.	MOUs for CMO Management Fees and/or back office service provider agreements	Yes	
17.	Board Meeting Minutes – Approval of Management Fees, License Fees, or Any Other Fees	Yes	
18.	Most Current Accounts Payable Aging Report	Yes	
19.	Check Registers (12 months)	Yes	Period spanning from 1/2025 to 12/2025 Reviewed checks for sample testing The CSD's observations were noted in the ANI section above.
20.	Credit Card Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed credit card transactions for sample testing No discrepancies were noted.
21.	Monthly Bank Statements and Reconciliations (6 months)	Yes	Period spanning from 7/2025 to 12/2025 Reviewed electronic credit/debit transactions for sample testing No discrepancies were noted.
22.	Student Body Financial Records (6 months)	N/A	
23.	Capitalized and Non-Capitalized Inventory Listing	Yes	
24a.	Posting of EPA on School's Website	Yes	
24b.	Posting of Audited Financials on School's Website	Yes	
25.	Financing Activities, Loans, Factoring Receivables, Intercompany Transfers/Loans, etc.	Yes	See details below. The CSD's observations were noted in the OO section above.

MERF provided the following historical intra-organizational loan balances:

Date	Borrower	Lender	Balance
June 30, 2024	MSA Santa Ana	MERF	$351,452.00
June 30, 2024	MSA San Diego	MERF	213,436.00

	June 30, 2024	MERF	MSA 8 Bell	562,124.00
	June 30, 2024	MERF	MSA 1	137,562.00

According to MERF, as of June 2025, total repayments made to MSA 8 Bell and MSA 1 were $562,124 and $137,562, respectively, and were offset by payments from MSA Santa Ana of $351,452, MSA San Diego of $213,436, and MERF of $134,798. Accordingly, there are no remaining balances associated with this historical loan arrangement.

26.	New and Renewed Facility Lease Agreements and Board Meeting Minutes – Approval of New or Renewed Lease	Yes	
27.	Facilities Plans – Purchase, Lease, Relocation, Expansion, Major Improvements	Yes	See details below:

Per MERF, the following information was provided:

Facilities Plan – MSA 4 and MSA 6
MSA 4 and MSA 6, which currently operate under separate Prop 39 co-location arrangements, previously pursued the acquisition of a facility to establish a permanent campus. The organization completed key due diligence activities and entered escrow, including submitting a substantial good-faith deposit. However, the transaction ultimately did not move forward. Following a comprehensive financial review, including multi-year budget, cash flow, and balance sheet projections, the organization determined that the acquisition is not fiscally viable at this time and has elected not to proceed with the purchase. MERF incurred a $200,000 financial loss related to this transaction.

Facilities Plan – MSA 7
MSA 7 currently operates in a leased church facility, with projections indicating a significant increase in lease costs in the next term. To address rising expenses and ensure long-term stability, the school is pursuing the development of a permanent campus. The property for the new facility was acquired in January 2025. The project is presently in the design and permitting phase, with work underway on schematic design and construction documents. Once completed, the new campus will reduce long-term occupancy costs and provide students with stable, modern learning environments. The estimated move-in date is August 2027.

28.	Employee Retention Credit	N/A	
29.	Disclosure of Legal Issues with material fiscal impact	N/A	

Notes: N/A (Provided Column) = indicated by the charter school as not applicable
ANI = Areas Noted for Further Growth and/or Improvement
OO = Other Observations

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

Annual Performance-Based Oversight Visit Report

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Fiscal Operations Rubrics

Existing School *– a charter school that was/is in operation/active in the preceding school year(s) and the current school year. Existing schools may receive a rating of 4, 3, 2, or 1.*

New School *– a charter school that is in its first year of operation in the current school year and does not have an independent audit report or audited financial result for its first operative year on file with LAUSD. New schools are evaluated based on current year information. New schools may receive a rating of 2 or 1.*

Existing School 4 (Accomplished)	***To receive a rating of 4 (Accomplished), an existing school, at a minimum, meets all of the Required and Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is positive;
3. The two most current annual independent audit reports show no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., California State Teachers' Retirement System (CalSTRS), California Public Employees' Retirement System (CalPERS), Fiscal Crisis & Management Assistance Team (FCMAT), United States Department of Education (USDE), California Department of Education (CDE), United States Small Business Administration (SBA), Internal Revenue Service (IRS), Employment Development Department (EDD), etc.), at the time of the oversight visit, show no outstanding findings;
5. Vendors and staff are consistently paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school consistently adheres to the governing board-approved fiscal policies and procedures;
8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are consistently processed or submitted by the charter school in a timely manner;
15. There are no items cited in Areas Noted for Further Growth and/or Improvement and there are no more than five (5) items cited in Other Observations for the most current year;
16. If applicable (when audited and unaudited actuals do not mirror each other), adequate explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is consistently in place;
18. If applicable, there are no outstanding fiscal-related tiered intervention notices issued to the school; or the school has no tiered intervention notices as of the oversight report issuance date; and

19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are fully met by the required deadline(s); or the school has no fiscal benchmarks in its current charter term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in California Code of Regulations (CCR), Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the two most current annual independent audit reports;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the two most current annual independent audit reports;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the two most current annual independent audit reports;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the two most current annual independent audit reports;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)), or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

Existing School 3 (Proficient)	***To receive a rating of 3 (Proficient), an existing school, at a minimum, meets all of the Required and at least five (5) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is positive;
3. The most current annual independent audit report shows no audit findings that are identified as material weaknesses or significant deficiencies;
4. If applicable, federal, state, and other public agency audits/reviews (e.g., CalSTRS, CalPERS, FCMAT, USDE, CDE, SBA, IRS, EDD, etc.), at the time of the oversight visit, show outstanding findings, and the school is able to demonstrate evidence of remedies in addressing these findings;
5. Vendors and staff are generally paid in a timely manner;
6. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term;
7. The charter school generally adheres to the governing board-approved fiscal policies and procedures;

8. Governing board adopts the annual budget;
9. Governing board reviews and/or discusses audited financial statements submitted to LAUSD;
10. If applicable, governing board discusses and resolves audit exceptions and deficiencies to the satisfaction of LAUSD;
11. There is no apparent conflict of interest;
12. The Education Protection Account allocation and expenditures and audited financial statements are posted on the charter school's website;
13. The LCAP is submitted to the appropriate agencies;
14. Reasonable requests for information made by the Charter Schools Division and LAUSD are generally processed or submitted by the charter school in a timely manner;
15. There are no significant recurring issues cited in the Areas Noted for Further Growth and/or Improvement;
16. If applicable (when audited and unaudited actuals do not mirror each other), at least partial explanations are provided by the school for significant variances between audited and unaudited actuals, and there are no indications of the school's potential lack of internal controls over financial statements;
17. Proper segregation of duties is generally in place;
18. If applicable, the charter school is in the process of resolving outstanding fiscal issues cited in a Notice issued by the CSD as part of its tiered intervention process; and
19. If applicable, all LAUSD Board of Education-approved fiscal benchmark(s) are partially met by the required deadline(s).

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit report;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit report;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit report;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit report;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

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Existing School 2 (Developing)	***An existing school would receive a rating of 2 (Developing) if the charter school is not eligible for the rating of Accomplished or Proficient, but, at a minimum, meets all of the Required and at least four (4) of the Supplemental Criteria listed below.***

REQUIRED CRITERIA

1. Net assets are positive in the most current annual independent audit report; net assets are negative with strong trend towards becoming positive (be positive at the end of the third year per the applicable interim financials); or the school's financial condition fluctuates from year to year, with significant net losses, leading to negative net assets in the current fiscal year and/or the foreseeable future fiscal years;
2. The cash balance at the beginning of the school year is positive; and
3. Governing board approves fiscal policies and procedures, at a minimum, once prior to each charter renewal term.

Note: Other circumstances and information could influence the rating, which may include the supplemental criteria below, and will be noted in the evaluation.

SUPPLEMENTAL CRITERIA

1. The school maintains the minimum reserve for economic uncertainties as defined in CCR, Title 5, Section 15450 (5 CCR § 15450 Reserves) (i.e., unrestricted fund balance divided by total expenditures) in the most current annual independent audit;
2. The cash balance at the beginning of the school year is at least 5% of the prior year's expenses in the most current annual independent audit;
3. The school maintains sound short-term financial viability (i.e., current ratio is recommended to be at least 1.2 or 120%) in the most current annual independent audit;
4. The school maintains sound long-term financial sustainability (i.e., debt ratio is recommended to be lower than 1.0 or 100%) in the most current annual independent audit;
5. Enrollment is stable or changing at a manageable rate (e.g., the school still maintains a balanced budget, timely right sizing, etc.);
6. Fiscal reports (e.g., first interim, second interim, unaudited actuals, balance sheet, income statement, budget to actuals, cash flow statement, etc.) are presented to the governing board at governing board meetings for review and discussion;
7. The most current annual independent audit report is submitted to the appropriate agencies, including the school's charter authorizer, by December 15 following the end of the fiscal year (California Education Code 47605(m)) or by the extended deadline granted by the charter authorizer due to extraordinary reason(s) or approved by law; and
8. The preliminary budget, first interim financial report, second interim financial report, and the unaudited actuals report for the preceding fiscal year are submitted to the appropriate agencies, including the school's charter authorizer, pursuant to the timelines established in California Education Code 47604.33(a)(1,3,4,5).

LAUSD CHARTER SCHOOLS DIVISION

SCHOOL NAME: **Magnolia Science Academy Bell**

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DATE OF VISIT: **5/8/2026**

Existing School 1 (Unsatisfactory)	***An existing school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:

A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Accomplished*, *Proficient*, or *Developing* above. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, audit findings that are identified as repeat material weaknesses or significant deficiencies disclosed in the charter operator's most recent annual independent audit report, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result to non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.

New School 2 (Developing)	***A new school would receive a rating of 2 (Developing) if the charter school, at a minimum, meets all of the Required Criteria listed below.***

REQUIRED CRITERIA

1. Interim reports and/or unaudited actuals project positive net assets;
2. Projected debt, if any, is managed efficiently and will not cause the charter school to end the fiscal year with negative net assets. The non-profit organization is financially viable to support the charter school;
3. If enrollment is significantly below the enrollment per the school's *Pupil Estimates for New or Significantly Expanding Charters* report and/or its approved petition budget, the charter school has made significant adjustments in their operations to allow for the reduced income, and submitted a revised viable three-year budget and three-year cash flow projections;
4. Governing board adopts the annual budget;
5. Governing board reviews and discusses the charter school's financial reports as evidenced by the governing board meeting minutes;
6. Reasonable requests for information made by the Charter Schools Division and LAUSD are processed or submitted by the charter school in a timely manner; and
7. The LCAP is submitted to the appropriate agencies.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.	
New School 1 (Unsatisfactory)	***A new school would receive a rating of 1 (Unsatisfactory) based on the conditions described below.***

An Unsatisfactory rating is assessed based on the following conditions, including, but not limited to:
A charter school is assessed as Unsatisfactory if the charter school does not meet the criteria for *Developing*. The charter school was given a certain period of time to address the fiscal concerns of LAUSD (including, but not limited to, noncompliance with Generally Accepted Accounting Principles (GAAP), applicable law, LAUSD charter policy, and the school's approved charter, conflicts of interest, unresolved significant fiscal management issues, outstanding notices, etc.), but failed to provide a satisfactory response. The charter school has shown no *feasible* financial plans, and/or immediate sources of funding to maintain a viable budget and/or sustain the school's operation to mitigate the negative fiscal condition. The charter school's governing board members and/or leadership lack fiscal capacity.

Continued operation of a charter school that is assessed as Unsatisfactory may result in non-implementation of instructional programs as provided in the petition.

Note: Other circumstances and information could influence the rating and will be noted in the evaluation.