



Board Agenda Item #	Agenda # III J - Action Item
Date:	June 13, 2019
To:	Magnolia Board of Directors
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead:	Nanie Montijo, CFO and Karl Yoder, DMS
RE:	Approval of Payment Plan for MPS Intra-Organizational Loans

### **Proposed Board Recommendation**

Staff moves that the MPS Board approves the revised payment schedule plan for all MPS Intra-Organizational loans.

### **Background**

All Intra-organizational loans were previously board approved together with the payment plan to repay each school site's short-term loan. Some school sites were not able to adhere to the payment schedule previously approved by the board. The defaulted payments affected the availability of funds from other sites to settle their own short-term loan.

A revised payment schedule is attached for board approval as requested by the auditors. The revised plan is based on the most current data, projected enrollments, latest budget proposals and cash projections. The following assumptions are incorporated in the proposed repayment schedule:

- Added previously board approved \$1.93M intra-organization loan to MSA 1.
- Assumed a 60-month repayment schedule for everything over \$30k, one time cash payment for under \$30k.
- After 60 months, all Due To/Due From will be repaid in full.

### **Budget Implications**

The revised payment schedule is incorporated in each site's cash flow projection using the most current budget proposals.

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

#### **Name of Staff Originator:**

Nanie Montijo, Chief Financial Officer and Karl Yoder, DMS

**Attachments**

FY 2018-19 Year to Date Intra-Organizational Loan Activities

Revised Five Year Payment Schedule (Proposed)

Projected 2019-20 Cash Flow Statements with Revised Payment Schedule