



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Meeting Date:	July 9, 2015
Board Agenda Item #	7d
Staff Lead:	Oswaldo Diaz, CFO
Name of Staff Originator:	Oswaldo Diaz, CFO
RE:	Resolution Authorizing MPS Home Office Intra-Company Loan to MSA- Santa Clara

Proposed Board Recommendation

“I move that the board adopt the revision of the Home Office Intra-Company loan to MSA Santa Clara.”

Background

Magnolia Science Academy Santa Clara has a temporary deficit primarily due to pending In-Lieu Property Tax totaling \$376,000 that is to be received from Santa Clara Unified School District. MSA Santa Clara requires that the current temporary loan is increased to \$400,000 from the Home Office to mitigate the temporary financial hardship.

A potential risk associated with this loan is that the school will be unable to pay due to mitigating circumstances related to one-time unexpected expenses and/or Santa Clara USD unavailability to pay the in-lieu of property taxes owed to MSA Santa Clara. The finance staff believes that MSA Santa Clara will be able to repay the loan based on the current budget projections.

Budget Implications

None

Attachments:

Loan Document



MSA-SANTA CLARA INTRA-COMPANY LOAN

Summary

Magnolia Science Academy Santa Clara is in need to receive a loan totaling \$400,000 from the Home Office to mitigate the temporary financial hardship. This loan will be used to fund legitimate educational and operational expenses with the charter school in accordance with General Accepted Accounting Principles.

Intra-Company Loan Terms

Total Loan Amount: up to \$ 400,000
Date of Disbursements: as needed not to exceed \$400,000
Date Payment Begins: September 30, 2015
Repayment Period: 1 year
Interest Rate: 0.00%

Intra-Company Repayment Schedule

Repayment schedule will include ten (10) monthly payments as follows:

Date	Payment Amount
9/30/2015	40,000.00
10/31/2015	40,000.00
11/30/2015	40,000.00
12/31/2015	40,000.00
1/31/2016	40,000.00
2/28/2016	40,000.00
3/31/2016	40,000.00
4/30/2016	40,000.00
5/31/2016	40,000.00
6/30/2016	40,000.00
Total Payments	400,000.00