



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	VII E
Date:	09.10.2015
To:	Magnolia Board of Directors
From:	Caprice Young, Ed.D., CEO & Superintendent
Staff Lead:	Oswaldo Diaz, Chief Financial Officer
RE:	Monthly Financial Report

Proposed Board Recommendation

Informational item, no action required.

Background

2014-15 Year End Close

The finance department has completed the 2014-15 unaudited actuals. The information will be presented to the finance committee on September 3rd for review, and will be included in the September 10th board agenda for review and approval.

During the months of September and October, Vavrinek, Trine, Day & Co., LLP will be conducting substantive testing. It is expected that the MPS audited financial statements will be ready for review on the last week of November 2015 in accordance with the audit calendar.

EdTec Back Office Transition

The finance department met with EdTec on August 27th to review the 2015-16 budgets, and to work with EdTec to further streamline the Accounts Payable turnaround process. The finance department has incorporated new changes to the purchasing process that allow the schools principals to use CoolSIS to manage purchases and invoice payments. The temporary manual process that required the school principals to submit invoices to EdTec has been superseded by a new process that is managed within the CoolSIS environment. School principals continue to have the ability to process emergency checks by submitting check requests with approvals and backup directly to EdTec.

The finance department has completed the payroll transition to EdTec and is working closely with the school principals and EdTec to streamline the current process.

Monthly Finance Meetings Calendar with School Principals

The monthly finance meeting calendar has been prepared in accordance with the monthly delivery dates of the financial statements, and will include one-on-one meetings and conference calls with the school principals, MPS finance department, and EdTec personnel.



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The monthly finance meeting calendar is as follows:

Finance Meeting Calendar

Month-end close	expected delivery date by EdTec	Meetings with school principals to review financials
July/August	9/30	Oct 1 - Oct 15
September	10/27	Oct 28 - Nov 15
October	11/24	Dec 1 - Dec 16
November	12/23	Jan 5 - Jan 22
December	1/29	Feb 1 - Feb 15
January	2/29	Mar 1 - Mar 15
February	4/1	Apr 4 - Apr 22
March	5/2	May 4 - May 20
April	5/27	May 30 - Jun 17
May	6/30	Jul 1 - Jul 22
June UAR	8/7	Aug 9 - Aug 26

Outstanding Santa Clara Receivables

As of August 27th, MPS has submitted additional residency verification information that was requested by Santa Clara Unified School (SCUSD) District. MSA-SC and the Home Office have been in contact with SCUSD and Sunnyvale School District to request payment for the amount due to MPS in excess of \$400,000.

401K Retirement Plan

401K retirement plan has been finalized and implemented for the Home Office. MPS worked with Pension Profit Sharing Services to design a 401k plan that offers a healthy employer contribution of organizational match of up to 10% and a short vesting schedule. These two particular items are strong benefits for Magnolia's employees, and are intended to retain and attract highly qualified staff to our home office. In addition, the skill and expertise of the firm will ensure that the plan design meets all regulatory requirements.

The 401k program will be managed using the John Hancock Record Keeping Platform. The firm is an industry leader that has dedicated significant resources to bringing the technology and tools typically available to plans over \$5,000,000 in assets to the start-up environment. This platform was chosen for the robust employee engagement tools, the administrative management tools, and the services available to manage fiduciary responsibilities.

A dedicated Morgan Stanley advisor will have a significant role in working with the staff and employees to ensure that any questions regarding investment strategy are answered. It will also



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be his responsibility to monitor the performance of the service providers to make sure that our staff is receiving the highest levels of service every year

Budget Implications

Information item. No budget implications

Name of Staff Originator:

Oswaldo Diaz, Chief Financial Officer