APPROVED

Magnolia Public Schools

Minutes

Regular Finance Committee Meeting

Date and Time
Wednesday December 5, 2018 at 6:00 PM

Location
MPS Home Office: 250 E. 1st St. Suite 1500 Los Angeles, CA 90012- Conference Room

Committee Members who joined remotely participated from the locations stated below.
- MSA Santa Ana: 2840 W. 1st St., Santa Ana CA 92703 (Mr. Shohrat Geldiyev)
- 1363 Ridgecrest Rd Pinole, CA 94564 (Mr. Serdar Orazov)

Finance Committee Members:
Mr. Serdar Orazov, Chair
Dr. Saken Sherkhanov
Ms. Sandra Covarrubias
Mr. Shohrat Geldiyev

CEO and Superintendent:
Mr. Alfredo Rubalcava

Committee Members Present
S. Covarrubias, S. Geldiyev (remote), S. Orazov (remote), S. Sherkhanov

Committee Members Absent
None

I. Opening Items

A. Call the Meeting to Order

S. Sherkhanov called a meeting of the Finance Committee of Magnolia Public Schools to order on Wednesday Dec 5, 2018 at 6:18 PM.

B. Record Attendance and Guests

S. Geldiyev, MPS Finance Committee Member, joined the meeting at 6:50 pm and started voting and discussing during item II A Approval of Recommendation of 2017-18 MPS Audit Reports.

C. Pledge of Allegiance

B. Torres, MPS Board Secretary, led the pledge of allegiance.

D. Public Comment

There were no public comments.

E. Approval of Agenda

S. Sherkhanov made a motion to approve the agenda as presented.
S. Orazov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Covarrubias	Aye
S. Sherkhanov	Aye
S. Orazov	Aye
S. Geldiyev	Absent

F. Approval of Minutes from Regular Finance Committee Meeting- September 12, 2018

S. Orazov made a motion to approve minutes from the Regular Finance Committee Meeting on 09-12-18 Regular Finance Committee Meeting on 09-12-18.
S. Covarrubias seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Orazov	Aye
S. Sherkhanov	Aye
S. Geldiyev	Absent
S. Covarrubias	Aye

II. Recommendation of Action Items

A.

Approval Recommendation of 2017-18 MPS Audit Reports

N. Montijo, MPS Chief Financial Officer, introduced the audit reports for 2017-18 and went over the annual requirements of these reports. M. Miller from Vavrinek, Trine, Day & Co., LLP, audit firm, went in depth into each Magnolia Public Schools' (MPS) audit report and the multiple LLCs of MPS. He explained how he has worked with staff on this audit and what future work will have to be done. M. Miller, explained the STRS and PERS contributions and went over the increase percentages and budgeted amounts along with restricted and unrestricted funds. MPS staff and audit firm representative addressed committee member questions. The committee thanked staff for having a clean audit.
S. Orazov made a motion to approve the Audit Report for fiscal year 2017-18 of all ten (10) schools and the consolidated audit including the home office.
S. Sherkhanov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Sherkhanov	Aye
S. Geldiyev	Aye
S. Orazov	Aye
S. Covarrubias	Aye

B. Approval Recommendation 2018-19 First Interim Financial Reports

N. Montijo, MPS Chief Financial Officer (CFO), gave an overview of the 2018-19 First Interim Financial Reports. She explained the process of creating these reports which included speaking with each site principal and incorporating their feedback into the report. K. Yoder, Chief Financial Officer of Delta Management Solutions (DMS), summarized the interim report to the committee, he went over the over all deficit due to enrollment numbers, he explained what adjustments have been done to the budgets to address this deficit while ensuring the program goals continue to be met. V. Gurler, MSA-Santa Ana Principal, and G. Serce, MSA-San Diego Principal explained the reasons behind the drop in enrollment at their sites and what recruitment efforts are currently in place to address the drop in numbers. The MPS CFO mentioned the CMO cuts that have been done to the MSA-Santa Ana budget to ensure the school's budget is not in the red. L. Ross, MSA-4 Principal, talked about new partnerships for student recruitment and how C. Brimmer, MPS Board Member, has helped. She stated that the co-located site is also struggling with enrollment. She went over staff needs but agrees that these additions will affect the budget negatively so they have been placed on hold. A. Rubalcava, MPS Chief Executive Officer, explained the active searches for a different facility for MSA-4 to assist in increasing enrollment. The committee and staff discussed the interim reports at length, all questions were addressed.
S. Sherkhanov made a motion to approve the 2018-19 revised budget and submit the same as First Interim Reports for fiscal year 2018-19.
S. Orazov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

S. Covarrubias	Aye
S. Orazov	Aye
S. Geldiyev	Aye
S. Sherkhanov	Aye

III. Discussion Item

A. MSA-4 Fiscal Benchmarks Update

N. Montijo, MPS Chief Financial Officer (CFO), gave a brief status report on the fiscal management improvements that have been done to continue to implement the fiscal oversight report recommendations and School Services of California (SSC) management letter. A. Rubalcava, MPS Chief Executive Officer, mentioned the LAUSD requirements as to way these updates are being given to the MPS Board. All questions were addressed.

IV. 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 7:54 PM.

Respectfully Submitted,
S. Sherkhanov