APPROVED

Magnolia Public Schools

Minutes

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

Date and Time
Monday September 14, 2026 at 5:00 PM

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

Board Committee Members:

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

CEO & Superintendent:
Mr. Alfredo Rubalcava

Committee Members Present
M. Muhammedov, S. Orazov, U. Yapanel

Committee Members Absent
D. Gonzalez

I. Opening Items

A. Call the Meeting to Order

S. Orazov called a meeting of the Finance, Audit, Risk, and Facilities Committee Committee of Magnolia Public Schools to order on Monday Sep 14, 2026 at 5:11 PM.
Refer to the attendance information recorded above.
For minutes' purposes, Mr. Muhammedov arrived at 5:18 PM.
Dr. Yapanel served as the alternate for Ms. Gonzalez, who was not in attendance.

B. Record Attendance and Guests

C. Approval of Agenda

S. Orazov made a motion to amend the agenda to table items 1D & 1E, approval of minutes of the regular finance committee meeting, Dec. 11, 2025 and September 12, 2024, pending legal guidance, and table item 2B, it will be reviewed during the general MPS board meeting.
U. Yapanel seconded the motion.
Tabled items:
1D - Approval of Minutes from the MPS Regular Finance Committee Meeting - December 11, 2025.
1E - Approval of Minutes from the MPS Regular Audit/Facilities Committee Meeting - September 12, 2024.
2B - Approval of Revised Preliminary, Non-Binding Stifel Engagement and Authorization to Submit a California School Finance Authority (CSFA) Application for Potential 2026C / 2026D Financing
The committee **VOTED** unanimously to approve the motion.

Roll Call	
M. Muhammedov	Absent
U. Yapanel	Aye
D. Gonzalez	Absent
S. Orazov	Aye

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

This item was tabled during the approval of agenda.

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

This item was tabled during the approval of agenda.

II. Recommended Action Items

A. Approval of 2025-26 Unaudited Actuals Report

C. Turan, Interim Chief Financial Officer, presented the 2025-26 Unaudited Actuals for all MPS school sites and MERF. He reviewed year-end financial results and key changes from the Second Interim projections, including improved LCFF revenue based on updated ADA and the recognition of Prop. 1D Charter School Facility Grant revenue for MSA-5. Excluding the MSA-5 adjustment, the organization's projected deficit improved from approximately $3.2 million at Second Interim to $1.9 million at year-end.
Committee members asked questions regarding non-cash expenses, the reasons for deficit spending at certain school sites, multi-year projections, and plans to improve the financial position of schools operating at a deficit. Staff provided clarification and discussed ongoing fiscal monitoring and stabilization efforts.
As follow up, staff will provide an update at a future meeting on one-time funding, including amounts used during 2025-26 and remaining funds carried forward into 2026-27.
S. Orazov made a motion to 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.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov	Aye
U. Yapanel	Aye
S. Orazov	Aye
D. Gonzalez	Absent

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

This item was tabled during the approval of agenda. The item will be brought forward at the Regular Board Meeting for discussion and action.

C. Magnolia Public Schools (MPS) Annual Authorizer Oversight Reports

A. Rubalcava, Chief Executive Officer and Superintendent, presented an overview of MPS's annual authorizer oversight reports from Los Angeles Unified School District (LAUSD) and Los Angeles County Office of Education (LACOE), including governance, academic performance, fiscal operations, and organizational management. C. Turan, Interim Chief Financial Officer, reviewed the fiscal findings for the LAUSD-authorized schools and discussed corrective actions being taken to strengthen financial documentation, internal controls, and monitoring.
Committee members asked questions regarding fiscal findings, corrective actions, oversight ratings, and the steps being taken to address identified areas for improvement. Staff provided clarification and shared ongoing efforts, including additional training, improved documentation processes, and continued monitoring.

Staff will continue implementing corrective actions and will coordinate the newly required fiscal training for Board members. Academic performance updates will also be presented to the Academic Committee and Board following the release of updated data. This item was presented for information and discussion only; no Board action was required.

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 5:50 PM.

Respectfully Submitted,
S. Orazov