



Making Waves Academy

Finance Advisory Committee Meeting

Date and Time

Wednesday March 4, 2026 at 10:00 AM PST

Location

Please click the link below to join the webinar:

<https://mwacademy.zoom.us/j/82344244988?pwd=NXJQc0lvNDhZVjIEaGVaOEZBaDg1QT09>

Passcode: 933369

Or One tap mobile :

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If you have questions about the board agenda and materials or you are in need of disability-related accommodations, please contact:

Si tiene preguntas sobre la agenda y materiales de la junta o necesita adaptaciones relacionadas con la discapacidad, comuníquese con:

Bryann Fitzpatrick at bfitzpatrick@mwacademy.org or (510) 994-6486.

Public Comment

- The public may address the MWA Board regarding any item within the subject-matter jurisdiction of the MWA governing board.
-

- Under Public Comment for Special Committee Meetings, members of the public may
 - The public may address the Board regarding **any item that has been described in the notice for this meeting.**
 - **Presentations are limited to two minutes each**, or a total of ten minutes for all speakers, or the two-minute limit may be shortened.
- In accordance to the Brown Act, the MWA Board may listen to comments, but can neither discuss nor take action on the topics presented. Members of the board are very limited in their response to statements or questions by persons commenting on items not on the agenda.
- **While meetings are held virtually, speakers may submit a request to speak before 9:00 AM on the day of the meeting or use the raise hand function during the public comment sections of the meeting.**
 - **If you would like to send your request to speak prior to the meeting, please email your request to bfitzpatrick@mwacademy.org in English or Spanish.**
 - **Your submission should:**
 - *indicate if it is a general public comment for the beginning of the meeting or a comment for a specific agenda item (please include the item number).*
 - *include your name so that you can be called when it is your turn to speak.*
 - *During the meeting, we will call your name and you should use the "raise hand" feature to identify yourself.*
- Under SB1036 the minutes from this meeting will omit student and parent names and other directory information, except as required by judicial order or federal law. If a parent/ legal guardian wishes a name be included, one must inform the board prior to their public comment.

Comentarios públicos

- *El público puede dirigirse a la Junta Directiva de la MWA con respecto a cualquier asunto dentro de la jurisdicción del tema materia por la Junta Directiva de la MWA.*
- *Bajo comentario público, los miembros del público pueden:*
 - El público puede dirigirse a la Junta con **respecto a cualquier tema que se haya descrito en el aviso para esta reunión.**
 - **Las presentaciones están limitadas a dos minutos cada una**, o un total de diez minutos para todos los oradores, o se puede acortar el límite de dos minutos.
- *De acuerdo con la Ley Brown, la Junta Directiva de la MWA puede escuchar los comentarios, pero no discutirán ni tomarán medidas sobre los temas presentados. La respuesta de los miembros de la Junta Directiva a las declaraciones o preguntas de las personas que comentan temas que no figuran en el orden del día es muy limitada.*
- **Mientras las reuniones se llevan a cabo virtualmente, los miembros del público que desean hablar durante la junta pueden presentar una solicitud para hablar antes de las 9:00 a.m. del día de la reunión de la junta o usar la función de levantar la mano durante las secciones de comentarios públicos de la reunión.**
 - **Si desea enviar su solicitud de uso de la palabra antes de la reunión, envíe su solicitud por correo electrónico a bfitzpatrick@mwacademy.org en inglés o español.**

- *En su solicitud:*
 - *Incluya su nombre para que pueda ser llamado cuando sea su turno de hablar.*
 - *indicar si es un comentario público general para el comienzo de la reunión o si es comentario público sobre un artículo específico del programa (incluya el número del artículo).*
 - *Durante la reunión, le llamaremos por su nombre y deberá utilizar la función de "levantar la mano" para identificarse.*
- *En virtud de la SB1036, las actas de esta reunión omitirán los nombres de los estudiantes y padres y otra información del directorio, excepto cuando lo requiera la orden judicial o por la ley federal. Si un padre/tutor legal desea que se incluya un nombre, se debe informar a la junta antes de su comentario público.*

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Please note that all agenda times are estimates.

Tenga en cuenta que todos los horarios de la agenda son estimaciones.

Agenda

	Purpose	Presenter	Time
I. Opening Items			10:00 AM
A. Record Attendance			1 m
B. Call the Meeting to Order		Alicia Malet Klein	1 m
C. Public Comment		Alicia Malet Klein	6 m
II. Finance			10:08 AM
A. Second Interim Review	FYI	Elizabeth Martinez	10 m
Interim Executive Director and CFO review the second interim budget with the committee.			
B. Cash Flow Discussion	FYI	Elizabeth Martinez	10 m
Review and agree on cash flow targets.			

	Purpose	Presenter	Time
C. Miscellaneous	Discuss	Elizabeth Martinez	5 m
<ul style="list-style-type: none">• Upcoming Projects• FAC Calendar			
III. Other Business			10:33 AM
A. Meeting Slides			
IV. Closing Items			
A. Adjourn Meeting	Vote		

Coversheet

Second Interim Review

Section: II. Finance
Item: A. Second Interim Review
Purpose: FYI
Submitted by:
Related Material: Executive Summary - 2025-26 2nd Interim Budget_FAC.docx.pdf



Executive Summary for FY 2025-26 2nd Interim Report

FY2026 Preliminary Budget vs. FY2026 1st Interim Budget Summary

The FY26 2nd Interim Budget reflects updated enrollment assumptions, refined revenue estimates, and expenditure true-ups based on year-to-date activity. These updates ensure the budget remains aligned with current operating conditions while maintaining a balanced financial plan.

Enrollment & Revenue Adjustments:

Enrollment projections were reduced by 8 students (from 1,003 to 995) to maintain a conservative planning approach and provide a fiscal buffer, resulting in a decrease to LCFF funding. We currently have 996 students enrolled. Federal and state revenues were updated to reflect revised grant utilization and eligible expenditures across programs, including Title programs, Educator Effectiveness, A-G Completion, Lottery, and Proposition 28.

To partially offset these reductions, we identified additional expenses to tag to restricted funds such as Learning Recovery, Child Nutrition, and other state funding sources. Overall, total revenues decreased by approximately \$119,143 (-0.4%).

Staffing & Compensation Updates:

Personnel costs were refined to reflect updated salary, overtime, and stipend projections, along with position changes and salary true-downs since the First Interim, including a net reduction of one position. Benefit projections were also updated to reflect lower workers' compensation costs resulting from their audit refund and adjustments to retirement contributions, while health insurance costs increased modestly due to age-band premium changes.

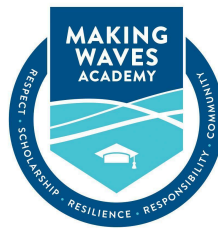
Supplies & Contracted Services Adjustments:

Programmatic expenses were adjusted based on operational needs and spending trends. Special education costs increased due to higher service needs and contracted support required to meet student requirements. Legal expenses also increased related to a board-initiated investigation, and student food costs rose with higher participation.

Offsetting these increases, spending on curriculum, professional development, and other discretionary services was reduced to maintain overall budget balance. Overall, total expenditures decreased by approximately \$119,143 (-0.4%).

Overall

The FY26 2nd Interim Budget reflects continued refinement of assumptions and disciplined fiscal management. Conservative enrollment forecasting, ongoing monitoring of staffing and benefits, and adjustments to program spending support a balanced budget while addressing cost pressures — particularly in special education. These updates strengthen the reliability of our financial projections and support ongoing fiscal stability.



Executive Summary for FY 2025-26 2nd Interim Report

Summary of Variances - FY'26 1st Interim Budget vs. FY'26 2nd Interim Budget

Revenues Variance Overview:

Revenue Sources	Decrease/Increase	Amount	%
Total Revenues	Decrease	-\$119,143	-0.4%
Government revenues	Decrease	-\$220,505	-1%
Interest income	Decrease	-\$14,180	-6%
Unrestricted Contribution	Decrease	-\$29,000	-15%
Estimated JRSF contributions	Increase	\$144,542	2%

Expenses Variance Overview:

Expense Areas	Decrease/Increase	Amount	%
Total Expenses	Decrease	-\$119,143	-0.4%
MWA Expenses	Decrease	-\$173,167	-1%
Central Office Expenses	Increase	\$54,024	2%

Key Drivers of the FY'26 2nd Interim Budget Changes

1. Revenues

The overall decrease is driven by:

- \$193K decrease in LCFF:
 - i. Enrollment projections were reduced from 1003 to 995 students (8 student decrease), to conservatively forecast and maintain a fiscal buffer.
- \$317K decrease in other federal and state revenues to reflect the updated enrollment figures and refine timelines for eligible expenditures:
 - i. \$12K decrease in Title I – IV
 - ii. \$159K decrease in Educator Effectiveness & A-G Completion Grants
 - iii. \$67K decrease in State Lottery & Student Support Discretionary Block Grant
 - iv. \$78K decrease in Prop 28
- \$290K increase in Other State Revenues from additional eligible expenses identified for each program:
 - i. \$102K increase in Child Nutrition Grants & Prior year revenue
 - ii. \$165K increase in Learning Recovery Emergency Block Grant
 - iii. \$23K increase in ELOP & Parcel Tax
- \$14K decrease in Interest income due to rates maintaining and keeping operating reserves at a minimum
- \$29K decrease in Unrestricted contribution - projecting very minimal donations coming in from now till the end of the year

2. Expenses

- \$295K reduction in salary & stipends:
 - Updated projections reflect average salary, overtime, and stipend trends across all departments.
- \$137K reduction in Worker's Comp and 403B matching:
 - Captured actual Worker's Comp expense, including audit refund.
 - Reduce 403(b) matching projections based on participation trends.



Executive Summary for FY 2025-26 2nd Interim Report

- *\$187K decrease in Position Changes and salary true-ups:*
 - a. Net reduction of one position across the organization.
 - b. Salary true-up for four positions included in the 1st Interim.
- *\$50K increase to reflect age-banded premium increase for current staff.*
- *\$420K increase for SPED services and contract subs to meet student needs.*
- *\$111K increase in Legal & Other Operating Costs:*
 - a. Legal expenditure increased due to a confidential personnel investigation.
 - b. Student food costs increased due to higher participation rates.
- *\$81K Reduction in spending on core curricula, staff professional development, and other services based on year-to-date trends.*

Detailed Summary of Changes (FY'26 Preliminary Budget to FY'26 1st Interim Budget)

MWA – “SCHOOL” EXPENDITURES

Total Change: **Decrease of \$173,166 (-1%)**

- I. **Salaries and Benefits – Net decrease of \$613,916 (-3%)**
 - Salary, overtime, and stipend projections aligned to actual averages.
 - Salary true-down for four positions.
 - Reduce 403B matching based on participation
 - Adjusted Workers’ Compensation expense based on actuals
 - Net decrease of one position from the school
 1. **Added New Position:** SPED Instructional Aide - SW
 2. **Eliminated Positions:** SPED Resource Teacher – SW (x2)
- II. **Supplies - Net Increase of \$38,750 (3%)**
 - Increased food services due to higher student participation.
 - Reduce instructional materials aligned with classroom needs.
- III. **Contracted Services - Net Increase by \$402,000 (4%)**
 - Increased in SPED contract services to meet student needs
 - Reductions in other contract services to align with spending trends.

CENTRAL OFFICE EXPENDITURES

Total Change – **Increase of \$54,024 (2%)**

- I. **Salaries and Benefits - Net Increase of \$45,274 (2%)**
 - Updated salary and overtime projections
 - Health insurance increase for age-banded staff
 - Adjusted Workers’ Compensation expense based on actuals
- II. **Supplies & Contract Services – Net Increase of \$8,750 (1%)**
 - Increased legal expenses related to board-initiated investigation
 - Offsets from reduced spending in other service areas



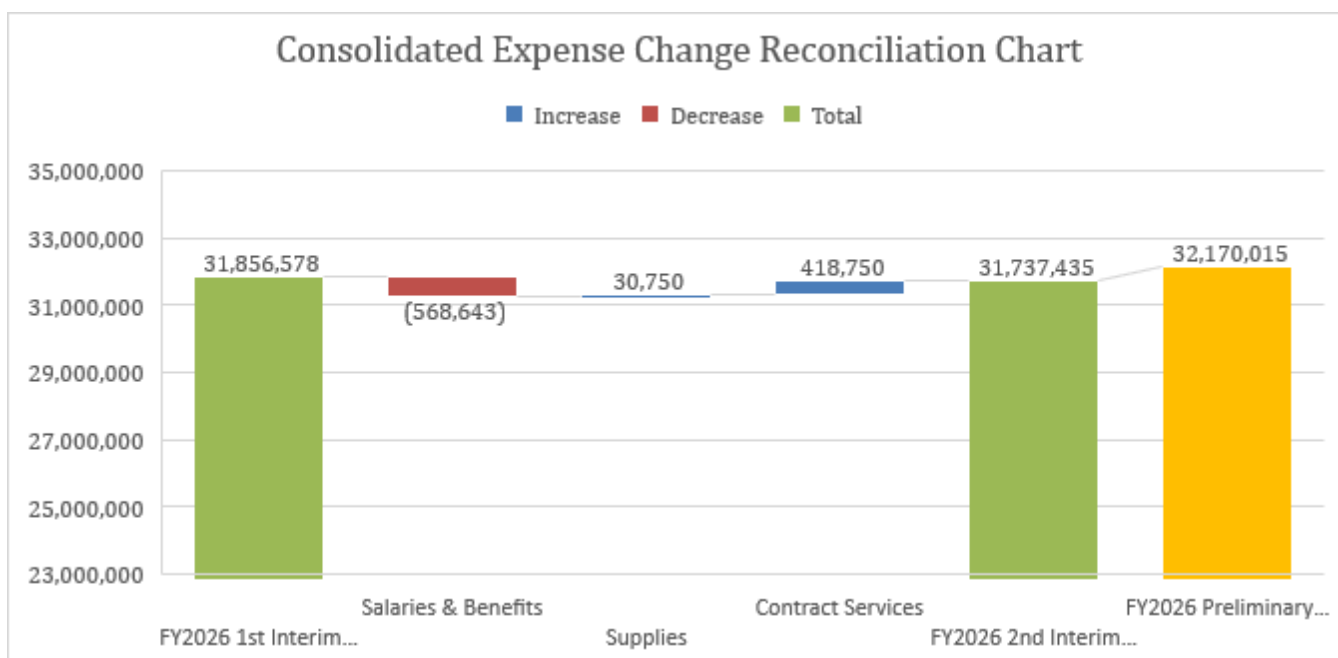
Executive Summary for FY 2025-26 2nd Interim Report

Appendix A – Summary Financials

FY'26 2nd Interim Budget Summary Financials - Consolidated

Compare *FY'26 1st Interim Budget* with *FY'26 2nd Interim Budget*

Location	2025-26 1 st Interim Budget (A)	2025-26 2 nd Interim Budget (B)	\$ Variance (A) vs. (B)	%Variance (A) vs. (B)
Revenues				
Government	\$20,190,592	\$19,970,087	-\$220,505	-1%
Interest Income	\$234,180	\$220,000	-\$14,180	-6%
Donations	\$215,000	\$186,000	-\$29,000	-13%
JRSF	\$9,814,406	\$9,958,948	\$144,542	1%
Central Office (Shared Services Allocation)	\$1,452,400	\$1,452,400	\$0	0%
Total Revenues	\$31,906,578	\$31,787,435	-\$119,143	-0.4%
Expenses				
Salaries/Benefits	\$20,153,670	\$19,585,027	-\$568,643	-3%
Supplies	\$1,518,076	\$1,548,826	\$30,750	2%
Contracted Services	\$10,184,832	\$10,603,582	\$418,750	4%
Total Expenses	\$31,856,578	\$31,737,435	-\$119,143	-0.4%



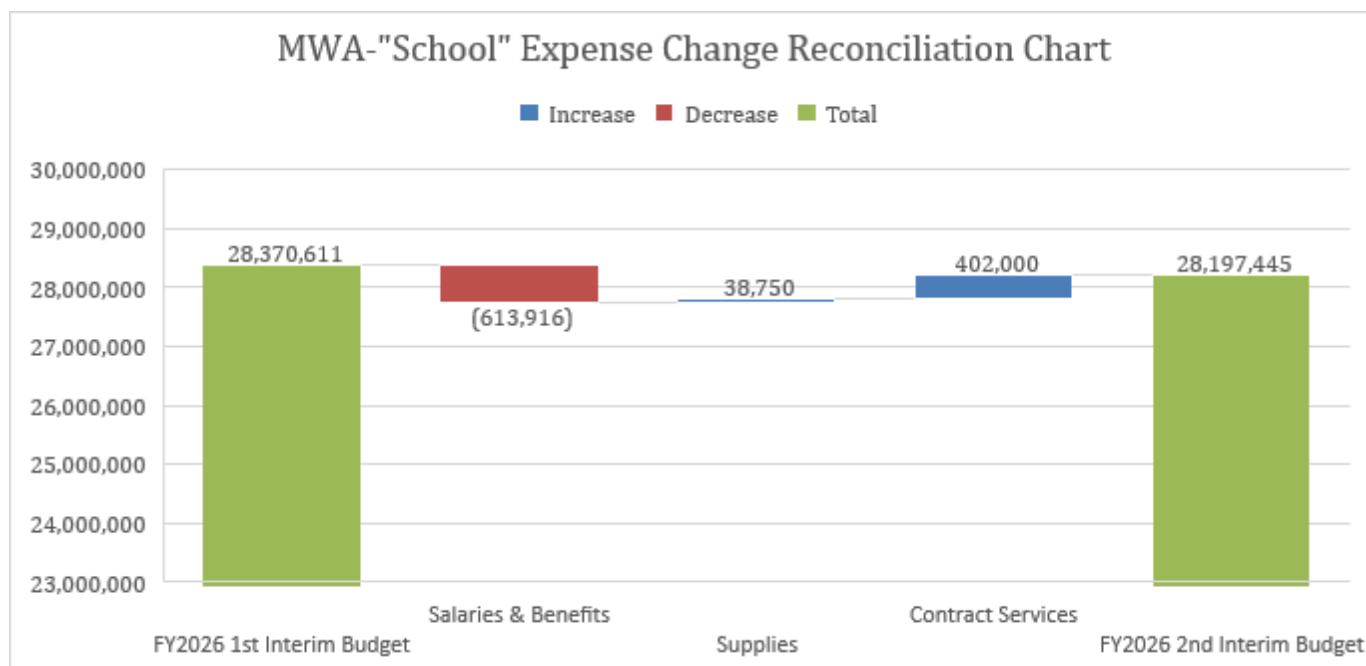


Executive Summary for FY 2025-26 2nd Interim Report

FY'26 1st Interim Budget Summary Financials - MWA-"School"

Compare *FY'26 1st Interim Budget* with *FY'26 2nd Interim Budget*

Location	2025-26 1 st Interim Budget (A)	2025-26 2 nd Interim Budget (B)	\$ Variance (A) vs. (B)	%Variance (A) vs. (B)
Revenues				
Government	\$20,190,591	\$19,970,087	-\$220,504	-1%
Interest Income	\$234,180	\$220,000	-\$14,180	-6%
Donations	\$215,000	\$186,000	-\$29,000	-13%
JRSF	\$7,780,840	\$7,871,358	\$90,518	1%
Total Revenues	\$28,420,611	\$28,247,445	-\$173,166	-1%
Expenses				
Salaries/Benefits	\$17,595,327	\$16,981,411	-\$613,916	-3%
Supplies	\$1,486,626	\$1,525,376	\$38,750	3%
Contracted Services	\$9,288,658	\$9,690,658	\$402,000	4%
Total Expenses	\$28,370,611	\$28,197,445	-\$173,166	-1%
Revenues – Government per ADA	\$21,190	\$21,254	\$64	0.3%
Expenses – Cost per Student (Exclude CO Fees)	\$26,838	\$26,879	\$41	0.1%





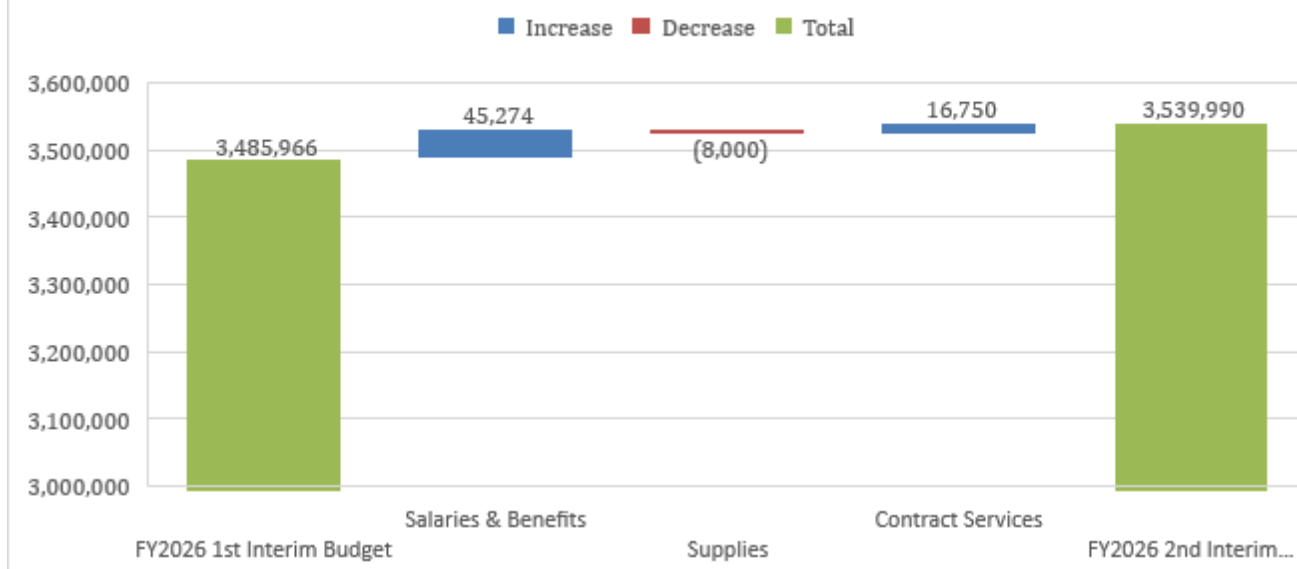
Executive Summary for FY 2025-26 2nd Interim Report

FY'26 1st Interim Budget Summary Financials – “Central Office”

Compare **FY'26 1st Interim Budget** with **FY'26 2nd Interim Budget**

Location	2025-26 Preliminary Budget (A)	2025-26 1 st Interim Budget (B)	\$ Variance (A) vs. (B)	%Variance (A) vs. (B)
Revenues				
JRSF	\$2,033,566	\$2,087,590	\$54,024	3%
Central Office <i>(Shared Services Allocation)</i>	\$1,452,400	\$1,452,400	\$0	0%
Total Revenues	\$3,485,966	\$3,539,990	\$54,024	2%
Expenses				
Salaries/Benefits	\$2,558,342	\$2,603,616	\$45,274	2%
Supplies	\$31,450	\$23,450	-\$8,000	-25%
Contracted Services	\$896,174	\$912,924	\$16,750	2%
Total Expenses	\$3,485,966	\$3,539,990	\$54,024	2%

MWA Central Office Expense Change Reconciliation Chart



Coversheet

Cash Flow Discussion

Section:	II. Finance
Item:	B. Cash Flow Discussion
Purpose:	FYI
Submitted by:	
Related Material:	Cash Flow Details.pdf

Cash Flow Details





Reference Slides: Cash Flow Target

(Agreed to Apr 2025)

We will project the estimated funding needed for MWA in FY25 to achieve a small positive net income. Based on that projection, we will request a grant pledge letter from JRSF to be recorded as a receivable. JRSF will fulfill the pledge by disbursing the grant in installments throughout FY26.

- We anticipate reducing our cash; from having potentially over \$15M to never having more than \$8M although cash balance might fluctuate as high as \$9M depending on the amount of deferred revenue and we should be ok with that.
- We want to keep unrestricted dollars at 2x our monthly burn (\$4.5-\$5M).

Note: Cash flow projections below for FY2024-25



Making Waves Academy Cashflow Projections

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Partial Actual (Soft Close)	Estimate
Descriptions	Jul-24	Aug-24*	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25*	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Total	
Beginning Cash	12,408,800	12,063,344	10,540,587	9,075,653	9,406,107	9,030,712	9,046,328	8,752,807	8,526,925	7,507,835	6,744,109	6,811,285	12,408,800	
Cash In														
Government***	1,155,425	752,174	563,025	2,166,428	854,275	2,077,490	2,141,289	1,184,368	1,027,612	2,042,713	2,320,784	3,236,425	19,522,008	
Donation (Non-SRE)	27,029	3,899	110,246	646	751,676	43,076	28,329	256	256	256	2,756	276	968,701	
Dividend & Realized Gains/Loss on Investments & Sale of Fixed Assets	51,634	47,097	40,224	36,849	34,414	32,376	30,614	27,037	25,446	22,570	23,382	18,856	390,499	
JRSF****	-	-	-	-	-	-	-	-	-	-	-	6,700,000	6,700,000	
Total Cash In	1,234,088	803,170	713,495	2,203,923	1,640,365	2,152,942	2,200,232	1,211,661	1,053,314	2,065,539	2,346,922	9,955,557	27,581,208	
Cash Out**														
MWA	1,636,232	2,123,722	1,950,527	2,047,611	1,832,724	1,996,260	2,287,180	1,884,114	2,065,805	1,913,395	2,049,814	2,442,004	24,229,391	
MWAS (Central Office)	261,067	386,536	263,729	249,628	322,123	256,788	361,741	259,573	306,220	331,106	283,709	390,813	3,673,033	
Total Cash Out	1,897,299	2,510,258	2,214,256	2,297,239	2,154,847	2,253,048	2,648,921	2,143,687	2,372,025	2,244,501	2,333,523	2,832,817	27,902,424	
Net Change In Cash (In - Out)	(663,211)	(1,707,088)	(1,500,761)	(93,316)	(514,482)	(100,106)	(448,689)	(932,026)	(1,318,711)	(178,962)	13,399	7,122,740	(321,216)	
Net Change in Cash from Operating Activities	(345,456)	(1,522,757)	(1,464,934)	330,453	(375,395)	15,617	(293,521)	(225,883)	(1,019,089)	(763,726)	67,176	(464,278)	(6,061,793)	
Ending Cash	12,063,344	10,540,587	9,075,653	9,406,107	9,030,712	9,046,328	8,752,807	8,526,925	7,507,835	6,744,109	6,811,285	6,347,007	6,347,007	
Deferred Revenue	1,874,393	3,836,932	3,846,023	3,862,388	4,029,002	4,098,867	4,168,733	4,521,764	4,498,297	4,120,500	4,097,033	4,072,849		
Unrestricted Cash	10,188,951	6,703,655	5,229,630	5,543,719	5,001,710	4,947,461	4,584,074	4,005,161	3,009,538	2,623,609	2,714,252	2,274,158		
Date Needed														
Notes:														

*Three payrolls Funded
 **Does not include non-cash items (i.e.: vacation, depreciation, and MWAS (Central Office) Fees to school)
 ***Government revenue has not been fully accrued for FY25, will make sure to accrue to have small net income
 ****MWA recorded the following:
 • \$500K grant from JRSF on 06/27/25
 • Grant pledge from JRSF for \$6.2M to be accrued on 06/30/25 and booked in receivable account
 • Total request for FY25 from JRSF: \$6.7M



**Making Waves Academy
Cashflow Projections**

	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Descriptions	Jul-25	Aug-25*	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26*	Feb-26	Mar-26	Apr-26	May-26	Jun-26*	Total
Beginning Cash	6,345,603	6,528,923	5,624,825	9,900,130	9,653,582	8,453,168	6,812,591	9,199,456	8,338,061	8,433,641	7,664,280	7,558,455	6,345,603
Cash In													
Government	208,080	647,145	1,460,445	2,131,944	997,413	1,102,528	2,674,290	1,175,322	864,883	2,013,546	2,429,127	3,407,445	19,112,168
Donation (Non-SRE)	356	379	456	101,254	37,006	2,104	13,801	54	54	54	585	9,059	165,163
Investments & Sale of Fixed Assets	17,670	16,258	18,497	25,232	22,211	17,803	17,646	17,000	19,515	19,515	19,515	23,318	234,180
Total Cash In	226,106	663,782	1,479,398	2,258,430	1,056,630	1,122,435	2,705,737	1,192,377	884,452	2,033,115	2,449,228	3,439,822	19,511,511
Cash Out**													
MWA	1,534,095	2,713,231	2,126,371	2,278,930	2,052,183	2,089,395	2,619,181	2,044,052	2,229,537	2,156,647	2,244,843	2,829,501	26,917,968
MWAS (Central Office)	207,240	349,495	296,159	274,270	373,202	280,905	381,652	247,136	266,729	323,166	271,758	389,532	3,661,244
Total Cash Out	1,741,335	3,062,726	2,422,530	2,553,200	2,425,385	2,370,300	3,000,833	2,291,188	2,496,266	2,479,813	2,516,601	3,219,033	30,579,212
Net Change In Cash (In - Out)	(1,515,229)	(2,398,944)	(943,132)	(294,770)	(1,368,755)	(1,247,865)	(295,096)	(1,098,811)	(1,611,814)	(446,698)	(67,373)	220,788	(11,067,701)
Net Change in Cash from Operating Activities	183,320	(2,904,098)	(1,224,695)	(246,548)	(1,200,414)	(1,640,577)	386,865	(861,394)	(1,404,421)	(769,361)	(105,825)	(7,457,742)	(17,244,890)
JRSF Contributions - FY2025-26	-	-	1,300,000	-	-	-	2,000,000	-	1,500,000	-	-	5,014,406	9,814,406
JRSF Pledge Receivable - FY2024-25***		2,000,000	4,200,000										6,200,000
Ending Cash	6,528,923	5,624,825	9,900,130	9,653,582	8,453,168	6,812,591	9,199,456	8,338,061	8,433,641	7,664,280	7,558,455	5,115,119	5,115,119
Deferred Revenue - Restricted****	4,056,041	3,785,242	2,904,143	2,701,783	2,972,585	2,979,688	2,986,133	2,783,773	2,581,413	2,379,053	2,176,693	1,974,333	
Unrestricted Cash	2,472,882	1,839,583	6,995,987	6,951,799	5,480,583	3,832,903	6,213,323	5,554,288	5,852,228	5,285,227	5,381,762	3,140,786	
Date Needed		8/20/2025	9/19/2025				1/30/2026		3/15/2025				

Notes:

*Three payrolls Funded

**Does not include non-cash items (i.e.: vacation, depreciation, and MWAS (Central Office) Fees to school)

Cash request from JRSF for FY2025-26

***Cash request from JRSF grant pledge of \$6.2M accrued on 06/30/25

****Reclassified Teacher Residency Grant from Deferred Revenue to AP account Due to Grantor in Sept