



Executive Summary for FY 2019-20 First Interim Report

November 21, 2019

2019-20 First Interim Report Overview

The **First Interim Report** is required by the California Department of Education (CDE) each year. Making Waves Academy (MWA) must submit the First Interim for review to its charter authorizer, the Contra Costa County Office of Education (CCCOE), by December 15th, 2019. CCCOE reviews and then submits the report to the California Department of Education (CDE).

Making Waves Academy revenues and expenditures are subject to constant change. MWA budgets are not static documents, but instead are constantly being revised to respond to decisions at the state and federal levels, as well as to the dynamic circumstances at MWA. The first interim report's financial projections have been updated to reflect current conditions and board action taken since the adoption of the original budget. With each financial report, MWA is asked to project revenues and expenditures through year-end, June 30, 2020.

Revenues Summary

- No government revenues adjustment in the first interim. We will adjust the government revenues in the Second Interim when we have the Average Daily Attendance (ADA) data.
- The Scully Related Entity (SRE) donations reduced by **\$458,806** or **4%** to match the expenses.

Expenses Summary

- The total expenses **reduced** by **2%** or **(\$458,806)**.
 - MWA expenses are **up** by **0.4%** or **\$94,258**
 - Central Office expenses **reduced** by **8%** or **(\$553,065)**.

Annual Budget Cycle

	Adopted Budget	1 st Interim Budget	2 nd Interim Budget	Unaudited Actuals
Period	July 1 – June 30	July 1 – October 31	July 1 – January 31	July 1 – June 30
Submission Date	June 30	December 15	March 15	September 15



Key Overview for First Interim Budget

Since our meeting in April 2019 for the 2019-20 Original Budget, the following key events occurred resulting in changes in this First Interim Report.

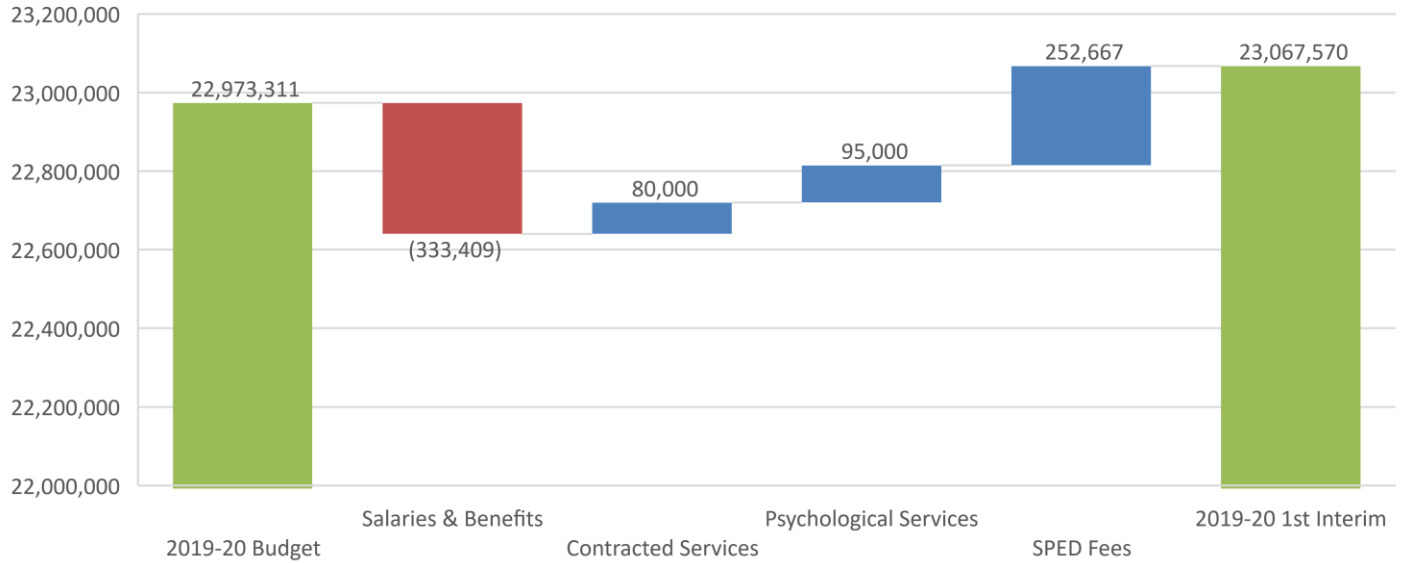
1. **Staffing Vacancies** – We did not fill all budgeted positions for faculty and staff.
2. **Psychological Services** – Add a new psychological contract to support Upper School students.
3. **WCCUSD Special Education** – WCCUSD charged MWA 2018-19 Special Education fees.
4. **Professional Development** – Saved on Teacher Residency Program tuition expense.
5. **Contract Services** – Increased contract services to support some open positions.

2019-20 First Interim Summary Richmond

Location	Original Budget	1st Interim Budget	\$ Variance	% Variance
Revenues				
Government	\$14,056,621	\$14,056,621	\$0	0%
Donation	\$1,515,000	\$1,515,000	\$0	0%
SRE	\$7,451,691	\$7,545,949	\$94,258	1%
Total Revenues	\$23,023,312	\$23,117,570	\$94,258	0.4%
Expenses				
Salaries/Benefits	\$14,436,245	\$14,102,836	-\$333,409	-2%
Supplies	\$1,541,555	\$1,541,555	\$0	0%
Contract Services	\$6,995,511	\$7,423,179	\$427,667	6%
Total Expenses	\$22,973,311	\$23,067,570	\$94,258	0.4%
Revenues - Government per ADA	\$14,355	\$14,355	\$0	0%
Expenses – Cost per Student	\$22,523	\$22,615	\$92	0%



MWA Richmond Expense Change Reconciliation Chart

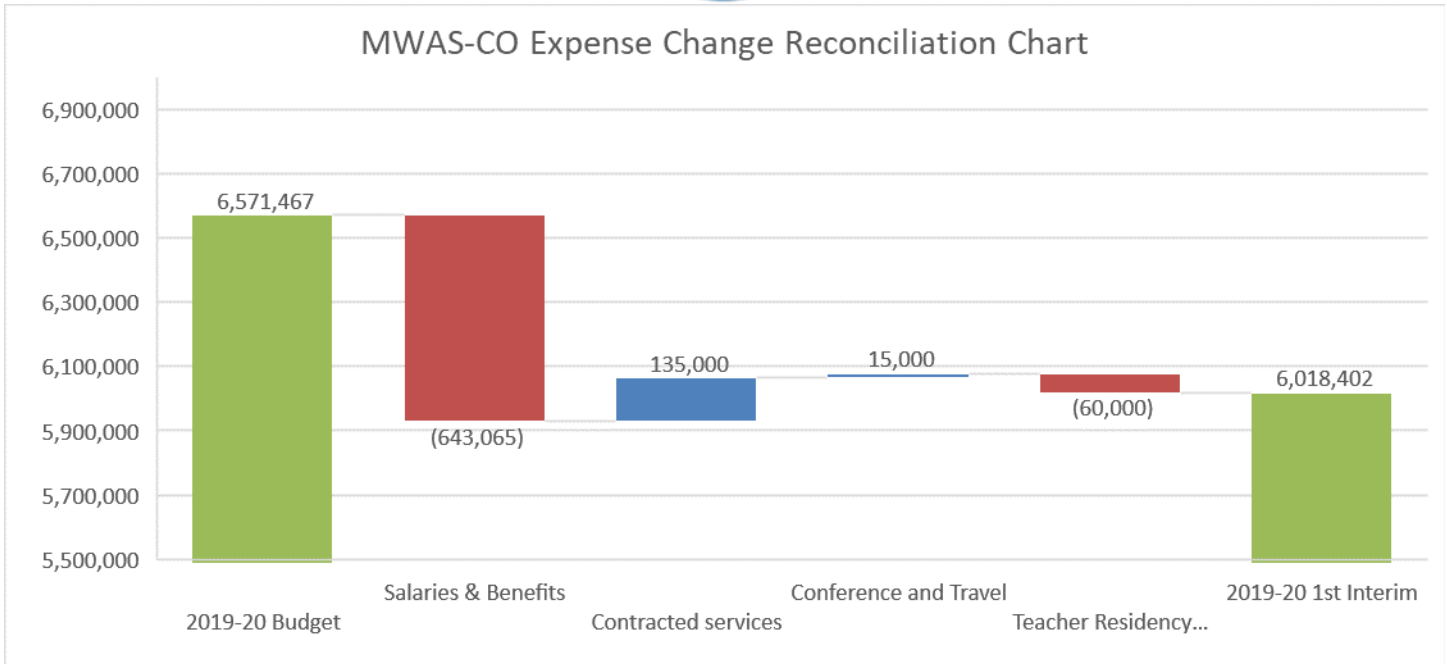


**2019-20 First Interim Summary
Central Office**

Location	Original Budget	1st Interim Budget	\$ Variance	% Variance
Revenues				
SRE	\$5,502,752	\$4,949,688	-\$553,064	-10%
Central Office (Shared Services Allocation)	\$1,068,715	\$1,068,715	\$0	0%
Total Revenues	\$6,571,467	\$6,018,402	-\$553,064	-8%
Expenses				
Salaries/Benefits	\$5,165,900	\$4,522,835	-\$643,065	-12%
Supplies	\$158,525	\$158,525	\$0	0%
Contract Services	\$1,247,042	\$1,337,042	\$90,000	7%
Total Expenses	\$6,571,467	\$6,018,402	-\$553,065	-8%



MWAS-CO Expense Change Reconciliation Chart



First Interim Changes Between the Original Budget and the First Interim Report:

REVENUES: 2019-20 – TOTAL CHANGE – DECREASED BY \$458,806 (2%)

1. Revenues

- Reduced Scully Related Entity (SRE) to match the expenses

RICHMOND EXPENDITURES: 2019-20 TOTAL CHANGES – INCREASED BY \$94,258 (0.4%)

I. Salaries and Benefits - Decreased by \$333,409 (2%)

- a. Saved on open positions and newly hired salary variances

II. Contract Services - Increased by \$427,667 (6%)

- Added a nurse contract to support vacant nurse position
- Added a new psychological service to support Upper School students
- WCCUSD charged MWA 2018-19 Special Education fees

CENTRAL OFFICE EXPENDITURES: 2019-20 TOTAL CHANGES – DECREASED BY \$553,065 (8%)

I. Salaries and Benefits - Decreased by \$643,065 (12%)

- Saved on open positions and newly hired salary variances
- Removed Director of Instructional Technology, Online System Admin, and three Teacher Resident Positions

II. Contract Services - Increased by \$90,000 (7%)

- Added contract services for HR and Talent Coordinator to support the vacant positions



- Saved on residency teachers tuition

Summary

Overall, Making Waves Academy **decreased** the budget by **\$458,807** or (2%) from the Original Budget to the First Interim.

- Saved on open positions and newly hired salary variances
- Added contract services to support the open positions
- WCCUSD charged last year Special Education fees