



Executive Summary for FY 2019-20 Second Interim Report

March 19, 2020

2019-20 Second Interim Report Overview

The **Second Interim Report** is required by the California Department of Education (CDE) each year. Making Waves Academy (MWA) must submit the Second Interim Report for review to its charter authorizer, the Contra Costa County Office of Education (CCCOE), by March 15, 2020. 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 second interim report's financial projections have been updated to reflect current conditions and board action taken since the adoption of the first interim budget. With each financial report, MWA is asked to project revenues and expenditures through year-end, June 30, 2020.

Revenues Summary

- Total government revenues **decreased** by **\$190K (-1%)**
 - Child Nutrition - \$108K
 - Title I - Basic Grant - \$82K

- The Scully Related Entity (SRE) donations **decreased** by **\$990K (-8%)** to match the expenses.

Expenses Summary

- The total expenses **decreased** by **\$1,179,912 (-4%)**
 - MWA expenses **decreased** by **\$495,602 (-2%)**
 - Central Office expenses **decreased** by **\$684,310 (-11%)**

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 the Second Interim Budget

Since our meeting in November 2019 for the First Interim Budget, the following key events occurred, resulting in changes in this Second Interim Report.

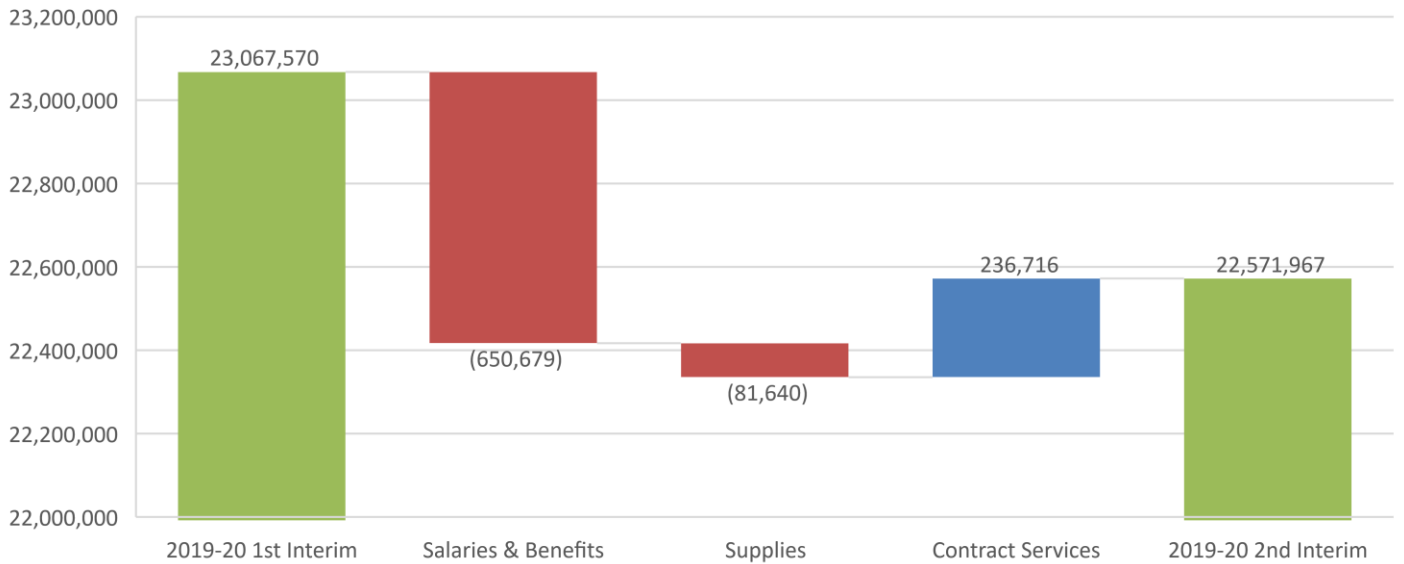
1. **Staffing Vacancies** - We did not fill all budgeted positions for faculty and staff.
2. **Staff Reductions** - We eliminated various positions in both MWA and the Central Office.
3. **Students Food** - We have fewer students eating school meals.
4. **School Utilities** - We increased the utility budget to reflect actual expenses incurred for new buildings. The higher than estimated amount is also partly due to delays in connecting new upper school buildings to the grid for power credits.
5. **Contract Services** - We increased contracted services to support some open positions.

2019-20 Second Interim Summary Richmond

Location	Original Budget	1st Interim Budget	2nd Interim Budget	\$ Variance (1 st vs. 2 nd Interim)	% Variance
Revenues					
Government	\$14,056,621	\$14,056,621	\$13,871,273	-\$185,348	-1%
Donation	\$1,515,000	\$1,515,000	\$1,514,316	-\$684	0%
SRE	\$7,451,691	\$7,545,949	\$7,236,378	-\$309,571	-4%
Total Revenues	\$23,023,312	\$23,117,570	\$22,621,967	-\$495,603	-2%
Expenses					
Salaries/Benefits	\$14,436,245	\$14,102,836	\$13,452,157	-\$650,679	-5%
Supplies	\$1,541,555	\$1,541,555	\$1,459,915	-\$81,640	-5%
Contract Services	\$6,995,511	\$7,423,179	\$7,659,895	\$236,716	3%
Total Expenses	\$22,973,311	\$23,067,570	\$22,571,967	-\$495,603	-2%
Revenues - Government per ADA	\$14,355	\$14,355	\$14,166	-\$189	-1%
Expenses – Cost per Student	\$22,523	\$22,615	\$22,129	-\$486	-2%



MWA Richmond Expense Change Reconciliation Chart

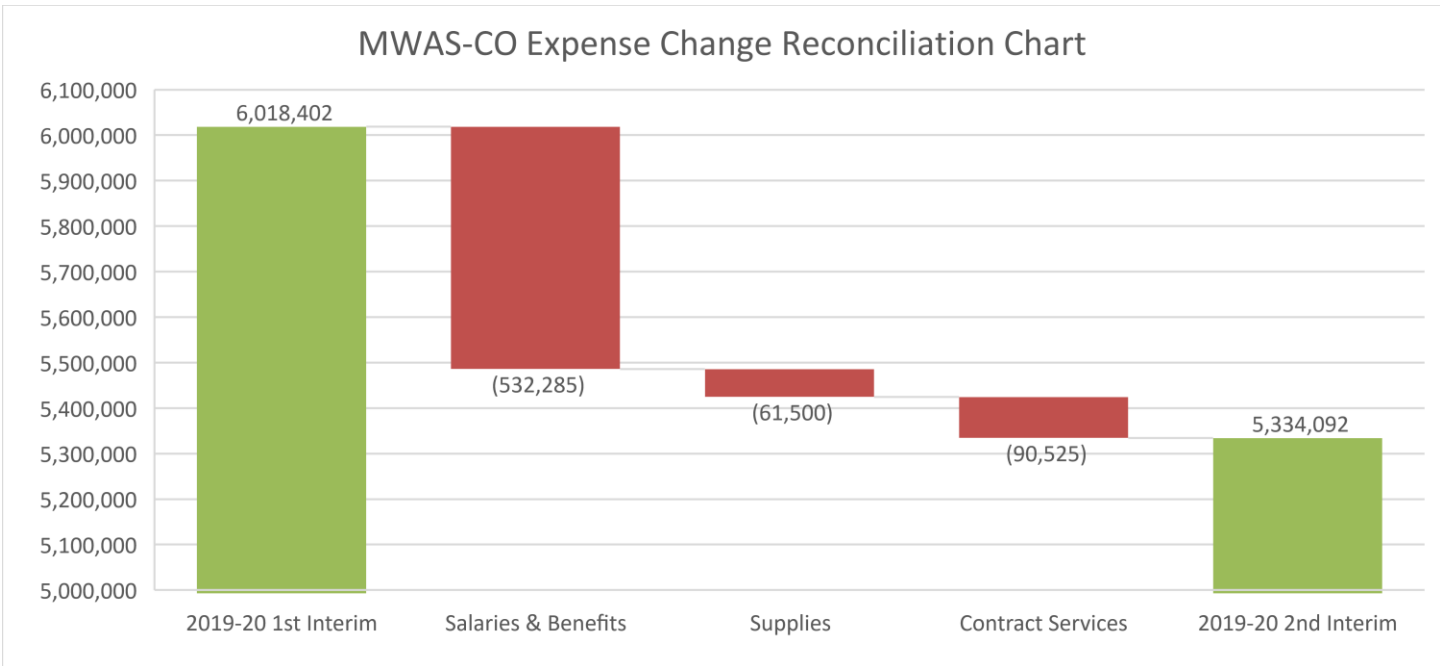


**2019-20 Second Interim Summary
Central Office**

Location	Original Budget	1st Interim Budget	2 nd Interim Budget	\$ Variance (1 st vs. 2 nd Interim)	% Variance
Revenues					
SRE	\$5,502,752	\$4,949,688	\$4,265,378	-\$684,310	-10%
Central Office (Shared Services Allocation)	\$1,068,715	\$1,068,715	\$1,068,715	\$0	0%
Total Revenues	\$6,571,467	\$6,018,402	\$5,334,092	-\$684,310	-8%
Expenses					
Salaries/Benefits	\$5,165,900	\$4,522,835	\$3,990,550	-\$532,285	-12%
Supplies	\$158,525	\$158,525	\$97,025	-\$61,500	-39%
Contract Services	\$1,247,042	\$1,337,042	\$1,246,517	-\$90,525	-7%
Total Expenses	\$6,571,467	\$6,018,402	\$5,334,092	-\$684,310	-11%



MWAS-CO Expense Change Reconciliation Chart



Key Changes Between the First Interim and the Second Interim Budget:

REVENUES: 2019-20 – TOTAL CHANGES – DECREASED BY \$1,179,912 (-4%)

Revenues

- Government revenues reduced for Child Nutrition and Title I grant
- Reduced Scully Related Entity (SRE) donations to match the reduced expenses

RICHMOND EXPENDITURES: 2019-20 TOTAL CHANGES – DECREASED BY \$495,603 (-2%)

i. Salaries and Benefits - Decreased by \$650,679 (-5%)

- Saved on open positions
 1. Upper School Science Teacher
 2. Upper School Biology Teacher
 3. Math Coaches
 4. Maker Space Coordinator
- Saved on eliminated positions
 1. Executive Assistant
 2. Parent Engagement Coordinator
 3. Middle School Director
 4. Upper School Director
 5. Upper Applied Technology Coordinator
- Saved on health insurances
- Saved on State Teacher Retirement System (STRS)



II. Supplies - Decreased by \$81,640 (-5%)

- Saved on students food
- Saved on other supplies

III. Contract Services - Increased by \$236,716 (3%)

- Increased utilities budget to reflect actual utility expenses incurred
- Increased substitute teachers due to teacher vacancies
- Increased AP exam fees
- Increased Special Education contracted services

CENTRAL OFFICE EXPENDITURES: 2019-20 TOTAL CHANGES – DECREASED BY \$684,310 (-11%)

I. Salaries and Benefits - Decreased by \$532,285 (-12%)

- Saved on open positions
- Saved on eliminated positions
 1. Director of Teacher Residency
 2. Director of Instructional Technology
 3. Data & Online Systems Administrator
 4. Operations Assistant
 5. Chief Operating Officer
 6. Director of Human Resources
 7. Director of Compliance
 8. Senior Director of Curriculum Instruction
 9. Senior Director of Elementary Learning
 10. Chief Learning & Innovation Officer
- Saved on health insurance benefits

II. Supplies - Decreased by \$61,500 (-39%)

- Saved on contingency fund

III. Contract Services - Decreased by \$90,525 (-7%)

- Saved on conference and travel
- Saved on residency teachers tuition

Summary

Overall, Making Waves Academy **decreased** the budget by **\$1,179,912** or **4%** from the First Interim to the Second Interim Budget.

- Saved on open positions
- Saved on eliminated positions
- Saved on faculty and staff benefits