



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

CHARTER SCHOOL REVIEW COMMITTEE

KEVIN INGRAM, CHAIR

Joyce Mallory, Vice-Chair

**Ruben Burgos, Melinda Scott Krei, Monique Liston, Desiree
Pointer-Mace, and Glenn Steinbrecher**

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Gayle Peay, 288-1540

Thursday, March 16, 2017

5:30 PM

City Hall, Room 301-A

1. Roll call.

Meeting convened: 5:32 P.M.

Members excused: Ms. Scott Krei and Mr. Burgos

2. Review and approval of the minutes of the February 16th meeting.

Ms. Liston moved for approval of the minutes. There were no objections.

3. [160702](#)

Communication relating to administrative matters of the Charter School Review Committee.

Sponsors: THE CHAIR

Carl Cira, management oversight consultant for the committee, said that the financial scorecard rated each school and they have been doing this for four years now and it gives them an idea of the advancement of the schools. The schools are rated on the financial condition, liquidity, budgets, ability to pay their bills on time and financial performance for the year and surplus versus deficits. Per the contract, they are required to give certain monthly and quarterly financial reports, as well as annual reports and how timely those reports are received. The scorecard also gives a score for the long-term financial sustainability of the school.

Northpoint Lighthouse still hasn't sent its audit report, which they had said would be done the end of February. The school is not in existence, but was in existence last year.

King's Academy issued their audit in late February as well.

Not a lot to report this year; most of the schools have done very well.

Downtown Montessor - continues to do better and better every year and shows more surpluses every year. Reports are being submitted timely. They had a score of 92 (up from 91 last year). Mr. Steinbrecher asked for clarification on restricted and unrestricted assets and how they're listed.

The scorecard will be modified to include the data from the management oversight

document. Ms. Pointer-Mace also suggested putting the data for 8 schools on one sheet so that someone could easily compare across the schools. Mr. Steinbrecher will review the new draft before the rest of the committee does.

Central City Cyberschool - great-looking balance sheet and each year increasing in their unrestricted assets and they are almost debt-free now. Next year going forward they will have an additional \$460,000 in unrestricted assets, which is excellent. They did have one issue with not being in compliance with their insurance requirements, which they have rectified. Ms. Peay is now monitoring the insurance requirements for all the schools. Mr. Steinbrecher recommended dropping their score by one point because of this, which Mr. Cira will do. Smaller schools are at a disadvantage relating to internal controls as there are so few people to serve in multiple functions, such as one person writing a check and having someone else sign it, which is more difficult with only three staff members. Their monthly reports and audits were always timely. Their scorecard did drop a few points due to the insurance issue, so they'll be down from a 95 to a 92.

DL Hines Academy - another solid school that has been in existence 14 years and has an increase in unrestricted assets of \$150,000. Their ratio of assets to liability is 5.8:1, which is very good. They have a lot of cash and very few liabilities and audits and reports were timely. Their score card increased from a 92 to a 94. They had no donations last year and only \$3,000 in fundraising.

Milwaukee Academy of Science - they have \$1.7 million in unrestricted net assets, which is 17% of their yearly revenue. They have \$11 million in debt, primarily due to building costs. Their ratio of unrestricted assets to liability is 3.4:1. The annual audit was submitted timely, but reports were late in the beginning of the year, but are now timely. Their scorecard is a 93 (will be increased from a 92 on the draft scorecard after he talked to their accountant). Mr. Cira will change it from "unrestricted" cash to "operating" cash where needed.

King's Academy - they pretty much broke even with a \$10,000 deficit from last year. Their reports were submitted late and their audit was submitted very, very late. Their scorecard went from an 87 to an 83.

Milwaukee Collegiate Academy - they had a deficit from last year, which was an aberration so it's not a big concern. Their net assets have gone from \$100,000 to \$600,000 over the past four years and they have a 3:1 ratio of assets to liability. They are projecting a small surplus (\$50,000) for this year and it seems to be tracking that way. Their contribution revenue was down last year, but seems to be going up this year. Audits were timely and reports earlier in the year were not timely. The scorecard went from a 93 to a 90.

Milwaukee Math and Science Academy - solid financial position with a small deficit of \$54,000. They have a net asset balance of \$486,000, which is decent and 2.82:1 ratio of assets to liabilities. The audit was timely and the reports were formerly late, but are now timely. Their scorecard increased to 89 (last year's lower score was related to sporadic reports and an untimely audit).

Escuela Verde - the smallest school that is almost hitting \$1 million in revenues and they are well-managed financially and they have net assets of \$278,000. Mr. Cira will correct how many years the school has been in operation and will change the dates for the year as well. The audit was timely and several reports were untimely and there are still issues with reports not being timely. Ms. Mallory suggested it's time they hire a chief financial officer. Their scorecard increased from an 85 to an 89. The chair will have a letter sent to this school relating to timely filing of its reports.

Northpoint Lighthouse - Incomplete information so can't even be reviewed. The school isn't responding to requests for information. Ms. Peay will ask the City Attorney to issue a letter on behalf of the Committee.

Rocketship - the school has had significant deficits in its 3 years of operation, currently totaled at \$1.9 million. The organization as a whole has an excellent balance sheet, but this school's is very weak. The school is projecting a loss this year of \$150,000 and a surplus of \$50,000 next year and surpluses for each year thereafter. Mr. Cira doesn't have any real concerns yet. Audit was timely and the reports had been late, but are now timely. Their scorecard is 68 from last year's score of 70.

Ralph Weber - Board chair - said the children and families are succeeding due to the support from the national level and the school's enrollment is on target.

ML Tharps was awarded the contract for next year and Mr. Steinbrecher had one suggestion of what he wanted to see next year. Ms. Mallory would like to know about contributed revenue, such as through fundraising. Mr. Cira will provide copies of all the audit reports to Ms. Peay and will cc Mr. Steinbrecher. Ms. Mallory noted that student retention and revenue correlate.

Meeting adjourned: 6:32 P.M.

Linda M. Elmer

Staff Assistant

This meeting can be viewed in its entirety through the City's Legislative Research Center at <http://milwaukee.legistar.com/calendar>.