

The Milwaukee Science  
Education Consortium, Inc.,  
d/b/a Milwaukee Academy  
of Science

Financial Statements  
and Supplemental Information

Years Ended June 30, 2025 and June 30, 2024



# Milwaukee Science Education Consortium, Inc.

Years Ended June 30, 2025 and 2024

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## **Independent Auditor's Report**

Board of Directors  
Milwaukee Science Education Consortium, Inc.  
Milwaukee, Wisconsin

### ***Report on the Audit of the Financial Statements***

#### ***Opinion***

We have audited the accompanying financial statements of Milwaukee Science Education Consortium, Inc. (the "School") d/b/a Milwaukee Academy of Science, a nonprofit organization, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Milwaukee Science Education Consortium, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Milwaukee Science Education Consortium, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Milwaukee Science Education Consortium, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Milwaukee Science Education Consortium, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Milwaukee Science Education Consortium, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Other Matter***

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Milwaukee Science Education Consortium, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Milwaukee, Wisconsin

January 30, 2026

# Milwaukee Science Educational Consortium, Inc.

## Statements of Financial Position

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current assets:		
Cash and cash equivalents	\$ 6,332,883	\$ 6,781,831
Accounts receivable	5,418	264,072
Prepaid expenses	181,807	244,361
Grants receivable	634,034	3,279,256
Promises to give, current portion	338,237	213,237
<b>Total current assets</b>	<b>7,492,379</b>	<b>10,782,757</b>
Other assets:		
Reserve funds - restricted	2,964,175	3,125,327
Promises to give, net of current portion	211,901	264,178
<b>Total other assets</b>	<b>3,176,076</b>	<b>3,389,505</b>
Property and equipment, net of accumulated depreciation	21,361,743	19,312,133
<b>TOTAL ASSETS</b>	<b>\$ 32,030,198</b>	<b>\$ 33,484,395</b>

See accompanying notes to the financial statements.

# Milwaukee Science Educational Consortium, Inc.

## Statements of Financial Position (Continued)

June 30, 2025 and 2024

<b>Liabilities and Net Assets</b>	<b>2025</b>	<b>2024</b>
Current liabilities:		
Current portion of bonds and notes payable	\$ 393,754	\$ 313,277
Accounts payable	1,224,126	1,314,016
Accrued payroll and payroll taxes	1,495,989	892,035
Refundable advance liability	7,215	32,775
Accrued interest	223,537	168,850
Other accrued expenses	29,006	28,720
<b>Total current liabilities</b>	<b>3,373,627</b>	<b>2,749,673</b>
<b>Bonds and notes payable, net of current portion</b>	<b>15,174,459</b>	<b>15,026,947</b>
<b>Total liabilities</b>	<b>18,548,086</b>	<b>17,776,620</b>
Net assets:		
Without donor restrictions	12,942,094	14,878,373
With donor restrictions	540,018	829,402
<b>Total net assets</b>	<b>13,482,112</b>	<b>15,707,775</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 32,030,198</b>	<b>\$ 33,484,395</b>

See accompanying notes to financial statements.

# Milwaukee Science Educational Consortium, Inc.

## Statements of Activities

Years ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Federal grant revenue	\$ 4,842,402	\$ -	\$ 4,842,402	\$ 8,621,769	\$ -	\$ 8,621,769
State grant revenue						
Charter school membership program	19,148,061	-	19,148,061	15,323,178	-	15,323,178
Other state grant revenue	199,332	-	199,332	186,434	-	186,434
Contributions	1,652,348	-	1,652,348	1,709,727	489,283	2,199,010
Contributed nonfinancial assets	514,572	-	514,572	-	-	-
Special events	151,844	-	151,844	2,400	-	2,400
Interest income	368,438	-	368,438	272,223	-	272,223
Insurance proceeds	-	-	-	3,437,030	-	3,437,030
Other income	169,082	-	169,082	362,191	-	362,191
Total support and revenue before net assets released from restrictions	27,046,079	-	27,046,079	29,914,952	489,283	30,404,235
Net assets released from restrictions	289,384	(289,384)	-	345,000	(345,000)	-
Total support and revenue	27,335,463	(289,384)	27,046,079	30,259,952	144,283	30,404,235
Expenses:						
Program services expense	27,513,394	-	27,513,394	20,303,502	-	20,303,502
Supporting services expense:						
Management and general	1,332,527	-	1,332,527	3,122,447	-	3,122,447
Fundraising and development	425,821	-	425,821	286,196	-	286,196
Total expenses	29,271,742	-	29,271,742	23,712,144	-	23,712,144
Change in net assets	(1,936,279)	(289,384)	(2,225,663)	6,547,808	144,283	6,692,091
Net assets at beginning of year	14,878,373	829,402	15,707,775	8,330,565	685,119	9,015,684
Net assets at end of year	\$ 12,942,094	\$ 540,018	\$ 13,482,112	\$ 14,878,373	\$ 829,402	\$ 15,707,775

See accompanying notes to financial statements.

# Milwaukee Science Educational Consortium, Inc.

## Statements of Cash Flows

Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (2,225,663)	\$ 6,692,091
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	933,770	627,670
Debt issuance costs amortized to interest	23,923	23,923
Contributed property, plant and equipment	(514,572)	-
Changes in operating assets and liabilities:		
Promises to give, net of discount	(55,000)	(30,000)
Unamortized discount on promises to give	(17,723)	-
Grants receivable	2,645,222	(1,233,260)
Accounts receivables	258,654	(248,991)
Prepaid expenses	62,554	(60,406)
Accounts payable	(342,585)	629,964
Accrued payroll and payroll taxes	603,954	104,213
Accrued interest	54,687	(89,285)
Other accrued expenses	286	1,294
Refundable advance liability	(25,560)	22,010
<b>Net cash flows from operating activities</b>	<b>1,401,947</b>	<b>6,439,223</b>
Cash flows from investing activities:		
Deposits to reserve funds - restricted	27,352,658	28,220,338
Distributions from reserve funds - restricted	(27,191,506)	(20,056,466)
Purchases of property, plant and equipment	(2,216,113)	(6,359,523)
<b>Net cash flows from investing activities</b>	<b>(2,054,961)</b>	<b>1,804,349</b>
Cash flows from financing activities:		
Principal payments on bonds and notes payable	(275,754)	(10,090,000)
Proceeds from loan payable	479,820	4,048,977
Debt issuance costs	-	353,476
<b>Net cash flows from financing activities</b>	<b>204,066</b>	<b>(5,687,547)</b>
<b>Net change cash and cash equivalents</b>	<b>(448,948)</b>	<b>2,556,025</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>6,781,831</b>	<b>4,225,806</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 6,332,883</b>	<b>\$ 6,781,831</b>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 982,961	\$ 913,577
Property, plant and equipment in accounts payable	\$ 252,695	\$ -

See accompanying notes to the financial statements.

# Milwaukee Science Educational Consortium, Inc.

## Statements of Functional Expenses

Year Ended June 30, 2025

	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 13,396,736	\$ 30,131	\$ 239,761	\$ 13,666,628
Payroll taxes	1,280,243	22,933	8,288	1,311,464
Employee benefits	1,291,028	39,133	18,869	1,349,030
Purchased services	4,397,279	189,269	111,292	4,697,840
Advertising and recruitment	-	24,436	1,034	25,470
Food services	1,639	-	-	1,639
Printing and publications	3,762	-	-	3,762
Student transportation	1,759,503	-	-	1,759,503
Curriculum materials and supplies	281,803	-	6,536	288,339
Uniforms	25,103	86,881	-	111,984
Computer supplies	527,634	167,696	9,183	704,513
Office supplies	245,563	17,158	4,497	267,218
Utilities	295,518	325,444	151	621,113
Repairs and maintenance	867,597	224,815	21,037	1,113,449
Travel	53,486	-	439	53,925
Legal fees	20,480	-	-	20,480
Charter fee	536,196	-	-	536,196
Insurance	536,032	110,200	-	646,232
Depreciation and amortization	887,081	46,689	-	933,770
Dues	136,068	-	4,136	140,204
Miscellaneous	5,737	1,328	598	7,663
Occupancy	81,621	-	-	81,621
Interest and fiscal charges	881,859	46,414	-	928,273
Total expenses	\$ 27,513,394	\$ 1,332,527	\$ 425,821	\$ 29,271,742

See accompanying notes to financial statements.

# Milwaukee Science Educational Consortium, Inc.

## Statements of Functional Expenses (Continued)

Year Ended June 30, 2024

	Program Services	Management and General	Fundraising and Development	Total
Salaries and wages	\$ 9,773,374	\$ 49,246	\$ 140,433	\$ 9,963,053
Payroll taxes	756,613	49,107	9,625	815,345
Employee benefits	1,299,240	63,480	11,893	1,374,613
Purchased services	3,369,177	205,908	91,539	3,666,624
Advertising and recruitment	5,691	135,778	4,150	145,619
Food services	6,633	1,328	-	7,961
Printing and Publications	-	3,919	-	3,919
Student transportation	1,573,618	-	-	1,573,618
Curriculum materials and supplies	213,074	99,495	2,438	315,007
Uniforms	74,602	91,012	-	165,614
Computer supplies	161,894	82,854	7,937	252,685
Office supplies	132,571	52,448	12,007	197,026
Utilities	539,634	(80)	-	539,554
Repairs and maintenance	262,366	1,811,572	1,380	2,075,318
Travel	4,140	560	318	5,018
Charter fee	388,229	-	-	388,229
Insurance	103,665	391,566	-	495,231
Depreciation and amortization	596,287	31,383	-	627,670
Dues	2,605	-	450	3,055
Miscellaneous	14,221	2,728	4,026	20,974
Contributions	-	-	-	-
Special events	-	-	-	-
Occupancy	73,149	-	-	73,149
Interest and fiscal charges	952,719	50,143	-	1,002,862
<b>Total expenses</b>	<b>\$ 20,303,502</b>	<b>\$ 3,122,447</b>	<b>\$ 286,196</b>	<b>\$ 23,712,144</b>

See accompanying notes to financial statements.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

The Milwaukee Science Education Consortium, Inc. d/b/a Milwaukee Academy of Science (the "School") is a not-for-profit corporation incorporated on January 20, 1999 under Chapter 181 of the Wisconsin Statutes. The School operates a K4-12 College Preparatory School in Milwaukee, Wisconsin with a curriculum focused on Science, Technology, Engineering, and Math.

The School has entered into a charter school contract with the City of Milwaukee (the "City"). The contract is for a five year period, expiring in June 2028. The City can terminate the contract with the School if the City finds that the School (a) violated the terms of the contract, (b) pupils failed to make sufficient progress towards attaining the state's educational goals and expectations, (c) failed to comply with generally accepted accounting standards of fiscal management, or (d) violated the charter school law.

#### **Basis of Presentation**

The financial statements of the School have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### **Use of Estimates**

The preparation of the accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The School considers all highly liquid debt instruments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Investments held by trustee are excluded from this definition. Cash and cash equivalents included in investment accounts are considered investments.

#### **Accounts Receivable**

Accounts receivable are recorded when the School has a right to consideration in exchange for goods or services that the School has transferred to students or others. Accounts receivable consist primarily of amounts due for tuition payments and are generally uncollateralized. Payments of accounts receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Accounts Receivable** (Continued)

The carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The School uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluate receivables individually when specific customer balances no longer share those risk characteristics. No allowance for credit losses was recorded as of June 30, 2025 or 2024.

#### **Promises to Give**

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge. The discount rate used for the years ended June 30, 2025 and 2024 were 4.20% and 4.75%, respectively.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

#### **Reserve Funds - Restricted**

Reserve Funds - restricted on the statements of financial position consists of four separate funds. The debt service fund holds funds to pay for the bond's expenses, the principal fund holds funds to pay the bond's annual principal payment, the repair fund is a fund where the School is required to keep 2% of budgeted operating expenses for emergency expenses to be used to maintain the building, and the interest fund is used to pay the bonds interest expense. The School is able to access the funds of the debt service, principal and interest funds to be used for their restricted purpose. The School must get the permission of the bond holder in order to access the repair fund. The funds are invested in money market funds.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Investments

Investments are recorded at fair value. Donated investments are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which is considered a fair measure of the value at the date of donation). Investment income (including realized and unrealized gains and losses, interest, and dividends) are reported as revenue without donor restrictions unless the income is restricted by donor or law. Investment expenses, including direct internal investment expenses, if any, are netted with investment return on the statement of activities.

#### Property and Equipment

All acquisitions and improvements of property and equipment of \$5,000 at cost or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term.

#### Debt Issuance Costs

Debt issuance costs represent costs associated with obtaining debt. Unamortized financing fees and issuance discounts have been recorded as a reduction to the related debt obligation. The costs are being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method, which approximates the effective interest method.

#### Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restrictions:** Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

The School recognizes revenue from the following sources:

#### Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions, at the donor's estimated fair value, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the School.

The School does not record a receivable for pledges made by members that are considered to be intentions to give rather than obligations to pay.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

##### Government Grants

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

***Grant Awards That Are Contributions*** - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

***Grant Awards That Are Exchange Transactions*** - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

##### ***Charter School Membership Program***

The School participates in the Charter School Membership Program (the "Membership Program"), administered by the Wisconsin Department of Public Instruction ("DPI"). Under the Membership Program, the School receives tuition vouchers for students participating in the Membership Program whose families meet certain income and residency eligibility requirements. The School submits official enrollments for September and January and payments of vouchers are remitted to the School in September, December, February, and June based on enrollment data from DPI. Membership revenue contracts contain only one performance obligation, which is providing educational instruction for the nine-month school year covered by the contract. Revenue is recognized in the year in which the educational services are rendered. Revenue is recognized over time in the year in which the educational services are rendered as described above. Revenues from the Membership Program are included in state grant revenue on the statements of activities.

Tuition vouchers received by the School under the Membership Program are subject to potential refund to DPI should the School fail to adhere to certain program requirements including the incurrence of eligible educational costs. At June 30, 2025 and 2024, management has determined that no amounts are anticipated to be refunded to DPI and accordingly, no liability for refunds has been recorded by the School.

##### ***Federal and State Child Nutrition Cluster Grants***

The School receives funding from the State of Wisconsin Department of Public Instruction and the United States Department of Agriculture to provide free and/or reduced cost meals to eligible children and their families. Awards under this program are considered to be conditional contributions and are recognized as revenue as allowable qualifying expenses are incurred.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Revenue Recognition** (Continued)

##### ***Elementary and Secondary Emergency Education Relief Fund (ESSER)***

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") included Elementary and Secondary Emergency Education Relief Fund (ESSER) funds to local educational agencies ("LEAs") in Wisconsin. These funds provide emergency financial assistance to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools. This funding supports what is known as "equitable participation." The School received services and benefits from the LEA through ESSER for \$344,179 and \$5,261,589 for the years ended June 30, 2025 and 2024, respectively. The revenues associated with this program are reflected in the statement of activities in federal grant revenue.

#### **Insurance Proceeds**

The School recognizes approved insurance claims, up to the amount of expenses incurred for a claim in the fiscal year. Any proceeds in excess of expenses on insurance claims are recognized at the closeout of the claim.

#### **Advertising and Promotion**

Advertising and promotion costs are charged to operations when incurred. Advertising and promotion expense was \$1,034 and \$9,841 for the years ended June 30, 2025 and 2024, respectively.

#### **Functional Classification of Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Costs are directly charged to Program and Administration when costs are directly identifiable with the program or supporting function. Salaries and wages, employee benefits and payroll taxes are charged based on the percentage of total staff hours spent in each program area. Expenses that are not directly charged require allocation on a reasonable basis that is consistently applied. Expenses that are directly related to the amount of physical space a program area occupies are allocated based on the percentage of total building space. Other costs are allocated based on the percentage of the total amount of direct expenses in each program area which approximates time and effort.

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Income Taxes

The School is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The School is also exempt from state income tax on the related income. The School is an organization as described in Section 501(c)(3) of the Code and is exempt from filing annual federal and state returns.

The School recognizes the benefits of a tax position only after determining whether it is more likely than not that a taxing authority would sustain the tax position upon examination of the technical merits of the tax position, assuming the taxing authority has the full knowledge of all information. The School recorded no assets or liabilities related to uncertain tax positions.

#### Subsequent Events

The School has evaluated events through January 30, 2026, which is the date the financial statements were available to be issued. On August 13, 2025, MAS completed the purchase of a building in Milwaukee, Wisconsin for \$350,000. This transaction was a cash acquisition, and the building is currently being utilized for district staff office space.

### Note 2: Promises to Give

Promises to give as of June 30, 2025 and 2024 are due as follows:

	<b>2025</b>	<b>2024</b>
Receivable Within One Year	\$ 338,237	\$ 213,237
Receivable in One to Two Years	300,000	370,000
Totals	638,237	583,237
Less: Discount to Net Present Value	(44,862)	(62,585)
Less: Allowance on promises to give	(43,237)	(43,237)
Totals	\$ 550,138	\$ 477,415

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 3: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Money market funds are measured using \$1 as the net asset value ("NAV").

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at June 30, 2025 and 2024:

	Fair Value of Assets			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds - 2025	\$ 2,964,175	\$ -	\$ -	\$ 2,964,175
Money market funds - 2024	\$ 3,125,327	\$ -	\$ -	\$ 3,125,327

### Note 4: Investments

Investments at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Money market funds	\$ 2,964,175	\$ 3,125,327

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 5: Property and Equipment

A summary of property and equipment is as follows as of June 30, 2025 and 2024:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Land and land improvements	\$ 400,000	\$ 300,000
Buildings and building improvements	25,851,879	19,780,079
Fixed equipment	1,278,380	793,988
Construction in progress	1,416,714	5,089,527
<b>Total property and equipment</b>	<b>28,946,973</b>	<b>25,963,594</b>
<b>Less - Accumulated depreciation</b>	<b>(7,585,230)</b>	<b>(6,651,461)</b>
<b>Property and equipment - Net</b>	<b>\$ 21,361,743</b>	<b>\$ 19,312,133</b>

Construction in progress consists of renovation of one of the School's campus buildings as of June 30, 2025 and a campus expansion for the School as of June 30, 2024, which was placed in service during 2025. The cost of the renovation project is approximately \$1,365,308 to be incurred in future years.

### Note 6: Bonds and Notes Payable

#### Redevelopment Education Refunding Revenue Bonds, Series 2023A

On June 1, 2023, the School entered into a promissory note with the Wisconsin Health and Educational Facilities Authority for the principal amount of the Series 2023A Redevelopment Education Refunding Revenue Bonds ("2023A Revenue Bonds") issued by Wisconsin Health and Educational Facilities Authority. A security interest was granted to Wisconsin Health and Educational Facilities Authority on all investment property, accounts receivable, deposit accounts, equipment, inventory, and intangible interests owned by the School. Wisconsin Health and Educational Facilities Authority entered into a trust agreement naming Zions First National Bank as trustee for the disbursement of proceeds, payments of principal and interest, and collection of debt service payments. Wisconsin Health and Educational Facilities Authority assigned all of its rights under the promissory notes, mortgage, and security agreement to the trustee. The trust agreement for the bonds requires the School to maintain a minimum amount on deposit, the "debt service reserve," with the bond trustee. The School makes all debt service payments directly to the trustee, who then makes payments of principal and interest to the bondholders.

The total principal amount of the Series 2023A Redevelopment Education Refunding Revenue Bonds promissory note outstanding was \$11,780,000 and \$11,985,000 as of June 30, 2025 and 2024, respectively. The interest rates on the bond is 4.50%, with interest-only payments due semi-annually starting March 15, 2024. Installments are due starting March 15, 2025, with principal maturing in varying annual amounts through March 15, 2053.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 6: Bonds and Notes Payable (Continued)

#### IFF Promissory Notes

In December 2023, the School acquired debt in the form of two promissory notes due to IFF, an Illinois not for profit corporation, in order to finance the renovation cost of a School building. The maximum principal amount the School can receive from the two IFF loans are \$3,300,000 and \$1,500,000.

The total principal amount disbursed to the School was \$4,458,045 and \$4,048,977 as of June 30, 2025 and 2024, respectively. Interest only payments are due from December 2023 through January 2025, with an annual rate on the loan of 7.25%. Principal and interest payments will commence in February 2025, with total payments of \$43,817 for 180 months. Payments may vary if total loan proceeds disbursed to the School, as of February 2025, are lesser than the maximum amount of principal available to the School.

Bonds and notes payable and debt issuance costs are presented in the accompanying statement of financial position as of June 30, is as follows:

	<b>2025</b>	<b>2024</b>
\$11,985,000 Redevelopment Education Refunding Revenue Bonds, Series 2023A, secured by a mortgage on real estate and an assignment of revenues, due in annual installments of \$205,000 to \$745,000 from March 15, 2025 through March 15, 2054, with interest only installments beginning March 15, 2024, interest of 4.50% to 5.00%	\$ 11,780,000	\$ 11,985,000
\$3,300,000 note payable to IFF, secured by mortgage, due in monthly installments of \$30,124 through December 2039, interest 7.25%	3,064,905	2,783,671
\$1,500,000 note payable to IFF, secured by mortgage, due in monthly installments of \$13,693 through December 2039, interest 7.25%	1,393,137	1,265,306
Total notes payable	16,238,042	16,033,977
Less - Unamortized debt issuance costs	(669,829)	(693,753)
Less - Current portion	(393,754)	(313,277)
Notes payable, net of current portion	\$ 15,174,459	\$ 15,026,947

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 6: Bonds and Notes Payable (Continued)

Future principal payments on the RACM Revenue Bonds at June 30, 2025, are as follows:

	IFF Loan	IFF Loan	Revenue Bonds 2023A	Total
2026	\$ 122,894	\$ 55,861	\$ 215,000	\$ 393,755
2027	132,106	60,048	220,000	412,154
2028	142,008	64,549	230,000	436,557
2029	152,653	69,388	240,000	462,041
2030	2,515,244	1,143,291	255,000	3,913,535
Thereafter	-	-	10,620,000	10,620,000
<b>Total</b>	<b>\$ 3,064,905</b>	<b>\$ 1,393,137</b>	<b>\$ 11,780,000</b>	<b>\$ 16,238,042</b>

Costs incurred of \$717,676 in issuing the revenue bonds are being amortized using the straight-line method over the life of the related debt, which is approximately 25 years. Amortization expense related to this debt was \$23,923 for 2025 and 2024. Accumulated amortization on debt financing costs are \$47,847 and \$23,924 for the year ended June 30, 2025 and 2024, respectively.

The School's bonds payable contain restrictive provisions and financial covenants which include but are not limited to the debt service coverage ratio, days cash on hand, limitations on incurrence of additional debt, and maintenance of debt service reserve and repair and replacement funds. The restrictive provisions and financial covenants must be met to avoid default on loan. The financial covenants are measured on an annual basis. The School was in violation of its debt service coverage ratio covenant for the year ended June 30, 2025. The School has received a waiver for this covenant violation for the June 30, 2025 measurement date.

### Note 7: Liquidity and Availability of Financial Resources

The School regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available fund. The School has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a twelve month period, the School considers all expenditures related to its ongoing activities of teaching and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next twelve months, the School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 7: Liquidity and Availability of Financial Resources (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 6,332,883	\$ 6,781,831
Accounts receivable	5,418	264,072
Grants receivable	634,034	3,279,256
Promises to give, current portion	338,237	213,237
Less: Net assets with donor restrictions subject to purpose restriction	(132,603)	(351,987)
<b>Total current assets available for general expenditure</b>	<b>\$ 7,177,969</b>	<b>\$ 10,186,409</b>

### Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Subject to the Passage of Time:		
Promises to give	\$ 407,415	\$ 477,715
Subject to Purpose Restrictions:		
Food service program	132,603	351,987
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 540,018</b>	<b>\$ 829,702</b>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Expiration of Time Restrictions:		
Pledges receivable	\$ 70,000	\$ 345,000
Satisfaction of Purpose Restrictions:		
Food Service Program	219,384	-
<b>Total Net Assets Released from Donor Restrictions</b>	<b>\$ 289,384</b>	<b>\$ 345,000</b>

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

### Note 9: Accounts Receivable and Contract Balances

Contract assets arise when the School transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time, such as work in process or unbilled receivables. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the School is able to invoice the customer. As of June 30, 2025 and 2024, and as of July 1, 2024, the School did not have any contract assets. Contract liabilities represent the School's obligation to transfer goods or services to a customer when consideration has already been received from the customer, such as tuition deposits and deferred revenue. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized.

Opening and closing balances for accounts receivable and contract liabilities arising from contracts with customers include:

	6/30/2025	6/30/2024	6/30/2023
Accounts Receivable	\$ 5,418	\$ -	\$ 15,081
Contract liabilities - Deferred revenue	\$ -	\$ 25,560	\$ -

### Note 10: Disaggregation of Revenues from Contracts with Customers

The following is a breakdown of the School's revenues from contracts with customers by source:

For the years ending June 30,	2025	2024
Revenues recognized at a point in time		
Special events	\$ 151,844	\$ 2,400
Revenues recognized over time		
Charter School membership program revenue	19,148,061	15,323,178
<b>Total revenues from contracts with customers</b>	<b>\$ 19,299,905</b>	<b>\$ 15,325,578</b>

# Milwaukee Science Education Consortium, Inc.

## Notes to Financial Statements

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### Note 11: Concentrations of Risk

The School maintains cash balances at BMO Harris Bank and at high-quality brokerage firms. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The School has never experienced any losses related to these balances.

State revenue from the Charter School Program, a main source of revenue for the School, accounts for 89% and 79% of total support and revenue for the years ended June 30, 2025 and 2024, respectively.

### Note 12: Contributed Nonfinancial Assets

Contributed nonfinancial assets for the years ended June 30, 2025 and 2024 consist of the following:

	2025	2024
Contracting services	\$ 514,572	\$ -
Total	\$ 514,572	\$ -

All contributed nonfinancial assets are estimated based on the current rates of these goods and services, less any direct exchange received by contributor. All donated nonfinancial assets were utilized by the School in the year received. No contributed nonfinancial assets were restricted by donors.

### Note 13: Employee Benefits

The Organization has a qualified 403(b) Plan for its employees. The Organization matches 2% of the first \$1,000 of employee contributions to the plan. The Organization made contributions totaling \$133,607 and \$99,306 for the years ended June 30, 2025 and 2024, respectively.

### Note 14: Related Parties

A board member of Milwaukee Science Education Consortium, Inc. is also an officer of a company, who provides buildings and grounds maintenance services to the School. The School paid \$1,702,397 and \$1,497,584 to the company, for maintenance services, during the years ended June 30, 2025 and 2024, respectively.

## **Supplementary Information**

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# Milwaukee Science Educational Consortium, Inc.

## Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2025

Federal Grantor/State Grantor/Cluster Title	Identifying Number	Pass-Through Grantor	Pass-Through No.	Expenditures
<b>FEDERAL EXPENDITURES:</b>				
<b>U.S. Department of Agriculture:</b>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	Wisconsin Dept. of Public Instruction	408106	\$ 631,429
National School Lunch Program (cash assistance)	10.555	Wisconsin Dept. of Public Instruction	408106	1,163,724
National School Lunch Program (non-cash assistance - Commodities)	10.555	Wisconsin Dept. of Public Instruction	408106	(23,290)
Total Child Nutrition Cluster				1,771,863
Fresh Fruit and Vegetable Program	10.582	Wisconsin Dept. of Public Instruction	408106	36,992
<b>Total U.S. Department of Agriculture</b>				<b>1,808,855</b>
<b>U.S. Department of Education:</b>				
Title I Grants to Local Education Agencies	84.010	Wisconsin Dept. of Public Instruction	408106	1,402,557
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	Wisconsin Dept. of Public Instruction	408106	427,235
Special Education Preschool Grants	84.173	Wisconsin Dept. of Public Instruction	408106	5,723
Total Special Education Cluster (IDEA)				432,958
Wisconsin Charter Schools Program	84.282	Wisconsin Dept. of Public Instruction	408106	604,546
Improving Teacher Quality State Grants	84.367	Wisconsin Dept. of Public Instruction	408106	135,411
Student Support and Academic Enrichment Grants	84.424	Wisconsin Dept. of Public Instruction	408106	82,056
COVID-19 Education Stabilization Funds	84.425	Wisconsin Dept. of Public Instruction	408106	352,729
<b>Total U.S. Department of Education</b>				<b>3,010,257</b>
<b>TOTAL FEDERAL EXPENDITURES</b>				<b>\$ 4,819,112</b>

# Milwaukee Science Educational Consortium, Inc.

## Schedule of Expenditures of Federal and State Awards (Continued)

Year Ended June 30, 2025

Federal Grantor/State Grantor/Cluster Title	Identifying Number	Pass-Through Grantor	Pass-Through No.	Expenditures
<b>STATE EXPENDITURES:</b>				
<b>Wisconsin Department of Public Instruction:</b>				
Special Education and School Age Parents	255.101	Direct	408106-100	\$ 99,966
State School Lunch Aid	255.102	Direct	408106-107	9,415
General Transportation Aid	255.107	Direct	408106-102	68,391
State Charter Schools Aid	255.109	Direct	408106-115	19,148,061
Alcohol and Other Drug Abuse (AODA)	255.306	Direct	408106-143	15,000
Educator Effective Evaluation System Grants Public	255.940	Direct	408106-154	6,560
<b>Total Wisconsin Department of Public Instruction</b>				<b>19,347,393</b>
<b>TOTAL STATE EXPENDITURES</b>				<b>\$ 19,347,393</b>

See independent auditor's report.

See accompanying notes to schedule of expenditures of federal and state awards

# Milwaukee Science Education Consortium, Inc.

## Notes to Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2025

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### **Note 1: General**

The accompanying schedule of expenditures of federal and state awards (“schedule”) includes the federal and state grant activity of Milwaukee Science Educational Consortium, Inc. under programs of the federal and state governments for the year ended June 30, 2025. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Wisconsin *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Milwaukee Science Educational Consortium, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Milwaukee Science Educational Consortium, Inc.

### **Note 2: Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

### **Note 3: Sub-recipients**

The School does not have sub-recipients of federal or state awards.

### **Note 4: Indirect Cost**

The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Milwaukee Science Education Consortium, Inc.  
Milwaukee, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Milwaukee Science Education Consortium, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, cash flows, and functional expenses, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Milwaukee Science Education Consortium, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Milwaukee Science Education Consortium, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Milwaukee Science Education Consortium, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-01 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Milwaukee Science Education Consortium, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Milwaukee Science Education Consortium, Inc.'s Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the Milwaukee Science Education Consortium, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Milwaukee Science Education Consortium, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Milwaukee Science Education Consortium, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Milwaukee Science Education Consortium, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP  
Milwaukee, Wisconsin

January 30, 2026

## **Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines**

Board of Directors  
Milwaukee Science Educational Consortium, Inc.  
Milwaukee, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

#### ***Opinion on Each Major Federal and State Program***

We have audited Milwaukee Science Education Consortium, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of Milwaukee Science Educational Consortium, Inc.'s major federal and state programs for the year ended June 30, 2025. Milwaukee Science Educational Consortium, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Milwaukee Science Education Consortium, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration (SSAG). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Milwaukee Science Education Consortium, Inc. and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Milwaukee Science Educational Consortium, Inc.'s compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts of grant agreements applicable for Milwaukee Science Educational Consortium, Inc.'s federal and state programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Milwaukee Science Educational Consortium, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve, collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgments made by a reasonable user of this report on compliance about Milwaukee Science Educational Consortium, Inc.'s compliance with the requirement of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, SSAG and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Milwaukee Science Educational Consortium, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Milwaukee Science Educational Consortium, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and SSAG, but not for the purposes of expressing an opinion on the effectiveness of Milwaukee Science Educational Consortium, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and SSAG. Accordingly, this report is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP  
Milwaukee, Wisconsin

January 30, 2026

# Milwaukee Science Education Consortium, Inc.

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

    Material weakness(es) identified?  yes     no

    Significant deficiency(ies) identified?  yes     no

Noncompliance material to financial statements noted?  yes     no

#### Federal and State Awards

Internal control over major programs:

    Material weakness(es) identified?  yes     no

    Significant deficiency(ies) identified?  yes     no

Type of auditor's report issued on compliance for major federal programs Unmodified

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with the Uniform Guidance [2 CFR 200.516(a)] or SSAG?  yes                       no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies

Identification of major state programs:

<u>Identifying Number</u>	<u>Name of State Program or Cluster</u>
255.109	State Charter School Aid

Dollar threshold used to distinguish between Type A programs:

Federal	\$750,000
State	\$250,000

Auditee qualified as low-risk auditee? No

# Milwaukee Science Education Consortium, Inc.

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

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### Section II - Financial Statement Findings

#### Finding 2025-001: Account Reconciliations and Closing Adjustments

**Criteria**

Maintenance of complete and accurate accounting records in accordance with generally accepted accounting principles ("GAAP") ensures that timely, accurate and useful information is available to management, those charged with governance, and other interested parties. Internal controls must be in place to safeguard assets and ensure accurate financial accounting and reporting. Fundamental to a good system of internal controls are thorough review processes, accurate record keeping of accounting transactions, and timely reconciliations.

**Condition**

Subsequent to providing the initial trial balances to Milwaukee Science Education Consortium, Inc.'s auditors, a combination of client prepared and audit entries were made that were deemed to be material to the financial statements.

**Cause and Effect**

Reconciliations for certain accounts that were completed at year end did not tie to the ending general ledger account balances. Resolution of these differences were required after field work began in order to accurately report year-end balances.

**Auditor's Recommendation**

Implement effective internal controls that ensure all asset, liability, and net asset account reconciliations are reviewed and that reconciled balances tie to the general ledger on a timely basis.

**View of Responsible Officials**

Management agrees with the findings and has committed to a corrective action plan.

### Section III - Federal Award Findings and Questioned Costs

None

### Section IV - State Award Findings and Questioned Costs

None

# Milwaukee Science Education Consortium, Inc.

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2025

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### Section V - Prior-Year Findings

#### Finding 2024-001: Account Reconciliations and Closing Adjustments

**Criteria**

Maintenance of complete and accurate accounting records in accordance with generally accepted accounting principles ("GAAP") ensures that timely, accurate and useful information is available to management, those charged with governance, and other interested parties. Internal controls must be in place to safeguard assets and ensure accurate financial accounting and reporting. Fundamental to a good system of internal controls are thorough review processes, accurate record keeping of accounting transactions, and timely reconciliations.

**Status**

Finding repeated at finding 2025-001 in the current year.

### Section VI - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?  yes  no

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, reportable condition, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Public Instruction

yes  no

Was a management letter or other document conveying audit comments issued as a result of this audit?  yes  no

Name and Signature of Partner

  
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Craig Hirt, CPA

Report Date

January 30, 2026