



Nativity Jesuit Academy Board of Trustees

**Annual Meeting Minutes**  
**October 7, 2020**  
**Virtual via Google Meet**

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**Members participating:** Rev. Rick Abert, S.J., Ed Kitz, Rev. Jeff LaBelle, S.J., Rev. Doug Leonhardt, S.J., Fran Maloney, Dan Nigro, Jim Parks, Jeff Ruidl, Jay Schwister (Chair), Andy Schlidt, Andrea Scrobel, Maureen Schuerman, Peggy Hauser, Stephanie Laudon, Andy Stith, Julie Steinhafel, Genaro Baez, Fr. Marco, Andres Gonzalez

**Staff members participating** Chris Banach, Josh Kraemer, Jon Nowak, Emily Schober, Vanessa Solis, Jesus Torres, Monika Sobieraski

**Guest present:** None

**Members excused:** None

**Call to Order**

Mr. Schwister called the meeting to order at 7:33 p.m. and welcomed the board members and staff.

**Ignatian Moment**

Rev. Rick Abert, S.J. led the group in prayer and read an excerpt from *What is Ignatian Spirituality*, written by David Fleming. Rev. Abert noted that the writing speaks to a world that needs to be healed. As we allow ourselves to be open, ask to be open to God who is actively desiring a deep connection and we will be surprised is that what we want most is to do God's will. Ignatian spirituality is concrete and practical way of living our relationship with God and the rest of the world. If you are looking God, the invitation is just to look around you. A reflective form of living and expectation of finding God in the world around us. Finding and responding to God in our everyday moments.

**Approval of Minutes for June 10, 2020**

Mr. Schwister asked for a trustee to entertain a motion for the approval of minutes from the June 10, 2020 board meeting. Rev. LaBelle motioned for the approval; Ms. Scrobel seconded the motion. All were in favor; as such, the minutes were unanimously approved.

**Board Discussion**

**FY20 Audit/Financials**

Mr. Kitz discussed the final audited financial statements and footnotes and management letter for FY20. He stated that the finance committee met with the auditors during the finance committee meeting and presented two items of note: changes in accounting standards which

resulted in restatement of financials and a new disclosure format for the accounting of special events. Mr. Kitz noted that the first page of the financials presents a clean audit opinion, which is consistent with prior years.

Mr. Kitz reviewed the Statements of Financial Position, highlighting that total assets were \$15,933,163, with net assets comprising \$15,251,823. Mr. Kitz noted that the Paycheck Projection Program loan for \$436,200 is considered debt until it is forgiven. The forgiveness application is expected to be submitted by management in October 2020. Mr. Kitz then moved to the State of Activities for the Year Ended June 30, 2020 and highlighted that change in net assets was \$540,767. Overall, very good financial position for the school.

Mr. Kitz explained, that due to a new accounting standard that was implemented, the presentation of the financial statements would include footnotes and disclosures for Special Events and Restatement of Prior Year Financials. Mr. Kitz explained that due to FASB ASU 2016-14, for special events (golf outing and scholarship dinner) the direct benefit to donors is recognized as revenue as an exchange transaction, while the remaining is recognized as a non-exchange transaction. Also, under the new guidelines donor restricted campaign funds are to be released once the project is completed. Since the campaign projects were not completed until FY20, FY19 net assets with donor restrictions needed to be restated to reflect the implementation of FASB ASU 2016-14. It was noted that since it is a reclassification between net assets with donor restrictions and net assets without donor restrictions, there is no impact to the aggregate net assets. This is seen on the Statements of Financial Position, Statements of Activities and called out in footnotes 20 and 23.

Mr. Kitz discussed the final page of the report, the Reserve Schedule. He noted that per-pupil cost is determine on this page, and NJA's per-pupil cost is approximately \$13,500. This amount is roughly double the state voucher that NJA receives for Choice students. Mr. Kitz explained that this page calculates eligible costs that are compared to the School Choice amounts received. NJA reports a Reserve Schedule amount of \$(6,289,959), which means that the school has spent \$6,289,959 more than it has received in Choice funding since it has joined the program five years ago. This amount is calculated on a roll-forward basis and accumulates each year. The school is using the Choice dollars for educational purposes.

Mr. Kitz discussed the management letter. He stated that this document comments on the audit process and identifies any problems or internal control issues. He explained that this is a clean management letter and is pleased with the way that management conducts business. He continued that the auditors stated that this was a smooth and efficient audit.

Mr. Parks motioned for approval of the financial statements, footnotes, and management letter for board approval, to be submitted to DPI by NJA's auditors. Rev. Leonhardt seconded the motion. All were in favor; as such, the items were unanimously approved for submission.

#### Update Decision Process for Pandemic

Mr. Schwister thanked the leadership team for making tough decisions. He noted that building the plane while it is flying is difficult and that it is certainly unrepresented times during a global pandemic.

Ms. Schuerman thanked the board for its clear support and the leadership team for its contemplative process. A hybrid learning model could be offered as early as November 16<sup>th</sup> but ensuring that processes, materials, and systems are in place during October is key. Ms. Schuerman opened the floor to questions.

Mr. Parks asked if most parents wanted a hybrid model, as he thought that staying virtual would be the outlier option. Ms. Schuerman said that due to the increased positivity rates and intergenerational households, staying virtual was the preference for most families. She also highlighted that the hybrid model burns out employees, the way that other schools are doing it. Nearby schools that have recently implemented a hybrid model, like Seton have been successful so far and Notre Dame just went hybrid this past Monday.

Fr. Marco asked if NJA will offer virtual once the switch to the hybrid model is made. Ms. Schuerman responded that NJA will as it will support children with health issues. Additionally, because of the financial ramifications of losing students, it is not only for this year, but future years, as older students are harder to replace.

Fr. Marco asked if NJA faculty would be teaching from home. Ms. Schuerman responded that teachers would need a medical note to teach from home. Fr. LaBelle added that that it is very stressful for faculty to cover both virtual and hybrid models.

Mr. Schwister commented that schools have concluded that they must offer the dual track of hybrid and 100% virtual. While NJA is not a not a first mover, it should be a fast mover based on learnings from other schools, as the near southside has been a COVID-19 micro-hotspot in WI.

Fr. Marco suggested to Ms. Schuerman to speak with the principal of MUHS to get his perspective on the dual track educational model. Mr. Stith articulated that Cristo Rey is now in the confidence building business, taking a very gradual and deliberate approach. Academic achievement was a main reason to bring students back to campus. Ms. Schuerman commented that academics, safety, social emotional and technology that is imperfect is part of the consideration. Ms. Solis added family COVID-19 cases are being tracked. The jobs that families have are high exposure and with many living in intergenerational homes, they have commented that having their children in school adds stress. Ms. Schuerman commented that the leadership team is evaluating both, short, medium, and long game.

Ms. Scobel asked about teacher morale. Ms. Solis responded that teachers want to be part of school community and are concerned about student equity, especially as it pertains to students falling behind. Hybrid is not perfect but are willing to engage to find solutions. Mr. Banach added that NJA is playing the long game. Potentially implementing a hybrid model on November 16<sup>th</sup> is good timing as there are two weeks prior to Thanksgiving, which will give time to rebalance and then there will be the Christmas break that will provide another three weeks to rebalance prior to January.

Mr. Nigro asked about IT security. Mr. Banach responded that all Chromebooks are running on a single sign on program. Students are limited to the Google platform and other education providers. Strict guidelines on using Zoom and there have been no issues with unauthorized usage.

Mr. Schwister added that with the fluid situation, NJA must be nimble and must recognize what other similar schools are doing. If the COVID-19 levels stay where they are today, we do need to get to Hybrid and start working on confidence building as Andy Stith commented. Most important thing is how we provide the best education under a pandemic, with so much uncertainty.

#### **Questions about consent agenda reports**

Mr. Schwister asked if any committee members had any items to bring up.  
Hearing none, moved on.

#### **Review local foundations for personal connections**

Ms. Schober, NJA's Advancement Director, introduced herself and outlined the process for board members to identify local foundations where they have personal connections. Ms. Schober explained that the foundations listed were broken into two categories:

- 1) Existing Foundations - supported in FY20, excluding event sponsorship.
- 2) Prospective Foundations - new or did not support NJA in FY20

The goal being to steward alignment with NJA as some foundations do not accept unsolicited applications. Ms. Schober noted that so far this year NJA has raised \$55K from warm introductions that board members have made to foundations.

Ms. Schober mentioned that she would follow up with board members based on their identified connections. Asked for board members to reach out to their circles regarding funding academic aides. Mr. Schwister reminded the board that a significant foundation is stepping down its gifts over the next 20 years, hence, the importance over the next five to seven years to acquire a more diversified donor base, reducing concentration risk.

#### **Executive Session**

Mr. Schwister asked if any trustee had a matter to raise.

Next board meeting is December 9, 2020 at 4:00 pm.

Meeting adjourned at 9:16 am.

Respectfully submitted,

Jesus Torres