

Minutes of the Meeting
The Davidson Academy Governing Board

May 23, 2024

Call to Order

The regular meeting of the Governing Board of the Davidson Academy was called to order at 2:01 p.m. This public meeting was held by videoconference allowing members of the public to hear and observe the meeting. Members of the public were invited to provide comments by telephone, through videoconference, or by email.

A. Roll Call

Roll call was completed by the Chair of the Meeting, Mark Herron. Bob Davidson, Roger Davidson, Richard Trachock, Lauralyn McCarthy-Sandoval and Kristen McNeill (joined at 2:18 p.) were present. Also present were Academy Director, Colleen Harsin; Legal Counsel, Ann Alexander; Controller, Karin Dixon; Director of Accounting, Kevin Connelly; Clerk of the Board, Aimee Fredericks; and Ken Bouchard, managing IT support for the meeting. Following completion of roll call, a quorum was confirmed.

B. Welcome and Introduction

Mark Herron welcomed Board Members and members of the public in attendance.

C. Public Comment

Mr. Herron provided instructions concerning public comment as stated under item C. of the meeting agenda.

Mark Herron stated that this meeting would be held without a physical location, but in compliance with Nevada legislation, was available for visual participation, and audio call-in for public comments. He referenced the public comment details provided in the agenda and confirmed that public comments, if made, would be received by email or by telephone. No comments were received.

D. Approval of Agenda

Mr. Herron requested a motion for approval of the agenda as submitted. Motion was made and seconded for approval of the meeting agenda. Motion carried unanimously.

E. Approval of Minutes

Mark Herron requested approval of the minutes for the meeting of February 15, 2024, under Tab 1 of the board book. Motion was made and seconded for approval of the minutes as submitted. There was no discussion, and the motion carried unanimously.

F. Reports

1. Academy Director

a. General Program Updates

Colleen Harsin, Director, advised the Board that 25 students graduated from the Davidson Academy on May 11, 2024. The last day of school moved to a half-day with approval from the state per a letter available under Tab 3 of the board books.

Admissions have concluded for the 2024-25 school year. Decisions from the last assessment are pending. Thirty-five new students have been accepted to date, ages 10-17 years. Seventeen of the accepted students are female and eighteen males. Fourteen new students are from Nevada and twenty-one are moving from out of state to attend. Bob Davidson asked whether this was the largest incoming class. Ms. Harsin responded yes, but comparable with last year's admissions numbers.

Under Tab 2 of the board books, Ms. Harsin referred Board Members to the accreditation engagement review summary and report from Cognia. The report has been provided to all stakeholders including staff and parents. Following accreditation review and analysis of standards the Davidson Academy received a 3.5 rating or higher on a 4.5 scale which exceeded the Cognia Network average. It was reflected in the report that the Davidson Academy is engaging in practices producing clear results that positively affect learners with stakeholders showing a deep commitment to the school's mission and vision. It was further noted that the Governing Board and administration placed learning at the heart of its guiding principles. Some areas for improvement are consistent with what was submitted to the review committee including further development in digital learning and progress monitoring. The student and parent survey information came back very well. The Academy will continue to provide the student and parent surveys for reporting purposes to Cognia moving forward and continuous improvement overall. Rick Trachok asked why the data appeared that the Academy was lacking in digital learning. Ms. Harsin confirmed it was somewhat a limitation of the elect observation samples as students are continuously engaged in digital learning. That said, further digital learning opportunities are being considered to improve in this area. The Davidson Academy should receive its formal accreditation in June when the Cognia committee meets.

Under Tab 4 of the board books Ms. Harsin referred Board Members to a summary of college admissions for the 2024 graduating class. Further decisions are forthcoming.

2. Media and Outreach

Under Tab 5, Ms. Harsin referred Board Members to a current summary of Media and Outreach efforts on behalf of the Davidson Academy. Consistent with this time of year, website metrics are decreased. That said, the Davidson Academy ranks highly in SEO keyword searches, most notably as #1 rank for keyword "profoundly gifted" and #2 for "school for highly gifted students."

G. General Business

1. Review, discuss, and possibly approve Amended budget for Fiscal Year 2023-2024.

Mr. Herron referred Board Members to the proposed amended budget included in their board books under Tab 6. He confirmed an increase in revenue of \$169,000 and an increase of expenses of \$161,600. The projected revenue increase is largely driven by \$311,000 in additional state support since the state support is estimated using prior years when the initial budget is prepared. One third of the revenue was provided by the state this year, which is significant. Other sources of revenue included student pass through fees and donations. One family also orchestrated a fundraising challenge that the family matched, which contributed a meaningful amount.

Concerning expenses, classroom expenses were down with cost for guidance and assessment up. This was a result of reassignment of staff based on needs and is essentially an offset. Administration expenses are up based on staff salary adjustments that were not budgeted but felt were warranted as well as an increase of admin duties. Some non-wage expenses are up including carpet replacement and repairs, new lockers and increased college advising based on increased applications. The phone system for the Davidson Academy was also replaced and removed from the University system which will result in a significant savings over the long term.

The net fund balance on the revised budget is projected to be \$31,380 which is up \$19,860, after accounting for additional depreciation due to items purchased.

Mr. Herron requested a motion for approval of the proposed amended budget as submitted to the Board. Motion was made and seconded. Mr. Herron asked if the Board had questions concerning the proposed amended budget. There was no further discussion and the motion carried unanimously.

2. Review, discuss, and possibly approve engagement of auditors Holthouse Carlin & Van Trigt to conduct required annual audit of financials by independent third party. Mark Herron recommended to the Board that Holthouse, Carlin & Van Trigt (HCVT) be retained to perform the audit for the 2023-24 fiscal year and referred the Board to Tab 7 of their board books for a copy of the engagement letter.

He reported there were a few changes in the engagement letter which now includes language regarding use of personnel outside of the United States. Also included in the engagement letter is language articulating risks inherent in audits. The engagement letter with new language now replaces the SAS 134 letter received in previous years. There have been some changes to the audit team. Kimberly Hastings, Partner, will oversee the audit, similar to years past. Diana Cirunay will assume a larger role in the audit, along with Dave Bierhorst who will provide an independent review. The audit fee decreased by \$2,000 to \$33,000 from last year.

HCVT knows the Academy, the structure of its financial statements and internal controls, and the requirements of the Department of Education and can meet the Academy's somewhat restrictive timeline for completing, reviewing, and accepting the audit report by this Board and submitting it to the state on time.

Mr. Herron recommended engaging HCVT and opened the item for Board discussion and questions. There was no discussion. Mark Herron requested a motion to approve engagement of auditors. Motion was made and seconded for approval. There was no further discussion and the motion carried unanimously.

3. Review, discuss, and possibly approve budget for Fiscal Year 2024-2025, presented as a tentative budget at public budget hearing on May 13, 2024.

Mark Herron referred Board Members to Tab 8 of their board books for consideration of the proposed budget for the 2024-2025 fiscal year. He commented that the Board had received a document for signature prior to the meeting that required presentation of the proposed budget prior to signature.

As required, a public hearing was held on the tentative budget on Monday, May 13, 2024. This was a virtual hearing, held via Zoom. The hearing was properly noticed and published in the Reno Gazette-Journal on Friday, May 3, 2024. Proof of posting, publication and minutes of the hearing were included in the board book for this meeting. Members of the public could attend this hearing virtually, make comments via email, telephone and Zoom participation. There was no participation from members of the public at this hearing.

Mr. Herron referred Board Members to their board books for a summary of the proposed budget and compared it to the approved, not amended budget for 2023-24. As a reminder, this budget no longer includes Davidson Academy Online. He reported that the proposed budget is based on 190 students.

Total revenue is budgeted at \$5,500,000, which is up \$687,000 from the current year, with \$1,750,000 coming from the state of Nevada, which is an estimate, and \$3,600,000 coming from Davidson family contributions. Total expenses are at \$5,700,000 after non-cash items which are principally the prepaid rent for the space in the Jot Travis Building, and the amortization of the leasehold improvements to the space. The net fund balance is \$24,480 which is almost \$13,000 over the prior year's budget.

Wages and benefits expenses are up by \$392,000, driven by two full-time hires and two part-time hires. Wage increases were between 4-5%. Other expenses include replacement of carpet due to a flood at the campus in May 2023. Part of this budget includes replacement of carpet not at the university's expense.

Mr. Herron requested a motion to adopt the proposed 2024-2025 budget. Motion was made and seconded. Mr. Herron opened the item for discussion and comments. Lauralyn McCarthy Sandoval asked if there would be an additional head count. Mr. Herron confirmed the budget was based on 190 student count. There was no further discussion and the motion carried unanimously.

Mr. Herron asked that the Board now sign their documents approving the amended budget and proposed budget so the budgets may be submitted to the state.

H. Public Comment

Mark Herron reiterated instructions concerning public comment as stated under item C. of the meeting agenda. No comments were received.

I. Adjournment

There being no further business to come before the Board in the public meeting, Mr. Herron asked for a motion to adjourn. Motion was made, seconded and carried unanimously. The meeting adjourned at 2:38 p.m.

Aimee Fredericks

Respectfully submitted by Aimee Fredericks, Clerk of the Board