

**Minutes of the Meeting of
The Davidson Academy of Nevada
Governing Board
May 23, 2016**

Call to Order

The regular meeting of the Governing Board was called to order at 2:05 p.m. in the Tahoe Room of The Davidson Academy of Nevada located at 1164 N. Virginia St., Reno, Nevada, 89503.

A. Roll Call

Roll call was completed by Chair of the Meeting, Bob Davidson. Mark Herron, Bruce James, Annette Whittemore, Marc Johnson, Brian Krolicki and Colleen Harsin were present. Roger Davidson, Steve Canavero, Traci Davis and Kathleen Sandoval were not present.

B. Welcome and Introductions

Bob Davidson welcomed Board members present as well as individuals attending from the public.

C. Public Comments

There were no comments from the public at this time.

D. Approval of Minutes for Meeting of February 29, 2016

Bob Davidson requested approval of the minutes for the meeting of February 29, 2016, under Tab 1 of the Board books (incorporated herein by reference). Motion was made and seconded for approval of the minutes as submitted. There was no discussion and the motion carried unanimously.

E. Approval of Agenda

Bob Davidson requested approval of the Agenda as submitted to the Board. Motion was made and seconded for approval of the meeting Agenda. Colleen Harsin and Mark Herron requested moving General Business including three financial items ahead of Reports for this meeting. There was no further discussion and the motion carried unanimously.

F. General Business

1. Approve 2015-2016 Revised Fiscal Budget

Vice President and Chief Financial Officer, Mark Herron, referred Board Members to Tab 9 of their Board books for a copy of the revised budget for Fiscal Year 2015-2016 (incorporated herein by reference). He indicated that the first revision was submitted to and approved by the Board at the November 2015 meeting which included actual student count of 156. The revised version of the budget approved in November reflected an \$1,800 difference resulting from a reduced amount in DSA funding but an increase of student enrollment from a projection of 150 to the actual enrollment of 156. Mr. Herron indicated his comparison remarks for purpose of this presentation would be in relation to the adopted budget from May 2015.

The current budget reflects \$93,000 of additional state revenue including a \$58,000 GATE Grant, revenue for six additional students at a reduced DSA rate and a prior year cash adjustment of \$11,000. The DECA program is now a for credit program resulting in \$24,000 revenue on the Academy's income statement, with a corresponding expense offset.

On the expense side there is reallocation in some of the categories including three additional staff members that began employment at various times in the school year. Cost for additional staff was offset by the tragic loss of a senior staff member at the beginning of the school year. The current revision shows an increase of \$1,334.

Motion was made and seconded for approval of the 2015-2016 revised fiscal budget. Motion carried unanimously.

2. 2016-2017 Fiscal Budget

Mr. Herron referred Board members to Tab 10 of their Board materials for a copy of the Minutes from the Public Hearing for presentation of the 2016-2017 Fiscal Budget completed on May 9, 2016, and a copy of the 2016-2017 Fiscal Budget (included herein by reference). This budget was prepared contemplating 155 students. DSA funding is no longer calculated on a one-time count day, but on a daily average. We do have a potentially significant increase in enrollment. Without knowing the DSA funding amount or actual enrollment, lower numbers were used. The budget includes a proposed private donation of \$1.7 million reflecting an increase of \$110,000 for changes in instruction, support in the administrative category and additional student count. There may be additional staff changes based on higher enrollment. There was also an increase in the instructions category for an increase in UNR tuition and replacement of Spanish textbooks. Included in the budget are asset additions including \$31,000 for 30 new student computers that are on a four-to-five year replacement cycle. Total expenses are up by \$179,000; cash surplus is down under \$10,000 to just under \$13,000. Imputed in-kind rent remains unchanged.

Mr. Herron complimented and thanked Karin Dixon, Controller for The Davidson Academy, for her thorough work in preparing the budget.

Mr. Herron motioned for approval of the 2016-2017 fiscal budget as submitted, which was seconded. Bob Davidson questioned the increase in administrative costs despite an increase in enrollment. Mark Herron responded that the Academy reached a point where additional staff was needed and also commented that the way the categories are defined by the state other costs may be included in the administrative category. Colleen Harsin also commented that a fulltime front desk person was hired so administrative staff time could be further dedicated to admissions and records and support of the development of distance learning. She indicated she would provide further information as to the itemization of costs in the administrative category. There was no further discussion and the motion carried unanimously.

3. Approve Engagement of Independent Auditors for Fiscal Year Ending June 30, 2016

Mr. Herron referred Board members to their Board materials for a copy of the Letter of Engagement from the accounting firm of Holthouse, Carlin and Van Trigt LLP. He confirmed that the substance of the letter is materially the same as received in previous years. The fee has increased by \$750 on top of a \$250 increase for the last cycle. The audit will be overseen by firm partner, John Van Trigt and audit principal Kimberly Hastings, assisted by Arcy Olguin and Michael Ohart. The firm knows the Academy, the structure of financials and internal controls, idiosyncrasies of the state and the Academy's relatedly compressed timeline to complete the audit at the close of the fiscal year with circulation of the report to the state.

Mr. Herron motioned to engage Holthouse, Carlin and Van Trigt LLP which was seconded. The motion carried unanimously.

G. Reports

1. Academy Director

a. General Program Updates

Davidson Academy Director, Colleen Harsin, began her report by referring Board Members to a Tab 2 of their Board books for a copy of the approval letter of the Academy's non-traditional calendar received from Dr. Steve Canavero, State Superintendent of Public Instruction (incorporated herein by reference). Ms. Harsin indicated that she would be sending a follow up request to Dr. Canavero to amend the

approved calendar for the 2016-2017 school year to reflect the actual student count and to reduce the school year by two days based on the state testing calendar.

Under Tab 3 of their Board books Ms. Harsin referred to her April 27, 2016, letter (incorporated herein by reference) to Dr. Marc Johnson, President the University of Nevada, Reno. Her letter included the operating plan and budget for the Davidson Academy of Nevada for the 2016-2017 academic year.

Under Tab 4, Ms. Harsin referred the Board to a copy of the submitted AdvancED Substantive Change Notification Form and email correspondence (incorporated herein by reference) concerning approval to move forward on distance learning accreditation for The Davidson Academy. Pursuant to this correspondence the distance learning version of the Academy will be accredited under the current accreditation afforded The Davidson Academy of Nevada. Additionally, the online course offerings for 2016-2017 are accredited. The online courses through the Young Scholars Program/Davidson Institute for Talent Development continue to be offered and enrollment is increasing.

Under Tab 5 of their Board materials Colleen Harsin provided a copy of the Davidson Academy Counseling Survey (incorporated herein by reference), which was sent out to students and parents for their participation at the end of the school year. Responses will be available for review at the next meeting of the Board.

b. College Planning Updates

Ms. Harsin referred Board Members to Tab 6 of their Board books for accomplishments attained and awards received by Davison Academy students (incorporated herein by reference). Specifically, Haydn Bradstreet was selected as a 2016 U.S. Presidential Scholar. Harry Fosbinder-Elkins was named a semi-finalist. Both students received a Certificate of Recognition from Governor Brian Sandoval. Melissa Bak, Hannah Huh and Ming-Li Wu received the Harvard Book Prize. Connor Novak was awarded a scholarship directly from National Merit Scholarship Corporation and 21 students from the Academy's class of 2017 will receive recognition in the 2017 National Merit Program in the fall. The Davidson Academy of Nevada DECA chapter was commended for their efforts by DECA, Inc.

Under Tab 7, Ms. Harsin provided the Board with a list of the Class of 2016 Post-Secondary Plans and updated list of College Acceptances and Enrollments for Davidson Academy graduates (incorporated herein by reference).

2. Media and Outreach

Julie Dudley, Director, Davidson Institute for Talent Development, referred Board members to a summary of Media and Outreach updates included in their Board materials under Tab 8 (incorporated herein by reference). Ms. Dudley included copies of recent media placements reporting accomplishments by Academy students including David Bauer's competing at the Intel International Science Fair and Paul Novak being chosen as an apprentice composer for the National Youth Orchestra of the United States of America. The Davidson Academy continues to be on the Washington Post list of Top Performing Schools with Elite Students. Ms. Dudley also included a copy of student Michelle Liu's essay concerning homeless awareness recently published in the Reno Gazette Journal (incorporated herein by reference).

Ms. Dudley confirmed that Academy tour numbers and eNewsletter numbers continuing to increase. She also presented the new Academy website to the Board and showed them how to navigate the site to find their individual Governing Board bio pages.

H. Correspondence

There was no correspondence received by the Board for this meeting.

