

Minutes of the Meeting
The Davidson Academy Governing Board
Sept. 17, 2018

Call to Order

The regular meeting of the Governing Board was called to order at 2 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 the Chair of the Meeting, Bob Davidson. Roger Davidson, Mark Herron, Annette Whittemore, Marc Johnson and Colleen Harsin were present. Brian Krolicki joined the meeting by conference call. Alan Boeckmann, Steve Canavero and Traci Davis were not present.

B. Welcome and Introductions

Bob Davidson welcomed Board members present. No individuals from the public attended.

C. Public Comments

There were no comments from the public.

D. Approval of Minutes for Meeting of May 14, 2018

Bob Davidson requested approval of the minutes for the meeting of May 14, 2018 under Tab 1 of the Board book (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. There was no discussion and the motion carried unanimously.

Mark Herron, Vice President and Chief Financial Officer, stated that the board received a resignation letter from Alan Boeckmann, who is moving to Dallas. Mr. Davidson confirmed there are two vacancies on the Academy Governing Board that we are actively working to fill, one appointed by the Governor and the other by the Nevada Assembly Speaker.

F. Reports

1. Vice President and Chief Financial Officer

a. Presentation of independent auditor's report for the fiscal year ended June 30, 2018

Mark Herron, Vice President and Chief Financial Officer, referred to the front pocket of the Board book with the audit letter and audit report (incorporated herein by reference), and introduced Morris Zlotowitz and Michael Ohrt of the accounting firm Holthouse, Carlin & Van Trigt LLP (HCVT) who joined the meeting by conference call. Partner John Van Trigt conducted the audit in the past, but as good practice this year there is a rotation of partners.

Mr. Zlotowitz began his presentation by stating he served as the audit partner and Mr. Ohrt as the senior manager who ran the audit. Mr. Zlotowitz stated the audit was very similar to last year, and they will be presenting the results of the audit. Mr. Ohrt will also present some of the changes in audit procedures. Mr. Zlotowitz referred the Board to the AU260 Letter (incorporated herein by reference). In terms of the results of the audit, the Academy received a "clean opinion" or

unqualified opinion, which is good. The auditors found no internal control deficiencies in the course of their audit.

Mr. Ohrt stated that each year the auditors change some aspects of the audit for unpredictability and to address any changes in the Academy's operations or risks. Last year, they performed more detailed testing around the Academy's corporate credit cards and found no issues. This year the new Online portion of the Academy was audited with more detailed testing of tuition revenues and how those are being recorded. No issues were found during the more detailed testing of these revenues.

Mr. Ohrt referenced the AU260 Letter and highlighted that there were no new accounting policies adopted during the past year, and there were no changes to the Academy's existing accounting policies. There were no new significant estimates. The most significant estimate relates to the pre-paid rent, which was recorded a number of years ago and was consistent with prior years. Mr. Ohrt said no difficulties were encountered when performing the audit, and there were no disagreements with management. Two minor adjustments were identified, both of which Ms. Dixon corrected. The first was with accounts receivable and deferred revenue with a small "grossing up" of the balance sheet and no impact to the net position for the process of billing tuition every year. The second was a small discrepancy between the allocation of payroll between the Academy and the Davidson Institute. There were no internal control deficiencies, no significant deficiencies and no material weaknesses identified during the year. Overall, this is a very "clean" audit. In closing, Mr. Zlotowitz thanked Mr. Herron and Ms. Dixon for their assistance and a smooth audit.

Motion for acceptance of the audit report was made and seconded. There was no further discussion, and the motion carried unanimously.

Mr. Krolicki asked about the extent of the engagement with the auditors. Mr. Herron responded that the auditors are engaged on an annual basis, based upon their engagement letter and capabilities, and that it is not a long-term engagement. Mr. Herron and other board members thanked Ms. Dixon.

2. Academy Director

a. General Program Updates

Davidson Academy Director, Colleen Harsin, noted the school year is underway and many of the students recently participated in the overnight lock-in. There are 155 students at the Reno campus this year. A few of the Online students now live in-state so they will fall under auditing procedures for the Distributive School Account making the Academy student number over 155.

Ms. Harsin referred to Tab 2 (incorporated herein by reference) for summer correspondence with the state to verify the Academy's school calendar for the current school year, with 154 days in session. This is the same calendar as in previous years that coincides with the University calendar.

Ms. Harsin referred to Tab 3 (incorporated herein by reference) with a series of communications between June 6, 2018 through beginning of July, when the Academy received the preliminary and revised Pupil Enrollment and Attendance Audits.

Ms. Harsin referred to Tab 4 (incorporated herein by reference) for the revised and finalized Pupil Enrollment and Attendance audit. One student left the Academy without a clear withdrawal date, but the state worked with the Academy to make that determination. The results of the previous audit were also included in the report.

Ms. Harsin referred to Tab 5 (incorporated herein by reference) with Academy's Reno campus weekly course schedule and how the Academy's 13 classrooms are being utilized. The Monday through Thursday schedule differs from Friday. Many of the Friday elective options are initiated by students, which is unique. For example, 3rd period has Independent Studies Film and Independent Studies Art. Another example is World Affairs has been switched to student-run, with staff advisor, Model UN and Academic WorldQuest competition preparation with mock demonstrations. Exhibiting leadership and knowledge, older students are leading these classes for younger students. Clubs are also student-driven and overseen by a staff advisor.

Mr. Davidson asked about the Foreign Language courses and clubs, which Ms. Harsin responded with details about the updated names for Spanish courses, and the French Club.

b. College Planning Updates

Ms. Harsin referred to Tab 6 (incorporated herein by reference) with college updates and a complete list of graduates at the next meeting. Upcoming graduates are working on their applications with early applications due November 1. This tab included a list of National Merit Semifinalists. Ms. Harsin explained the National Merit selection index score by state and how this will impact Online students, who must meet the selection index score for the state in which they live. We may have students graduating from the Online program next year.

Dr. Johnson asked why numbers are different per state which Ms. Harsin explained it has to do with population density in various states. Dr. Johnson explained that National Merit recently opened the scholarship program to undocumented high school students who live in the U.S.

Ms. Harsin noted the Massachusetts Institute of Technology (MIT) letter sent to Academy instructor, Dr. Darren Ripley, recognizing him as a teacher who has been "especially influential" to Academy student Pranit Nanda, who was accepted and is attending MIT.

3. Director of Online Learning

Stacy Hawthorne, Director of Online Learning, referred to Tab 7 (incorporated herein by reference) with a 2018-2019 Enrollment report, including a map of where the 34 Online students live throughout the U.S. Three students who attended Online last year are now attending the Academy in Reno, and another two from last year moved to southern Nevada to be in-state students this year. Ms. Hawthorne explained the "disaster policy" to work with students, who may be impacted by natural disasters, regarding their assignments.

Ms. Hawthorne explained how the team is continually working to build an online learning community. There was an in-person event in early August. Mr. Davidson suggested that Online students visiting Reno during the summer could meet with DA students. Ms. Hawthorne explained the upcoming Online Community Meetings, two which will be held in conjunction with Reno Community Meetings.

Ms. Hawthorne reviewed the course list and stated that all the Online courses have been approved through the A-G University of California system.

Ms. Hawthorne reviewed the marketing campaigns to recruit students for 2019-2020, including a mailing to a list of testers/psychologists and targeted emails to Davidson Young Scholars in various states inviting them to upcoming virtual open houses. Ms. Hawthorne explained working with Miles Media and search engine optimization (SEO). Ms. Hawthorne also mentioned regional hub events where current Online parents and students will help recruit others. The Online application is open and 10 applications already have been started.

Bob Davidson requested someone research MIT AP courses and college private student tours for Academy students. Dr. Johnson explained that the University of Nevada, Reno provides individualized tours. Mr. Davidson suggested having Academy students meet with a senior professor in the area of their interest during these tours. Brian Krolicki also stated the Academy alumni at these schools may be good contacts for students wanting to tour various campuses.

4. Media and Outreach

Julie Dudley referred to Tab 8 (incorporated herein by reference) with Media and Outreach report, which included: recent media clips; eNewsletter subscription numbers; social media links; upcoming on-site tours and virtual open house dates, and conferences. Academy student, Oliver Leitner, was named a Davidson Fellow. The Academy was listed on msn.com as one of the 50 Smartest Public High Schools in the country. Ms. Hawthorne received the BlackBoard Catalyst Award and explained the details. The Academy Overview video was viewed by the Board once the meeting was adjourned.

G. Correspondence

Mr. Boeckmann's letter of resignation from the Governing Board referred to previously is logged as correspondence. There was no other correspondence received by the Board for this meeting.

H. Public Comments

There were no comments from the public at this time.

I. General Business

The following 2019 proposed meeting dates with meetings at 2 p.m. were reviewed and the May 13, 2019 meeting was highlighted as being held at a different location:

- Tuesday, February 19, 2019 (Monday is President's Day holiday)
- Monday, May 13, 2019 – Meeting Location: KNPB, 1670 N. Virginia St.
- Monday, September 16, 2019
- Monday, November 4, 2019

J. Adjournment

There being no further business to come before the Board in public meeting, motion was made and seconded for adjournment; motion carried unanimously. The meeting adjourned at 2:58 p.m.



Respectfully submitted by Julie Dudley, Clerk of the Board