

Minutes of the Meeting
The Davidson Academy Governing Board
November 8, 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 Meeting Chair, Mark Herron. In attendance were Bob Davidson, Roger Davidson, Annette Whittemore, Lauralyn McCarthy-Sandoval, and Jhone Ebert. Also, present were Davidson Academy Director, Colleen Harsin; Legal Counsel, Ann Alexander; Vice President for Finance and Administration, Karin Dixon; Director of Accounting, Kevin Connelly; Governing Board Clerk, Aimee Fredericks; and IT Support, Ken Brouchard. Brian Krolicki, Brian Sandoval, Richard Trachok, and Joseph Ernst were not present. Following completion of roll call, a quorum of voting members was confirmed.

B. Welcome and Introduction

Mark Herron welcomed Board Members; there were no members of the public in attendance.

C. Public Comment

Mark 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

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

E. Approval of Minutes

Mark Herron requested approval of the minutes for the meeting of September 20, 2024, included in the board book for this meeting. Motion was made and seconded for approval of the minutes as submitted. Motion carried unanimously.

F. Reports

1. Academy Director

a. General Program Updates

Colleen Harsin began her report by referring board members to Tab 2 of their board books for a copy of the Davidson Academy Profit and Loss Statement for the three months ended September 30. Mark Herron confirmed that currently the Academy is at roughly 25% of both budgeted revenue and expenditures at this point, as expected three months into the fiscal year.

Under Tab 3, Ms. Harsin directed board members to the field report for the Academy's recent on-site Pupil Enrollment and Attendance Audit which was completed on October 17, 2024. There were no exceptions in terms of verification of pupil enrollment and the Academy received a clean audit. A final report will be received at a later date.

Under Tab 4, Ms. Harsin referenced a copy of the Nevada School Performance Framework for the Davidson Academy 2023-2024 school year. The information is detailed for both middle and high school. The Academy received a rating of five out of five stars for both middle and high school. The report details information about the Academy including the four-year cohort graduation rate, absenteeism, ethnicity, class size, transiency, and discipline. Tabs 5 and 6 are the same report but separated out as middle and high school. Ms. Harsin explained some of the information in detail as the report does not necessarily fully represent the Davidson Academy. Jhone Ebert further commented that the Nevada Performance Framework/Report Card is designed for reporting for most other schools in the state. She advised that she would be sure moving forward that the Academy is represented in the report. Lauralyn McCarthy-Sandoval confirmed that the scoring is currently at the best it can be due to the limited ability of how the information is calculated.

Under Tab 7, Ms. Harsin provided a list of the twenty-two Davidson Academy National Merit Semi-Finalists. Three additional students were commended. Also included under Tab 7 is a list of the national qualifying test scores. Most Davidson Academy students score well above the Nevada scores with several having perfect test scores.

2. Vice President and Chief Financial Officer

a. Nevada Department of Education chart of accounts requirements and potential expenditure for new accounting system.

Mark Herron reported that the Academy has been monitoring an ongoing issue involving the Department of Education reviewing the Academy's required periodic reporting as pertains to its receipt of state funding. These include financial reports, including the annual audit and internally prepared reports such as unaudited financial statements, balance sheet, statement of activity, general ledger and trial balance. QuickBooks has been the system predominantly used by the Davidson Academy, which is a robust small business application but does have some limitations. It is the department's view that the Academy must use a specific chart of accounts for coding and entries on the statement of activities or balance sheet. The department's chart of accounts is not compatible with QuickBooks. In order to properly report coding the state requires, Karin Dixson completes a manual translation or "crosswalk" outside of the system. This has been done without objection by the department to this point, however the department is moving to mandate transition to an accounting system that will accommodate the chart of accounts without translation. The state has previously indicated

that they would provide guidance on what software would accommodate this transition, but this has not yet been received. Through investigation it appears there are very few systems that can accommodate the extent of the state's chart of accounts, segments and characters, and the systems that can accommodate would cost \$30,000-40,000 per year with a similar amount to implement. Karin Dixson and Kevin Connelly have identified a system that may meet the state's requirements at a substantially lower cost. This matter is brought to the Board as it represents a significant expense and changes to the accounting system. Mr. Herron acknowledged that Jhone Ebert was present and asked for her comment on this issue. Ms. Ebert advised that she would like to have a more in-depth discussion on this at another time but for the context of the board meeting confirmed that these charts of accounts would be changing statewide versus the department changing the accounting process. She would like to hear and better understand the challenges so that she can address them at the state level. Mr. Herron thanked Ms. Ebert for her comments and proposed directions for moving forward on this issue.

b. Changes in methodology for invoicing the Davidson Academy for support services provided by the Davidson Group including accounting, human resources, and information technology.

Mr. Herron advised that this matter involves how certain incurred costs are accounted for by the Davidson Academy. The Davidson Academy relies on the Davidson Group for some support services that enable the academic mission of the school. These primarily relate to accounting, human resources, and technology services. The Davidson Group manages a wide range of matters for the Davidson family, and also employs the Davidson Academy staff and instructors. The Academy reimburses the Davidson Group for salary and benefit expense at cost and without mark up. These expenses have been captured through a time allocation process on an employee-by-employee basis. This process has moved to a professional services fee, for a fixed amount built into the budget and determined by estimates by employee which was approved by the Academy auditors. The Davidson Institute, a 501c3 nonprofit, is in the final stages of moving to a public charity. A separate accounting firm Moss Adams will be overseeing the changes in the Davidson Institute IRS filings, specifically the filing of Form 990, an informational return available for public disclosure. Holthouse, Carlin, and Van Tright will continue to complete the annual audit work subject to Board approval. In consultation with each of these firms, it has been decided to switch back to the time allocation process rather than the professional service fee approach to account for services. This will be implemented in the current fiscal year. This has no practical effect on this budget as it is a different approach essentially reaching the same numbers. Mr. Herron asked if the Board had any questions. Lauralyn McCarthy-Sandoval asked if this new structure would have any impact on the operation. Mr. Herron confirmed it did not and was without impact on the Academy and structurally was remaining the same.

3. Media and Outreach

Ms. Harsin advised as just a quick update on the day to day at the Academy that at this point in the school year many seniors are completing early action and decision for college and university applications. She indicated that she would provide updates on these decisions at the next meetings. Midterms are completed and the Academy is headed towards the Thanksgiving break. Up to this point daily operations are going well with seemingly less bullying instances and climate survey results are strong and consistent with continuous improvement. Additionally, the Academy is looking to incorporate a fall break for the next

school year. This appears to be a benefit for families, students, and staff, worth giving this calendar change a try. Lauralyn McCarthy Sandoval commented that this makes it easier for families in terms of planning for fall break. Mark Herron confirmed that the calendar changes would be submitted to the state.

Concerning media and outreach updates, Ms. Harsin referred Board Members to Tab 8 of their board books which include notable website mentions including Niche rankings including the Davidson Academy being ranked number two high school in the United States.

G. General Business

1. The Governing Board will review, discuss, and possibly approve a list of candidates for graduation in May 2025, subject to each candidate's completion of requirements for graduation.

Ms. Harsin requested Board approval of the proposed 2025 Davidson Academy graduates. Mark Herron asked for motion to approve proposed graduates subject to those students satisfactorily completing graduation requirements. Motion to approve was made and seconded. Motion carried unanimously.

H. Public Comment

There were no comments from the public at this time.

I. Adjournment

There being no further business coming before the Board in public meeting, Mr. Herron asked for a motion to adjourn. Motion was made, seconded, and carried unanimously. The meeting adjourned at 2:58 p.m.

Aimee Fredericks

Respectfully submitted by Aimee Fredericks, Governing Board Clerk