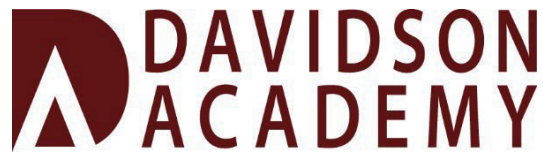




**Governing Board Meeting
Friday, September 25, 2026**



NOTICE OF MEETING

The regular meeting of the Governing Board of the Davidson Academy will be held starting at 2 p.m. on Friday, September 25, 2026.

This public meeting will be held via videoconference and there will be no physical location for the meeting. Members of the public wishing to hear and observe the meeting may do so using the following link:

<https://davidsonacademy-unr-edu.zoom.us/j/93756810664>.

Public comment for this meeting will be received via email, videoconference participation, and telephone. Those wishing to provide public comment via email may email their public comments to boardcomments@davidsonacademy.unr.edu. All public comments received via email before and during the meeting will be forwarded to the Governing Board of the Davidson Academy for their consideration and will be included in the public record as minutes but will not be read aloud during the meeting. Those wishing to provide live public comment via videoconference may do so using the following link <https://davidsonacademy-unr-edu.zoom.us/j/93756810664>. Those wishing to provide live public comment via telephone may dial +1 669 900 6833. Webinar ID: 937 5681 0664.

AGENDA

2 p.m.

- A. ROLL CALL*
- B. WELCOME AND INTRODUCTIONS*
- C. PUBLIC COMMENTS*

The public may comment on any subject that is not on the agenda that is pertinent to the Davidson Academy. Each speaker will be limited to three minutes. Public comment relating to an agenda item will be taken during discussion of that item. Comment will be limited to three minutes but speaking time may be reduced at the discretion of the chair of the meeting, if there are a large number of speakers on a given subject. No comments will be restricted based upon viewpoint.

D. APPROVAL OF AGENDA *(for possible action)*

The public is notified that the Governing Board may take items on the agenda out of order; combine two or more agenda items for consideration; remove an item from the agenda; or delay discussion relating to an item on the agenda.

E. APPROVAL OF MINUTES: Meeting of May 29, 2026 *(for possible action)*

F. CORRESPONDENCE

G. REPORTS*

1. ACADEMY DIRECTOR*
 - a. General Program Updates
 - b. College Planning Updates
2. MEDIA AND OUTREACH*

H. GENERAL BUSINESS

1. VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
 - a. Presentation of independent auditor's report for the fiscal year ended June 30, 2026 *(for possible action)*

I. PUBLIC COMMENTS*

The public may comment on any subject that is not on the agenda that is pertinent to the Davidson Academy. Each speaker will be limited to three minutes. Public comment relating to an agenda item will be taken during discussion of that item. Comment will be limited to three minutes but speaking time may be reduced at the discretion of the chair of the meeting, if there are a large number of speakers on a given subject. No comments will be restricted based upon viewpoint.

J. ADJOURNMENT *(for possible action)*

Remaining Meeting Dates for 2026

- Friday, November 20, 2026

CERTIFICATE OF POSTING OF THIS AGENDA

I hereby certify that In accordance with NRS 241.020, on or before Tuesday, September 22, 2026, at 9:00 a.m., a copy of this agenda was delivered to the post office used by the Davidson Academy addressed to each person who has requested to receive copies of Davidson Academy Governing Board meeting agendas; a copy of this agenda was emailed to each person who agreed to receive copies of Davidson Academy Governing Board meeting agendas by electronic mail; and a copy has been posted online at Notice.NV.gov and at the Academy's website (<http://www.DavidsonAcademy.UNR.edu/>). A physical copy was posted at the Davidson Academy, Reno NV, per NRS 241.020.

/s/ Aimee Fredericks
 Governing Board Clerk
 Email: afredericks@davidsonacademy.unr.edu
 Phone: 775-446-7778

Governing Board: Bob Davidson, Roger Davidson, Hon. Brian Krolicki, Mark Herron, Lauralyn Lovell McCarthy Sandoval, Richard Trachok, and Annette Whittemore; Ex-Officio: Victor Wakefield, Tiffany McMaster, and Hon. Brian Sandoval

Note: The Governing Board may take items on the agenda out of order; combine two or more agenda items for consideration; remove an item from the agenda; or delay discussion relating to an item on the agenda.

Those items followed by an asterisk () are items on the agenda upon which the Governing Board will take no action.*

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call Colleen Harsin at 775-446-7778 at least 24 hours prior to the meeting.

Copies of the packets containing support material for this agenda are available at no charge on the Davidson Academy website at <http://DavidsonAcademy.UNR.edu>. Copies may also be obtained by sending a request via email to charsin@davidsonacademy.unr.edu or by contacting Aimee Fredericks by mail at Davidson Academy, 9665 Gateway Drive, Ste. B, Reno, NV 89521, or by telephone at 775-446-7778.

Meeting agendas and minutes are available on the [Academy's website](http://www.DavidsonAcademy.UNR.edu/) (<http://www.DavidsonAcademy.UNR.edu/>).

Index

Tab 1: Minutes of Governing Board Meeting, May 29, 2026

Tab 2: Correspondence

Tab 3: Pupil Enrollment and Attendance Audit Letter, School Year 2025–2026

Tab 4: Pupil Enrollment and Attendance Audit Report, School Year 2025–2026

Tab 5: 2027 National Merit Scholarship Semifinalists

Tab 6: Media and Outreach Report

Tab 7: Baker Tilly Audit Exit Presentation, Year Ended June 30, 2026

Tab 8: Baker Tilly Report of Independent Auditors, Year Ended June 30, 2026

Tab 9: Management Representation Letter dated September 17, 2026

**Minutes of the Meeting
The Davidson Academy Governing Board
May 29, 2026**

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, Brian Krolicki, Richard Trachock, Annette Whittemore, and Lauralyn McCarthy-Sandoval, were present. Also present were Academy Director, Colleen Harsin; Legal Counsel, Ann Alexander; Vice President and General Counsel of the Davidson Group, Matthew Maccoby; Controller, Vice President of Finance and Administration, Karin Dixon; Director of Accounting, Kevin Connelly; Clerk of the Board, Aimee Fredericks; and Ken Bouchard, managing IT support for the meeting. Board Members Brian Sandoval, Joe Ernst, and Victor Wakefield were not present. Following completion of roll call, a quorum of voting board members 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 asked for a motion for approval of the agenda, requesting that the Board move General Business items to the beginning of the meeting. Motion was made and seconded for approval of the meeting agenda with the requested change of order of agenda items. Motion carried unanimously.

E. Approval of Minutes

Mark Herron requested approval of the minutes for the meeting of March 6, 2026, 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. Correspondence

Mr. Herron referred Board members to Tab 2 of their board materials for correspondence for their review. He confirmed that these items were not for discussion at this time as they were not included in the agenda. He advised that if any Board Members wish to discuss these items at a later meeting to please advise so that they may be placed on the agenda.

G. Reports

1. Academy Director

a. General Program Updates

Colleen Harsin began her report by referring Board Members to Tab 3 for the Profit and Loss statement summary of budget versus actual through March 2026. Under Tab 4, of the board materials Ms. Harsin referred to correspondence regarding contingency days for the 2025-2026 school year. Three contingency days were utilized with the last day of school landing on May 20, 2026. Under Tab 5 is correspondence from the Nevada Department of Education including Notice of Pupil Enrollment and Attendance Audit for the 2025-2026 school year which was completed in April. Also included is the preliminary report advising of a finding concerning withdrawal dates and stating that a correction of four pupil days would be accounted for in the true-up process. A final report is pending.

Under Tab 6, Ms. Harsin referred the Board to the mid-cycle progress report with regard to the Davidson Academy's accreditation with Cognia. Accreditation is about continuous improvement. Specifically, in the Academy's review it was noted that the single area of improvement identified in the progress report was to implement professional development for the integration of digital resources that enable students to gather, evaluate, and use information for learning. The Academy has since added Google Docs for writing and collaboration along with digital resources in use throughout the curriculum. Review and analysis continue with year-end student and teacher surveys. The Academy anticipates implementation of additional changes in the 2026-2027 school year.

Concerning General Program updates, on May 9, 2026, commencement was held for 41 Davidson Academy graduates. Parents also held a separate 8th grade graduation celebration at the Academy campus. Ms. Harsin reported that she continues to work closely with the Academy parent group on events with incoming families and volunteer opportunities, which remain an invaluable resource for members of the Academy community.

Ms. Harsin has started analyzing survey data for continuous improvement and revision of school policies and procedures. Specifically, she is addressing decreasing screen time, clarifying computer use policies, mitigating aspects of AI and increasing awareness of responsible use in the context of continuing to focus on the importance of developing critical thinking skills.

Ms. Harsin confirmed that admissions for the 2026-2027 school year concluded and that forty-three new students were accepted. Forty of those students have indicated that they will enroll for the new school year. At this time, it is anticipated that the total enrollment for the 2026-2027 school year will be 170 students.

b. College Planning Updates

Ms. Harsin referred Board Members to Tab 7 of their board materials for a list of schools where college and university admission was offered and where Davidson Academy students chose to enroll. Forty-one graduates applied to 146 colleges and universities with 503 applications submitted. One hundred forty-one applications received early decisions, twelve received priority decisions, and 350 received regular and rolling decisions. Two hundred and forty-three acceptances were received, forty-three were waitlisted and one hundred and seventy-four received denials, and forty-three decisions were unknown as of 5/13/2026

2. Media and Outreach

Ms. Harsin indicated that as is usual for this time of year there was a decrease in website metrics typically due to admissions being closed at this time. The Academy expects an increase when admissions reopen in the fall. Outreach continues with focus on affordability and availability of eligibility testing that is required for the Academy application.

H. General Business (for possible action)

1. Review, discuss, and possibly approve budget for Fiscal Year 2026-2027, presented as a tentative budget at public budget hearing on May 18, 2026.

Mr. Herron thanked Karin Dixon and Kevin Connelly for their work in preparing the budget and referred to Kevin Connelly for further report. Mr. Connelly directed Board Members to Tab 11, page 44, of their board materials for the Budget Summary for the 2026-27 school year.

Mr. Connelly confirmed that student enrollment for 2026-2027 school year is estimated at 170 students, similar to the actual enrollment for 2025-2026. The budget includes revenues of \$5.8 million, of which \$3.98 million is contribution from Davidson Institute, and \$1.7 million from the State of Nevada. At the time the budget was prepared, Pupil Centered Funding revenue was not available; the State of Nevada revenue was estimated with a reasonable assumption using a 2% increase over the current year actuals. The budget estimates over \$6 million in expenditures, which is an overall increase of 6% or approximately \$350,000. Excluding the non-cash items there is a net fund balance of approximately \$5,000.

Mr. Connelly reported further that wages, taxes, and benefits account for \$210,000 of the \$350,000 budget increase. This is driven in part by replacing a part-time language instruction position with a full-time position. The effective rate of wage actions was 3.97%. Health insurance rates in general are expected to increase by 10+%, but management is generally successful with negotiating rate increases below the industry average. Sixty-two thousand dollars of the increase is attributed to various IT projects, including replacing outdated staff laptops, and reflecting sharp increases in the cost of computer hardware in the upcoming year.

Student travel is increasing by \$70,000. This is mainly due to the decision to use group booking practices rather than asking students to book their own travel to competitions and events. The Academy will collect travel activity fees from families, as such there is an offsetting increase in revenue of \$60,000. The remaining \$10,000 is due to an

increase in UNR shuttle fees and an increase in transportation for staff chaperoning student competitions.

Mr. Connelly commented that increases and decreases may be noticed by department budget categories. The Nevada Dept of Education is changing the long-standing time allocation policy effective as of July 1, 2026. Historically, staff allocated time to each job function performed. Going forward, staff will allocate 100% of time to their highest job function. For example, a classroom instructor who also provided curriculum design support will now code 100% of their time to Classroom Instruction. This policy change does not impact overall expenditure, but it does impact how wages are accounted for.

Mr. Connelly advised that at the bottom of the budget summary, there is noted the non-cash items like prepaid rent and depreciation of fixed assets. The \$196,170 of prepaid rent is the annual rent expense being recorded since 2009 due to the need to amortize the renovation costs of the Academy's space in the Jot Travis building over the initial term of the lease. The prepaid rent line has decreased in comparison to the 2025-2026 budget because last year prepaid rent for the Annex space in the Jot Travis building was included.

Board Member Brian Krolicki thanked Kevin Connelly for his presentation and asked for any further comment. Karin Dixson confirmed that Kevin's presentation gave a thorough summary and overview of the budget and that the staff is very good at conveying needs at the school and classroom levels. Karin Dixson confirmed that while the Board is viewing a budget summary, extensive backup documentation exists to account for the budget totals. Mark Herron confirmed for Mr. Krolicki that from his review there were no "red flags" or concerns about the budget at this time.

Mr. Herron requested public comment on the budget; there was no comment from the public. There being no further comment, motion was made and seconded for approval of the budget as submitted, and the motion carried unanimously.

2. Review, discuss, and possibly approve revised versions of three agreements related to the proposed development, financing, construction, and leasing of a new facility for the Davidson Academy on the campus of the University of Nevada, Reno.

a. Ground Lease between the Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno (the University) and JGD Legacy Holdings, LLC

b. Fourth Amended Lease Agreement between the University and the Davidson Institute on behalf of the Academy

c. Amendment between the University and the Davidson Institute on behalf of the Academy

Mark Herron advised that this General Business item would serve to revisit items covered at the last board meeting regarding the planned new Davidson Academy building on the University of Nevada, Reno (UNR) campus. He referred to Davidson

Group General Counsel, Matthew Maccoby, for further report regarding these items that are requested to be acted on by the Board at this meeting.

Mr. Maccoby advised that at the March 6, 2026, Davidson Academy board meeting, Mark Herron reported on the progress made toward developing a new building for the Davidson Academy on the UNR campus. At that meeting, the Board approved a new ground lease between UNR and CoreLink-DA Holdings. He reminded the Board that CoreLink-DA Holdings will be a wholly owned subsidiary of CoreLink Facilities Foundation, the non-profit that the Academy is working with on this project. In addition, at that meeting the Board approved two amendments to existing agreements between UNR and the Davidson Academy. The Nevada System of Higher Education Board (NSHE) of Regents had approved all three agreements the day before the Academy's board meeting on March 6, 2026, and the Davidson Institute Board of Trustees approved all three agreements the week after the Academy's board meeting.

Mr. Maccoby reported that since the last board meeting, significant progress has been made on the project. Several design meetings were completed with the architect, Van Woert Bigotti (VWB), and the team is closing in on the new building's functional attributes. A Request for Qualifications was sent to several potential construction managers identified with the help of VWB, and detailed responses were received. Two of the construction managers were interviewed earlier this week.

Board Member Brian Krolicki asked if the new building project would be subject to the public works NRS statute as the Davidson Academy is a public school. Mr. Maccoby confirmed that this had been reviewed with legal counsel and it was determined that this project is not a public work as defined in the NRS statute.

An initial meeting with the City of Reno did not identify any significant issues. Due diligence continues on the property, including a Phase I environmental report. The Phase I report identified a likely underground oil tank on the parcel where the residence is located, and it also identified the previous removal of another underground oil tank and the remediation of some contaminated soil on a different parcel. The ground lease provides that UNR is responsible for all pre-existing conditions on the leased premises, and the team will be discussing with UNR how removal of the likely underground storage tank, if there is one, will be handled.

Mr. Maccoby advised that after the Board's last meeting, the Academy's advisors suggested one change to the lease structure Mark Herron described at the meeting. Instead of UNR entering into the ground lease with CoreLink-DA Holdings, UNR would enter into the ground lease with a wholly owned subsidiary of the Davidson Institute. The subsidiary has been named JGD Legacy Holdings, in honor of Jan Davidson's role in creating the vision for the Academy. That subsidiary would then enter into a ground sublease with CoreLink-DA Holdings. Nothing else has changed. As originally planned, CoreLink-DA Holdings would still be the entity that raises the tax-exempt financing, develops the project, enters into agreements with the architects and the construction manager, and enters into a facility lease with the Academy. The only change is the insertion of a Davidson Institute subsidiary between UNR and CoreLink-DA Holdings, as shown in the diagram included in the board package.

Mr. Maccoby stated that the Academy's advisors believe this change provides several advantages for the Academy. Among other things, (i) it increases the Academy's ultimate control over the property, and (ii) it facilitates the return to the Academy of excess cash

that will build up in CoreLink-DA Holdings because of an anticipated debt service coverage ratio; under the new structure, that excess can be paid to the new Davidson Institute subsidiary in the form of ground sublease rent.

Board Member Rick Trachok indicated that it was his understanding that once the bonds had been retired the Davidson Academy would be the ultimate owner of the lease and the improvements on the property and asked how this would affect that. Mr. Maccoby confirmed that this change would have no practical effect on the ultimate ownership of the new facility and that once the financing goes away, CoreLink-DA Holdings is also expected to go away, and the Davidson Academy would then become the owner of the facility and a direct subtenant of JGD Legacy Holdings for the remaining term of the UNR ground lease. Mr. Maccoby confirmed that JGD Legacy Holdings is a limited liability company that is a wholly owned subsidiary of the Davidson Institute and is currently managed by Mark Herron and Matthew Maccoby. CoreLink-DA Holdings remains the project entity responsible for borrowing the funds to develop the project. In response to a question from Mr. Krolicki, Mark Herron confirmed that they would be looking into insurance on the bonds used to finance the project and would be getting further into the financing details of the project. Rick Trachok asked about the initial term of the ground lease. Mr. Maccoby confirmed that the initial term commences when the lease is executed and ends 40 years from date of occupancy, with three ten-year options. Mr. Krolicki asked if municipal red book counsel had yet been identified for this transaction and said that a tax opinion would be important. Mr. Maccoby confirmed that other counsel will be identified and engaged to address a number of financing requirements.

Mr. Maccoby confirmed that changes to the ground lease were discussed with the UNR business and legal teams, and they were very supportive. Because the ground lease had not yet been executed, and because the NSHE Board of Regents' approval of the ground lease included authorization for corrective amendments to the ground lease before it was executed, UNR has agreed that the ground lease can be revised before it is executed to reflect the new lease structure. The UNR business and legal teams have approved the proposed changes to the ground lease. In addition, they have confirmed the changes do not require further approval by the NSHE Board of Regents.

Mr. Maccoby referred the Board to a redlined document in the board package comparing the revised ground lease to the draft that was approved at the last Academy board meeting. He noted that the revised ground lease still includes the provision Mark Herron mentioned at the last meeting that allows the ground lessee, now JGD Legacy Holdings, to terminate the ground lease for any reason or no reason anytime in the next several months. Mr. Maccoby advised that he expects the team to come back to this Board for additional approvals before the closing of the financing and the execution of the ground sublease and the facility lease.

Mr. Maccoby reported that the change in the ground lease structure also requires minor conforming changes to the two amendments to existing agreements between the Academy and UNR. UNR has approved those changes and has confirmed that the changes do not require further approval by the NSHE Board of Regents; that is a new development that occurred after the board package was distributed. Redlined documents were included in the board package comparing the revised amendments to the drafts that were approved at the last Academy board meeting. The revised ground lease and the two revised amendments will also be submitted to the Davidson Institute's Board of Trustees for approval.

Mark Herron requested public comment. As there was no public comment, Mr. Herron requested a motion to approve and ratify the revised ground lease and two revised amendments pursuant to the resolutions included in Tab 14 of the board package. The motion was made and seconded, and the motion passed unanimously, with Lauralyn McCarthy Sandoval abstaining.

I. Public Comment

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

J. 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 3:00 p.m.

Aimee Fredericks

Respectfully submitted by Aimee Fredericks, Clerk of the Board

From: Scott Haas <shaas@vagabond-group.com>
Sent: Monday, August 24, 2026 2:01 PM
To: Aimee Fredericks <afredericks@davidsonacademy.unr.edu>
Subject: Request for September 25 Governing Board Agenda Item

Dear Ms. Fredericks and Members of the Davidson Academy Governing Board,

I wanted to follow up on the letter I sent earlier this year regarding Davidson Academy's admissions process and Academic Readiness Assessment. The letter was included as Tab 2 in the materials for the May 29 Governing Board meeting.

At that meeting, Mr. Herron mentioned that the correspondence could not be discussed because it was not on the agenda, but that a Board member could ask to have it placed on the agenda for a future meeting.

With that in mind, I would like to ask if one or more Board members would be willing to have this issue placed on the September 25 agenda.

The main question I am hoping the Board will look at is whether Davidson's current admissions process is doing the best possible job of identifying profoundly gifted students who have the potential to succeed at the school.

One of my concerns is that a significant part of the readiness assessment is based on Davidson's own curriculum and on material that has worked well with current Davidson students. I think it is worth asking whether that could unintentionally favor students whose academic profiles are similar to students already at Davidson, while overlooking some profoundly gifted students who may have very different strengths or learning profiles.

This is bigger than my son's individual application, and I am not asking the Board to reconsider his admission decision. What I would like to see is a broader discussion of the admissions process itself, including how the different parts of the assessment are weighted and whether the process is identifying the full range of profoundly gifted students Davidson was created to serve.

It also seems like a good time for the Board to look at this because the next admissions cycle is already underway, and the Board will be responsible for the next report under NRS 388C.120 regarding the identification and recruitment of profoundly gifted students from diverse backgrounds and with diverse talents.

Ms. Fredericks, could you please forward this to Mr. Herron and the other voting members of the Governing Board?

I would appreciate knowing if a Board member is willing to request that this be placed on the September 25 agenda.

Thank you for your time and consideration.
Best,
Scott Haas

Joe Lombardo
Governor

Dr. Victor Wakefield
Superintendent of
Public Instruction



Southern Nevada Office
2080 E. Flamingo Road, Suite 210
Las Vegas, Nevada 89119-0811
Phone: (702) 486-6458
Fax: (702) 486-6450

STATE OF NEVADA
DEPARTMENT OF EDUCATION
700 E. Fifth Street | Carson City, Nevada 89701-5096
Phone: (775) 687-9200 | www.doe.nv.gov | Fax: (775) 687-1116

July 14, 2026

Ms. Colleen Harsin, Director
Davidson Academy of Nevada
1164 N Virginia Street
Reno, NV 89503
charsin@davidsonacademy.unr.edu

Mr. Bob Davidson, Governing Board President
Davidson Academy of Nevada
boardpresident@davidsonacademy.unr.edu

RE: Pupil Enrollment and Attendance Audit
School Year 2025 – 2026 (Q1 – Q4); Audit No. 26-2673-127

Dear Ms. Harsin and Mr. Davidson:

Enclosed is the report of our Pupil Enrollment and Attendance Audit for the Davidson Academy of Nevada for the 1st, 2nd, 3rd and 4th quarters of the 2025 – 2026 school year. Your response to the preliminary report findings has been incorporated into this report. We will forward a final net adjustment of minus 2 pupil days enrolled to the Department's Student Investment Division for your 1st quarter PCFP funding, minus 1 pupil day enrolled to the Department's Student Investment Division for your 2nd quarter PCFP funding and minus 1 pupil day enrolled to the Department's Student Investment Division for your 3rd quarter PCFP funding.

Since federal regulations preclude us from naming pupils in the text of a report that will be publicly available, we have enclosed the "Enrollment Adjustments" list. This list includes pupil's name, identification number, grade, school, and statutory reference. The Enrollment Adjustments list will be forwarded to school personnel only.

We appreciate the cooperation and courtesies extended to us during the course of the audit. If you have any questions, please contact me at 775-687-9231.

Sincerely,

Michael Shafer

Michael Shafer
Audit Manager

MS/ac

Enclosures: Pupil Enrollment and Attendance Audit
Enrollment Adjustments (*charter school only*)

INDEX

TAB 1

TAB 2

TAB 3

TAB 4

TAB 5

TAB 6

TAB 7

TAB 8

TAB 9

cc via email: Meredith Bub, Admissions Counselor/Registrar, mbub@davidsonacademy.com
Peggy Brown, Admissions Counselor/Registrar, pbrown@davidsonacademy.com
Aimee Fredericks, Admission & Records Manager, Davidson Academy
James Malone, Principal Program Analyst, LCB
Yuriy Ikovlev, Program Analyst, LCB
Lilliana Camacho-Polkow, Program Analyst, LCB
Michael Rankin, Executive Branch Budget Officer I, Budget Division, CFO

INDEX

TAB 1

TAB 2

TAB 3

TAB 4

TAB 5

TAB 6

TAB 7

TAB 8

TAB 9

DAVIDSON ACADEMY OF NEVADA

PUPIL ENROLLMENT AND ATTENDANCE AUDIT

SCHOOL YEAR 2025 – 2026 (Q1 – Q4)



Student Investment Division * Audit Office * Carson City, Nevada
Audit No: 26-2673-127

TABLE OF CONTENTS

INTRODUCTION..... 1

 Organization

 Program

 Objectives

 Background

PUPIL ENROLLMENT AND ATTENDANCE AUDIT..... 2

 Enrollment Verification

 Enrollment Verification Schedule

 Compliance

FINDINGS AND RECOMMENDATIONS 6

 Current School Year 2025 – 2026 (Q1 – Q4)

 Prior Audit Year 2024 – 2025 (Q1 – Q4)

RESPONSE FROM CHARTER SCHOOL 9

INTRODUCTION

Organization

Davidson Academy of Nevada

Reno, Nevada

Grades: 5-12

Locations: 1

Program

Pupil Centered Funding Plan (PCFP)

Objectives

The purpose of the examination was:

- To verify the pupil enrollment count submitted to the Department for PCFP funding by determining the integrity of the data included in the master registers, ethnic reports, and class record books.
- To monitor the School's compliance with applicable Nevada statutes and regulations.

Background

Replacing the 54-year old Nevada Plan, the PCFP prioritizes equity by funding students based on their unique needs and circumstances. The plan seeks to provide all students with a base level of resources, and to provide greater support to those who need it. In addition, for the first time ever, Nevada's education funding formula accounts for the adjusted costs of providing education in urban and rural and large and small district and school settings across Nevada.

The statutes (laws) addressing financial support of school systems, the system of public instruction, and pupil enrollment and accounting are contained in NRS 386, 387, and 388. The regulations included in the Nevada Administrative Code (NAC) 386, 387, and 388 are also pertinent.

Effective July 1, 1999, the Nevada Legislature enacted NRS 387.304, requiring NDE to conduct an annual audit of the count of pupils for apportionment purposes reported by each school district. In addition, NRS 387.1238 allows for the verification of "reports of enrollment and daily attendance submitted by any school district, charter school, or university school for profoundly gifted pupils for apportionment purposes."

PUPIL ENROLLMENT AND ATTENDANCE AUDIT

Enrollment Verification

Objective: To verify the pupil enrollment count submitted to the Department for PCFP funding by determining the integrity of the data included in the master registers, ethnic reports, and class record books.

Our audit procedures at the School may have included a physical count of all pupils in attendance. The following “Enrollment Verification Schedule” identifies the School, the average daily enrollment and total pupil days enrolled for the quarter (as submitted to NDE), the number of pupil session days adjusted, the total recalculated pupil days enrolled, and the adjusted average daily enrollment for the quarter, if applicable.

At the School, we reviewed the master register. We verified the number of pupils reported on the master register matched the ethnic report or attendance summary as of the day we were at the School. Our review of pupil withdrawal documentation included verifying the effective date of pupil withdrawals and applicable withdrawal codes. We matched dates and codes on the withdrawal documentation to the master register provided to us on the day of our visit for compliance to Nevada statutes.

If applicable, we reviewed the master register for age eligibility for pupils in Kindergarten and 12th grade.

If applicable, we reviewed the teacher contact logs for homebound pupils for minimum required contact hours for apportionment funding.

If applicable, we tested all state-funded Pre-kindergarten and Ungraded pupils for age requirements and, if applicable, to ensure IEP files were current.

If applicable, we tested a sample of 12th grade pupils who were taking fewer than six courses/semester to ensure that the pupils met the definition of being college and career ready.

Results:

Through our audit process, we could verify the average daily enrollment at the School was 173.29 for the 1st quarter, 171.04 for the 2nd quarter, and 170.07 for the 3rd quarter.

The following exception was noted:

- A total of 2 pupil days enrolled were disallowed in the 1st quarter reporting period, 1 pupil day enrolled was disallowed in the 2nd quarter reporting period and 1 pupil day enrolled was disallowed in the 3rd quarter reporting period. See Finding #26-1.

The audit may have produced enrollment disallowances/additions/grade changes for the 4th quarter. However, since the School still had time before the end of the reporting period to correct their enrollment, those pupil days enrolled were not adjusted.

Enrollment Verification Schedule School Year 2025– 2026

<u>Charter School:</u> Davidson Academy <u>Fieldwork:</u> April 13, 2026 <u>Quarter Adjusted:</u> 1 st					
Schools Tested	Average Daily Enrollment for the Quarter, as submitted to NDE (1)	Total Pupil Days Enrolled for the Quarter, as submitted to NDE	Adjusted Pupil Days Enrolled (2)	Total Recalculated Pupil Days Enrolled for the Quarter	Adjusted Average Daily Enrollment for the Quarter
Davidson Academy	173.36	5,374	-2	5,372	173.29
<u>NOTES:</u> (1) Average daily enrollment (unweighted) is calculated by dividing the number of total pupil days enrolled by the number of days in session for the reporting period. (2) See Enrollment Adjustments list for details.					

<u>Charter School:</u> Davidson Academy <u>Fieldwork:</u> April 13, 2026 <u>Quarter Adjusted:</u> 2 nd					
Schools Tested	Average Daily Enrollment for the Quarter, as submitted to NDE (1)	Total Pupil Days Enrolled for the Quarter, as submitted to NDE	Adjusted Pupil Days Enrolled (2)	Total Recalculated Pupil Days Enrolled for the Quarter	Adjusted Average Daily Enrollment for the Quarter
Davidson Academy	171.07	7,869	-1	7,868	171.04
<u>NOTES:</u> (1) Average daily enrollment (unweighted) is calculated by dividing the number of total pupil days enrolled by the number of days in session for the reporting period. (2) See Enrollment Adjustments list for details.					

Charter School: Davidson Academy

Fieldwork: April 13, 2026

Quarter Adjusted: 3rd

Schools Tested	Average Daily Enrollment for the Quarter, as submitted to NDE (1)	Total Pupil Days Enrolled for the Quarter, as submitted to NDE	Adjusted Pupil Days Enrolled (2)	Total Recalculated Pupil Days Enrolled for the Quarter	Adjusted Average Daily Enrollment for the Quarter
Davidson Academy	170.10	7,144	-1	7,143	170.07

NOTES:

(1) Average daily enrollment (unweighted) is calculated by dividing the number of total pupil days enrolled by the number of days in session for the reporting period.

(2) See Enrollment Adjustments list for details.

Compliance

Objective: *To monitor the School's compliance with applicable Nevada statutes and regulations.*

As part of obtaining reasonable assurance about compliance with Nevada statutes, NDE audit staff reviewed applicable documentation submitted by the School to ensure compliance with select statutes, rules, and regulations applicable to pupil enrollment and reporting.

Master Registers (NAC 387.171, 387.175, 387.200, 387.215)

We reviewed the current master register of enrollment and attendance to ensure all required elements are present and that it is complete and accurate. We verified the quarter ending and current master registers agreed to their corresponding ethnic reports to ensure the correct number of pupils is reported per grade level. We verified withdrawal paperwork for correct withdrawal dates, withdrawal codes, and ensured the documentation agreed to the master register.

We verified that the officer who is responsible for maintaining the School's master register of enrollment and attendance signed a statement attesting to the accuracy and truthfulness of the School's master register for the end of the prior school year, May 2025.

Class Record Books (NAC 387.163, 387.165, 387.175, 387.185, NRS 392.130)

We reviewed 10% of the class record books to ensure all the required elements are contained and compliant. We verified the School's legend of symbols to record daily attendance, enrollment, transfer, and withdrawal has been approved by the Superintendent of Public Instruction. In addition, we ensured the School is using the approved legend of symbols for recording attendance. We sampled attendance records to verify the School is following their truancy policy for excessive absences.

School Schedules (NAC 387.080, 387.100, 387.120, 387.125, 387.131, 387.140, 387.153)

We verified the School submitted their 2025 – 2026 school calendar to NDE, met the standard number of school days, or submitted an application for an alternative schedule. We verified the School received approval from the Department for offering a program of instruction based on their submitted schedule. We ensured the School's in-use calendar matched the NDE-approved calendar. We verified the School's bell schedule to ensure compliance to the minimum daily minutes of instructional time per statute.

Results:

- There were no exceptions to the compliance items we reviewed.

Except as noted above and further described in the Findings and Recommendations section, the School appears to be in compliance with the above applicable Nevada statutes.

FINDINGS AND RECOMMENDATIONS

Current School Year 2025 – 2026 (Q1 – Q4)

26-1. FINDING:

Disallowances:

A. Incorrect withdrawal date:

NAC 387.215 defines the reasons a pupil should be withdrawn from a school. NAC 387.200 defines a pupil's effective date of withdrawal and states, "If a pupil: (a) Enrolls in another school, the effective date of withdrawal is the last day the pupil attended class. (c) establishes the withdrawal date as the last day that the pupil attended class for those pupils who don't enroll in another school."

During our review, we noted one 8th grade pupil, two 10th grade pupils and one 12th grade pupil had incorrect withdrawal dates.

These errors resulted in minus 2 pupil days enrolled in the 1st quarter, minus 1 pupil day enrolled in the 2nd quarter and minus 1 pupil day enrolled in the 3rd quarter.

Once the audit has been finalized, NDE will make a net adjustment to the 1st quarter reported count for apportionment of minus 2 pupil days enrolled. This brings the School's average daily enrollment for the period from 173.36 to 173.29 (*unweighted*). The funding amount will be adjusted based on a decrease of 0.07 unweighted pupils.

Once the audit has been finalized, NDE will make a net adjustment to the 2nd quarter reported count for apportionment of minus 1 pupil day enrolled. This brings the School's average daily enrollment for the period from 171.07 to 171.04 (*unweighted*). The funding amount will be adjusted based on a decrease of 0.03 unweighted pupils.

Once the audit has been finalized, NDE will make a net adjustment to the 3rd quarter reported count for apportionment of minus 1 pupil day enrolled. This brings the School's average daily enrollment for the period from 170.10 to 170.07 (*unweighted*). The funding amount will be adjusted based on a decrease of 0.03 unweighted pupils.

RECOMMENDATION: We recommend that the School complies with the above regulations to ensure that the withdrawal records are complete and accurate. We also recommend that the School continues providing training to the school staff involved in the determination of the effective withdrawal dates and posting those dates to the school's Master Registers.

RESPONSE: The School stated that Aimee Fredericks, Admissions and Records Manager, was assigned responsibility for correcting this finding. Corrective actions were completed during the in-person audit on April 13, 2026, to ensure accurate and complete student withdrawal records for the Davidson Academy in accordance with NAC 387.200. The School also acknowledges the disallowances associated with Finding 26-1.

STATUS: The School’s corrective action is acceptable.

FINDINGS AND RECOMMENDATIONS

Prior Audit Year 2024– 2025 (Q1 – Q4) OR 2025-2026 (Q1)

25-1. FINDING: NAC 387.171 states that each school must maintain a master register and defines the information it must contain. NAC 387.050 defines “Enrolled pupil” as “...a pupil who has been admitted to a public school to attend a schedule of classes and who has been in attendance in a classroom for at least 1 day.” NAC 387.185.1 states, “...a pupil may be counted as in attendance only if the pupil is actually at school or engaged in an activity which is ...(a) Sponsored by the school...”

- During our review, we noted one 6th grade pupil had an incorrect enrollment date. This error resulted in 9 disallowed pupil days enrolled in the 1st quarter.

Once the audit has been finalized, NDE will make a net adjustment to the 1st quarter reported count for apportionment of minus 9 pupil days enrolled. This brings the School’s average daily enrollment for the period from 169.00 to 168.61 (*unweighted*). The funding amount will be adjusted based on a decrease of 0.39 unweighted pupils.

RECOMMENDATION: We recommend that the School comply with the above regulations, and meet the criteria to be counted for apportionment, as well as to ensure that the enrollment records are complete and accurate. We also recommend that the School provides training to the school staff involved in the determination of the effective enrollment dates and posting those dates to the schools’ Master Registers.

RESPONSE: The School noted they were in contact with the pupil’s family concerning academic planning, placement testing, a proposed learning plan, schedule, and counseling services began on June 21, 2024. The School states the pupil had sustained significant injury before school began and was receiving treatment. The pupil would be out sick in terms of attendance and provided appropriate documentation from medical providers. The School coded the pupil’s attendance as "MDP". The School further states that the pupil's physical attendance was delayed. However, the pupil was receiving and participating in educational services directly from the School.

STATUS: Additional documentation submitted by the School did not allow us to clear any disallowed pupil days enrolled. For pupils with an illness or disability that require individual instruction at home or in a medical facility, the School should have complied with NAC 387.286 and placed the pupil on an approved homebound schedule. For pupils receiving homebound services, we recommend the School ensure that appropriate records are maintained for the homebound pupil to substantiate that a minimum of five hours per week of instruction was provided by a licensed teacher. During our audit in the fall, the pupil was not identified to us as homebound when the School was audited.

AUDIT FOLLOW-UP: This finding was not repeated in the 2025 – 2026 (Q1 – Q4) audit.

RESPONSE FROM CHARTER SCHOOL

RE: Preliminary Audit Report



Colleen Harsin <charsin@davidsonacademy.unr.edu>
To: Angelique Corum
Cc: mbub@davidsonacademy.com; pbrown@davidsonacademy.com; Aimee Fredericks

Reply Reply All Forward

Tue 6/16/2026 10:30 AM

Nevada Department of Education
Audit Office
Attn: Mel Evans, M.Ed. – Director of Pupil Centered Funding Program,
Angelique Corum, Auditor-in-Charge
700 E. Fifth Street, Suite 107
Carson City, NV 89701

Re: Davidson Academy Pupil Enrollment and Attendance Audit – Preliminary
School Year 2025-2026 (Q1-Q4); Audit No. 26-2673-127

Dear Ms. Evans,

This acknowledges our receipt of the Preliminary Report of the Pupil Enrollment and Attendance Audit for the Davidson Academy for the 2025-2026 School Year; Audit No. 26-2673-127.

With regard to Finding 26-1., Aimee Fredericks, Admissions & Records Manager, has been assigned to correct this finding which was completed as of the date of the in-person audit, April 13, 2026, and per NAC 387.200, in order to ensure accurate and complete withdrawal records for the Davidson Academy. The disallowances resulting from Finding 26-1. are acknowledged.

Thank you to the audit staff in their completion of the 2025-2026 PEAA Audit of the Davidson Academy.

Sincerely,

Colleen M. Harsin / Director
charsin@davidsonacademy.unr.edu

Davidson Academy
Office: (775) 446-7778
P.O. Box 9119 Reno, Nevada 89507 (pacific time zone)
DavidsonAcademy.unr.edu & DavidsonGifted.org



NATIONAL MERIT SCHOLARSHIP CORPORATION

1560 Sherman Avenue, Suite 200, Evanston, Illinois 60201-4897 (847) 866-5100

DAVIDSON ACADEMY
1164 N VIRGINIA ST
RENO, NV 89503-3043

High School Code
29/0207

Semifinalists in the 2027 National Merit Scholarship Competition

Student Name	Birth Date	Semifinalist ID	Selection Unit
Ahn, Ethan	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Arun, Anshuman	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Chong, Jordan	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Duvall, Kylee	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Hsu, Nathanael	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Inamdar, Shruthi	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Kim, Geo	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Light, Luca	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Lin, Claire	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Manivannan, Sahishnu	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
McCall, William	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
McDow, Nicholas	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Panda, Ishan	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Park, Henry	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Ramazan, Filip	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Schrock, Dana	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Song, Melody	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Wu, Lucas	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000
Zhou, Bourne	03/03/2007	00000000000000000000000000000000	00000000000000000000000000000000

Number of Students: 19



Media and Outreach Updates

Media Updates/Notable Website Mentions

- *Davidson Academy Again Ranks Among America's Best High Schools* - <https://www.davidsonacademy.unr.edu/news/davidson-academy-again-ranks-among-americas-best-high-schools/>

Local Coverage:

- [KTVN - Davidson Academy ranks No. 4 among nation's best high schools for second year](#)
 - [RGJ - Reno's Davidson Academy tops in Nevada, No. 4 nationwide in US News best high schools list](#)
 - [KOLO - Nevada high schools ranked nationally and statewide; Davidson Academy at the top](#)
- *Davidson Academy 2027-2028 Application Now Available* - <https://www.davidsonacademy.unr.edu/news/davidson-academy-2027-2027-application-now-available/>

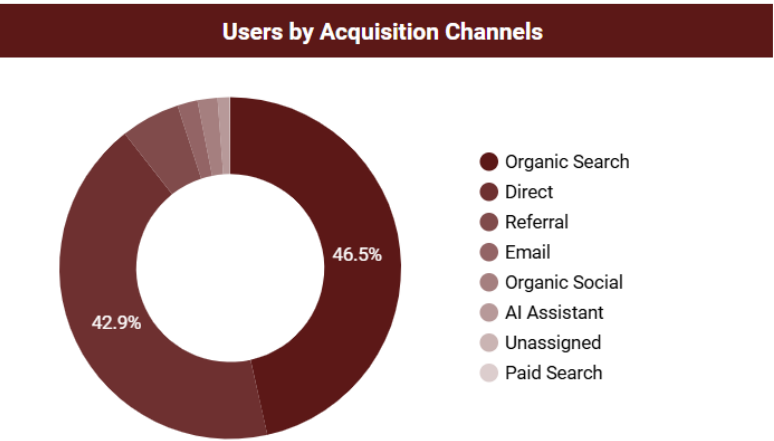
New Blog Posts

- *A Parent's Guide to Advocating at School for Gifted & Twice-Exceptional Students* - <https://www.davidsonacademy.unr.edu/blog/guide-to-advocating-at-school-2e/>
- *Building Equity in Gifted Education: A Guide for Educators* - <https://www.davidsonacademy.unr.edu/blog/equity-in-gifted-education/>

Davidson Academy Website Metrics
(August 1-31, 2026)

Organic search: search engines such as Google
Direct: directly visiting our website
Referral: Arriving on our website via a link from another website, such as NAGC or a news article
Social: Social Media such as Facebook and X
CTR: Click through rate
CPC: Cost Per Click

Key Performance Indicators (P/P)		
All Sessions	Pages / Session	Sessions / User
13,382	1.97	1.3
↑ 41.6%	↑ 3.3%	↓ -2.5%
Engagement rate	Session Duration	Application Outbound
48.87%	00:02:34	115
↑ 20.6%	↓ -8.4%	↑ 858.3%
DAO Outbound	Institute Outbound	eNewsletter Signups
199	748	24
↑ 63.1%	↑ 46.7%	↑ 60.0%



Top Viewed Pages

**Direct traffic has been removed from this pageview report*

Page title	Pageviews ▾	% Δ
Davidson Academy: A School for Highly Gifted Students	3,675	109.9% ↑
Eligibility - Davidson Academy	1,484	137.8% ↑
How to Apply - Davidson Academy	1,460	244.3% ↑
Testing Requirements - Davidson Academy	1,335	100.8% ↑
Understanding Asynchronous Development in Gifted Students	589	-0.7% ↓
Tuition - Davidson Academy	562	181.0% ↑
Davidson Academy Admissions	480	78.4% ↑
Differentiated Instruction Strategies for Gifted Students	368	-33.5% ↓
How to Support Gifted & Talented Students in the Classroom	282	5.2% ↑
Gifted Classes Davidson Academy Reno	239	51.3% ↑
About Us - Davidson Academy	221	99.1% ↑
A Day in the Life - Davidson Academy	210	84.2% ↑
Academics - Davidson Academy	201	79.5% ↑
Underachievement in Gifted Students - Davidson Academy	200	-14.5% ↓
Application + Admission FAQs - Davidson Academy	189	162.5% ↑
Profoundly Gifted School Curriculum Davidson Academy	184	62.8% ↑
Who We Serve - Davidson Academy	169	45.7% ↑
1 - 20 / 378		< >

Key Takeaways

Total sessions increased significantly (+41%) due to regular increases in traffic from application openings. The most-visited pages show the same rise in application interest:

- Eligibility: +137%
- How to Apply: +244%
- Testing Requirements: +101%

Year-over-year, sessions are up 11%, a strong start to the new application season.

Website events follow the same trend, showing a clear increase in application interest:

- Engagement Rate: +21%

Organic Traffic and Rankings

Total sessions from organic search increased significantly (+54%) due to the start of the application period. We saw a large spike in organic sessions on August 18, a day after applications opened.

Ranking Highlights

- *imposter syndrome in gifted students* #4 --> #2, ranking for [Why Imposter Syndrome in Gifted Students is More Common Than You Think](#), an article published in May.
- *gifted pedagogy* #7 --> #4, ranking for [Gifted Pedagogy & Teacher Preparedness in the Classroom](#), an article published in November.

Paid Digital Media

Davidson Academy's Paid Digital campaigns for both Meta and Google Search began September 1st, 2026.

Google Ad Grants

Google approved advertising on the davidsonacademy.unr.edu domain on March 20. However, Google lowered the amount of ad budget in the grant without warning – currently investigating why. We are currently using a max-click strategy for the Ad Grant for application season and working to get our previous budget reinstated.

User Demographics

Where Our Users Are From (By City)

1. Reno
2. Las Vegas
3. San Jose
4. Los Angeles
5. Sacramento

Where Our Users Are From (By State)

1. California
2. Nevada
3. Texas
4. Washington
5. Virginia

Ongoing Outreach**Davidson Institute Eligibility Assessment Partnership**

In an effort to make several of the many tests we accept more readily available to families, the Davidson Institute has partnered with [Northwestern University's Center for Talent Development \(CTD\)](#) to offer Davidson-specific eligibility assessment opportunities for students in grades 3-5, as well as students in grades 6-10.

The following assessment dates for grades 3-5 are currently open for registration:

- October 24, 2026 - 9 am Pacific (Saturday)
- March 13, 2027 – 9 am Pacific (Saturday)
- April 18, 2027 – 9 am Pacific (Sunday)

The following assessment dates for grades 6-10 are currently open for registration:

- September 26, 2026 – 9 am Pacific (Saturday)
- October 10, 2026 – 9 am Pacific (Saturday)
- October 18, 2026 – 9 am Pacific (Sunday)
- November 15, 2026 – 9 am Pacific (Sunday)
- March 13, 2027 – 9 am Pacific (Saturday)
- April 18, 2027 – 9 am Pacific (Sunday)

Davidson Academy eNewsletter – distributed every other month to 6,000 recipient

- [June 2026](#)
- [August 2026](#)

eNews-Update – Often prominently features the Davidson Academy; distributed every other month to more than 24,000 recipients

- [May 2026](#)
- [July 2026](#)

Social Media

- Instagram - <https://www.instagram.com/thedavidsonacademy/>
- Facebook - <https://www.facebook.com/TheDavidsonAcademy>
- Twitter - <https://x.com/TheDavidsonAcad>
- YouTube - <https://www.youtube.com/@DavidsonAcademyNV>
- LinkedIn - <https://www.linkedin.com/school/davidsonacademy/>

2026 Audit Results



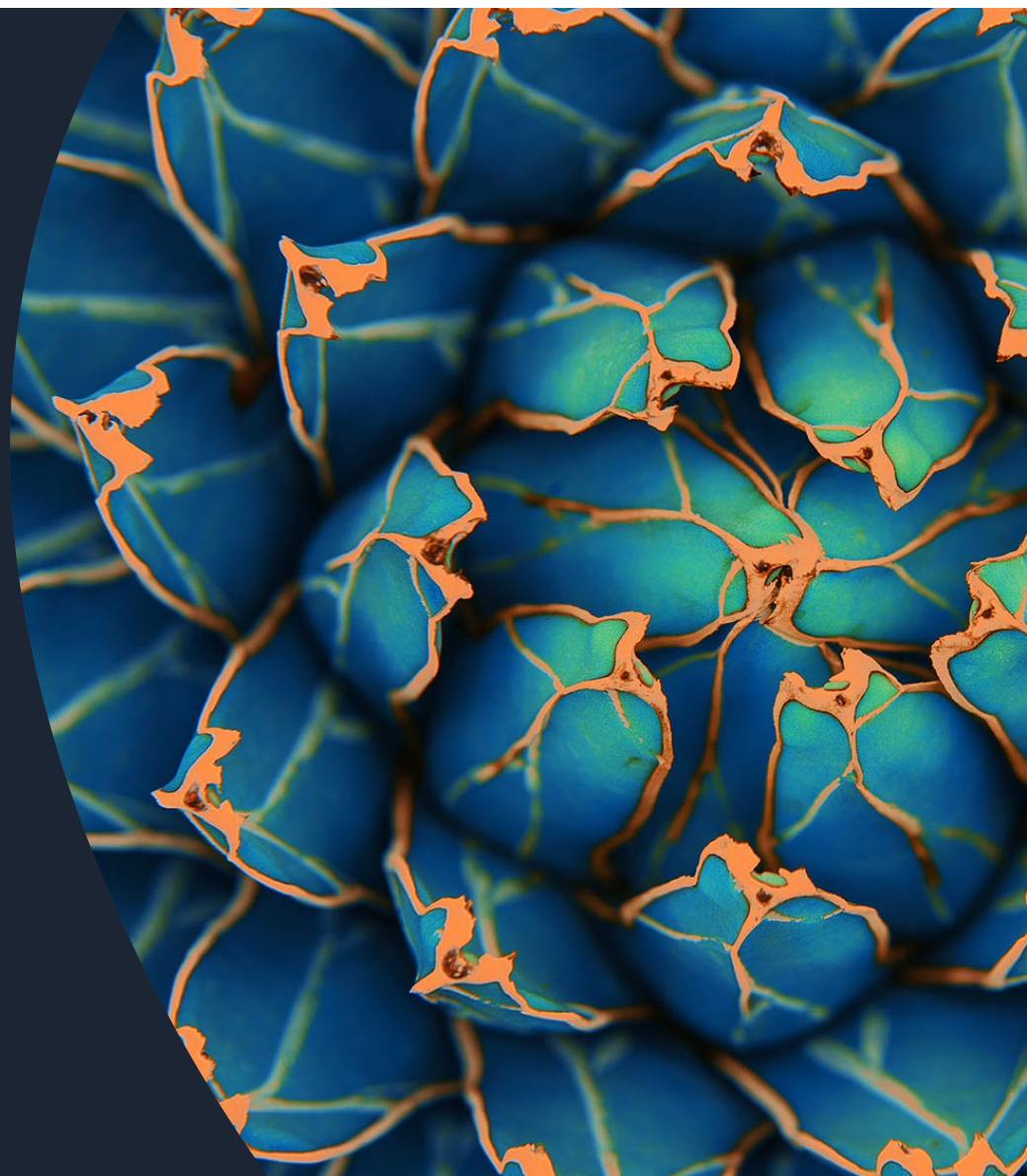
Davidson Academy

Thank you for your engagement of Baker Tilly US, LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the financial statements of the Davidson Academy, an Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation (the School) as of and for the year ended June 30, 2026.

The accompanying report, which is intended solely for the use of the Governing Board and Management and should not be used by anyone other than these specified parties, presents important information regarding the School's financial statements and our audit that we believe will be of interest to you.

We conducted our audit with the objectivity and independence that you expect. We received the full support and assistance of the School's personnel. We are pleased to serve and be associated with the School as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.



Agenda

01 / Scope of Services

02 / Auditor Opinions and Reports

03 / Required Communications

04 / Accounting & Operations
Update

05 / About Baker Tilly



01

Scope of Services

Relationships between Baker Tilly and the School:

01

Annual Audit

Annual financial statement audit as of and for the year ended June 30, 2026.

02

Nonattest Services

- Assist management with drafting the financial statements and footnotes
- Preparation of information returns for the Davidson Institute for Talent Development

02

Auditor Opinions and Reports



Auditor Report on the Financial Statements

Unmodified Opinions

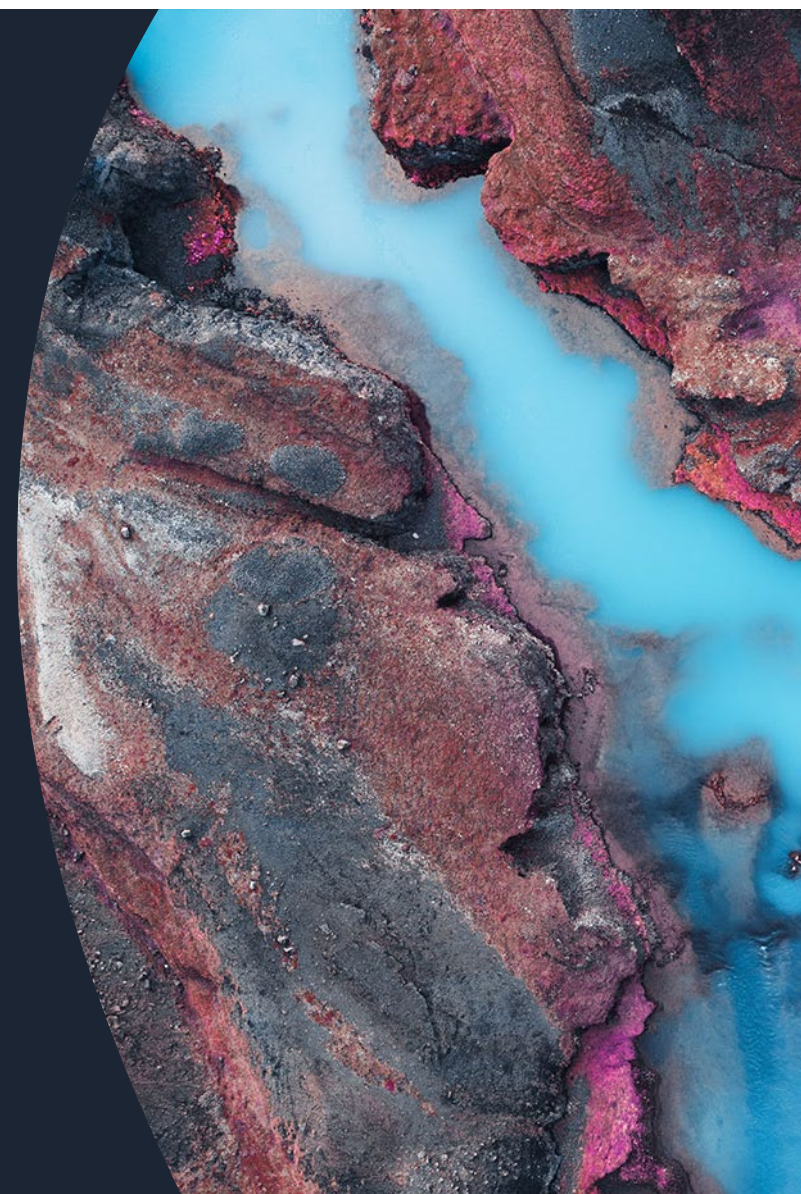
The financial statements are presented fairly and in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

- Certain limited procedures were performed over required supplementary information in accordance with standards under auditing standards generally accepted in the United States of America (GAAS).



Report of Independent Auditors on Internal Control Over Financial Reporting in Accordance with *Government Auditing Standards*

- Material weaknesses
 - None reported
- Significant deficiencies
 - None reported
- Best practices
 - Each year we continue to meet with management and discuss recommendations of other best practices to enhance operations and efficiency and other accounting treatments



Required Communications



Our Responsibility Under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

- 1 To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit doesn't relieve you or management of your responsibilities.
- 2 To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards*, issued by the Comptroller General of the United States and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- 3 To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.
- 4 To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we aren't required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope & Timing of the Audit

Required Communication

It's the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence and to communicate with those charged with governance an overview of the planned scope and timing of the audit.

Our Comments

The planned scope and timing of the audit was communicated to the School's Governing Board in the engagement letter for the year ended June 30, 2026.

The audit was performed according to the planned scope and timing previously communicated.

Significant Accounting Policies & Unusual Transactions

Required Communication

The auditor should determine that the Governing Board is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine the Governing Board is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there's a lack of authoritative guidance or consensus.

Our Comments

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in the footnotes to the financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies.

Although formally, no new accounting standards were adopted in June 2026, the financial statements were updated to reflect certain requirements in conformity with various GASB pronouncements. Some of these presentation changes include:

- Program revenues reflected in the statement of activities
- Fund balance classifications on the Balance Sheet
- Inclusion of a Statement of Changes in Fiduciary Net Position
- Updates to Required Supplementary Information

We believe management has selected and applied all materially significant accounting policies appropriately.

Management Judgments & Accounting Estimates

Required Communication

The Governing Board should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.

Our Comments

Management's judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements.

Significant management estimates affecting the financial statements include prepaid rent and the period of amortization, valuation of compensated absences, useful lives of long-lived assets, and impairment of long-lived assets.

We deemed them to be reasonable.

Qualitative Aspects of Accounting Practices

Required Communication

Our views about qualitative aspects of the School's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

Our Comments

The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users; however, we do not believe any of the footnotes are particularly sensitive.

Certain disclosures provide additional context regarding the School's financial position and operations, including related-party transactions and financial support from the Institute (Note 6), State of Nevada funding and the School's reliance on enrollment-based funding (Note 9), and risk management and contingencies, including exposure associated with State funding and related compliance requirements (Note 11).

Significant Unusual Transactions

Required Communication

The Governing Board should be informed of any significant unusual transactions, including our views on the policies and practices management used to account for significant unusual transactions; and our understanding of the business purpose for significant unusual transactions.

Our Comments

No significant unusual transactions were identified during our audit of the financial statements.

Difficulties Encountered in Performing the Audit

Required Communication

The Governing Board should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit.

Our Comments

No significant difficulties were encountered during our audit.

Management provided requested information in a timely manner and there were no significant delays affecting completion of the audit.

Significant Audit Adjustments & Unadjusted Differences Considered by Management to be Immaterial

Required Communication

The Governing Board should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the School's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future financial statements to be materially misstated.

The Governing Board should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

Our Comments

- There were no uncorrected audit adjustments.
- During the audit, we worked with management to record certain audit-related adjustments, including the write-off of construction-in-progress costs associated with projects that are no longer planned and the accrual of lease expense related to the Annex space during the holdover period. These adjustments were reflected in the final financial statements.

Potential Effect on the Financial Statements of Significant Risks, Exposures, and Uncertainties

Required Communication

The Governing Board should be adequately informed of the potential effect on the financial statements of significant risks, exposures, and uncertainties that are disclosed in the financial statements.

Our Comments

The School is subject to risks, exposures, and uncertainties that arise in the ordinary course of business, which are disclosed in the notes to the financial statements (Note 11).

Disagreements with Management

Required Communication

Disagreements with management, whether satisfactorily resolved, about matters that individually or in the aggregate could be significant to the School's financial statements or the auditor's report.

Our Comments

We're pleased to report there were no disagreements with management.

Management's Consultation with Other Accountants

Required Communication

In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

Our Comments

We're not aware of any significant accounting or auditing matters for which management consulted with other accountants.

Other Material Written Communications

Required Communication

Report to the Governing Board significant written communications between the auditor and client management.

Our Comments

Other than the engagement letter, management representation letter, and communications to those charged with governance, there have been no other significant communications.

Material Uncertainties Related to Events and Conditions

Required Communication

Any doubt regarding the School's ability to continue, as a going concern, should be communicated to the Governing Board.

Our Comments

No conditions or events came to our attention that raised substantial doubt about the School's ability to continue as a going concern. However, the School reported a negative unrestricted net position due to noncash transactions, which further highlights its ongoing reliance on funding from the State of Nevada and financial support from the Davidson Institute, as discussed in the financial statements.

Fraud and Noncompliance with Laws & Regulations

Required Communication

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements should be communicated. We're also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

Our Comments

We haven't become aware of any instances of fraud or noncompliance with laws and regulations.

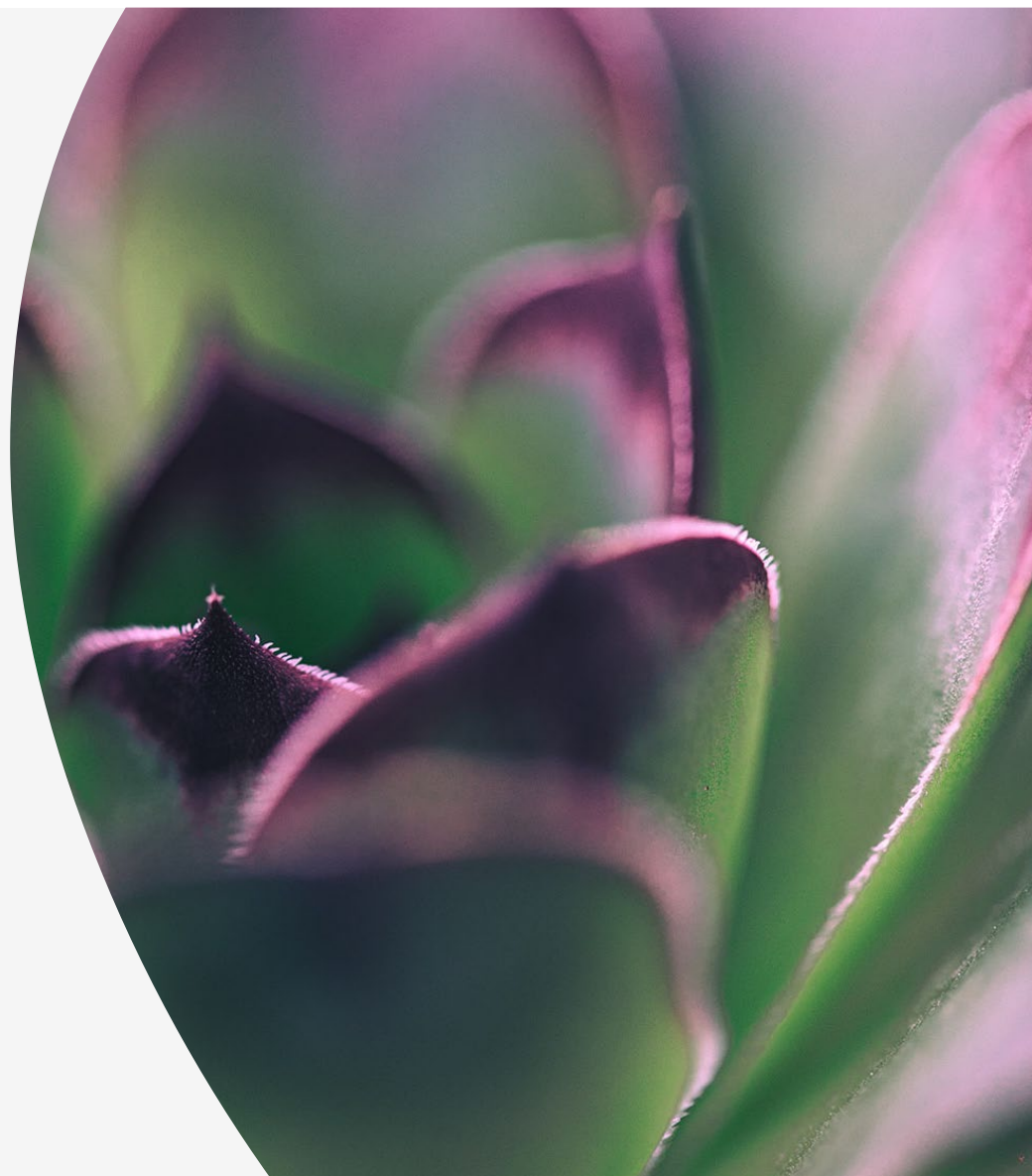
04

Accounting and Operations Update

In Case You Missed Them...

Below are some recent articles we've prepared to keep you prepared

- [AI Governance in Not-for-Profits: Before You Flip the Switch](#)
- [Help Mitigate Risk with Effective Internal Controls](#)
- [Schools Finance Power Hour Webinar Series](#)
- [January 2026 Policy Pulse | Baker Tilly](#)
- [Revamping not-for-profit workflows with a holistic approach | Baker Tilly](#)
- [Governance and Fiscal Risk Priorities in 2026](#)
- [Evolving SOC two reports for AI controls | Baker Tilly](#)
- [Building mission resilience: Enhancing cyber and fraud risk governance for not-for-profits | Baker Tilly](#)
- [GASB Update for Public Sector Organizations](#)



Upcoming GASB Standards

GASB 105

- Effective for fiscal years beginning after **June 15, 2026**, so it will apply to Davidson Academy's **June 30, 2027** financial statements.
- Establishes updated guidance for evaluating events occurring after year-end but before the financial statements are **available to be issued**.
- Clarifies which subsequent events require recognition versus disclosure and establishes specific disclosures for material nonrecognized events.
- Requires disclosure of the **date through which subsequent events were evaluated**.
- Implementation is expected to have **limited impact on the Academy's accounting**, but will require updates to the year-end subsequent-event evaluation and financial statement disclosures.



GASB Projects to Monitor

- **Revenue and Expense Recognition** – GASB continues work on a comprehensive project intended to develop a more consistent recognition model for revenues and expenses. An Exposure Draft is currently planned for 2027.
- **Going Concern / Severe Financial Stress** – GASB is developing updated guidance addressing going-concern uncertainties and severe financial stress, with an Exposure Draft currently planned for 2027. This could eventually be relevant to governments with significant financial dependencies or fiscal stress.



Baker Tilly Board Resources

Our professionals can help assess governance practices, provide leadership coaching and hands-on training workshops, facilitate group retreats, and more to improve teamwork, increase alignment around values, and develop strategic goals.



Board Development

Align your board members to build stronger, clear relationships; enhance group decision-making; develop board policies and procedures; and help your board move the organization forward through 1:1 leadership coaching, group retreats, or hands-on training workshops.



Governance Assessments

Identify root causes of board issues through evaluations of group performance, the board-staff partnership, culture, structure, and processes to address challenges and uncover opportunities for improvement.



Facilitation

Active meeting or retreat facilitation can promote effective communication among your team about difficult topics or in highly charged environments that may have a history of conflict.

Visit the Baker Tilly Governance page for more information and resources:
<https://www.bakertilly.com/services/board-and-audit-committee-governance>

Other Resources



Boardsource

boardsource.org



AICPA

aicpa.org/interestareas/notforprofit

An Array Of Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and is presented in the format that fits your life.



Articles & Alerts

Industry-specific insight and important tax and assurance updates



Webcasts

On-demand and live sessions with our professionals on technical and timely topics



Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape



Events

Seminars, destination conferences, networking receptions, and charity events among others

05

About Baker Tilly



Full-Service Capabilities

We offer a full range of services and specializations that span accounting, consulting, and wealth management to suit your specific needs.

Accounting

ASSURANCE

Financial Statement Audits
Employee Benefit Plans
Public Company & SEC
Internal Audit
SOC Audits
Contract Compliance
Sustainability Audits

TAX

Accounting For Income Taxes (ASC 740)
Accounting Methods
Compensation & Benefits
Controversy & Dispute Resolution
Credits & Incentives
International Tax
Personal
State & Local
Tax Structuring

ADVISORY

Disruption Services
IPO Solutions
Outsourced Finance & Accounting
Technical Accounting

INTERNATIONAL

China Practice 中国业务
India Practice
Latin America Practice

Consulting

IT

Compliance
Cybersecurity
Assessment & Planning
Development & Integration
Enterprise Systems

STRATEGY & OPERATIONS

Data Analytics
Disaster Recovery & Continuity
Organizational Planning
Performance Audits
Succession Planning

TRANSACTIONS

Due Diligence
M&A Tax
Postmerger Integration
Restructuring
Valuations

SPECIALTY

Financial Services
Health Care
Telecommunications

Wealth Management

INDIVIDUAL

Tax
Financial Planning
Investments
Family Office

INSTITUTIONAL

Investments
Insurance



Our Services for Not-for- Profits

ASSURANCE

- Agreed-upon procedures
- Audits and reviews
- Federal awards audits
- Compliance examinations pursuant to federal reporting requirements
- Employee benefit plan services
- Written acknowledgments and agreed-upon procedure engagements in connection with tax-exempt bond offerings

CONSULTING

- Endowment management and investment consulting
- Fraud investigation and forensic accounting
- IT consulting
- Strategic business planning
- Sustainability services
- Systems Control & Operations Risk Evaluation (SCORE!)
- Wealth services

TAX

- Alternative investment issues
- Compensation, payroll, and employment tax issues, including fringe benefits, deferred compensation, and policy setting to meet the rebuttable presumption process
- Complex group structures, including non-501(c)(3) exempt organizations
- Donor-advised fund planning and reporting
- Estate planning for donors and development department marketing
- For-profit organization formation and operations
- Formation of new entities, including preparation of Forms 1023 and 1024 and associated state filings
- Independent contractor versus employee determinations
- IRS and state audit representation
- Joint venture formation and operation
- Lobbying and political expenditure classification and reporting
- Maintaining tax-exempt status and public charity status
- Member versus nonmember activity issues
- Preparation of Form 990, 990-T, 990-PF, and relevant state forms
- Private foundation planning analysis
- Public support test planning
- Sales and use tax exemptions
- State and local tax services, including credits and incentives
- State solicitation registration and annual filings
- Tax-exempt bond consultation, including private business use and post-issuance bond compliance procedures
- Third-party management agreements and sponsorship planning
- Transfer pricing and expense allocation methodology
- Unrelated business taxable income



Contact Us



Matt Parsons

Principal

Matt.Parsons@bakertilly.com

+1 949 221 4093



Shelby Kuryllo

Senior Manager

Shelby.Kuryllo@bakertilly.com

+1 949 623 0799



Lauren Haverlock

Principal

Lauren.Haverlock@bakertilly.com

+1 310 481 1305

Thank you.



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. The name Baker Tilly and its associated logo is used under license from Baker Tilly International limited. ©2026 Baker Tilly Advisory Group, LP

Report of Independent Auditors and
Financial Statements with Required Supplementary Information

Davidson Academy
(An Unincorporated Division of the Davidson Institute
for Talent Development, a Nevada Not-for-Profit
Corporation)

As of and for the Year Ended June 30, 2026



Table of Contents

	Page
Report of Independent Auditors	1
Management's Discussion and Analysis (Unaudited)	5
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Governmental Fund Financial Statements	
Balance Sheet – Governmental Fund	14
Reconciliation of the Balance Sheet – Governmental Fund to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund	16
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance – Governmental Fund to the Statement of Activities	17
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to the Basic Financial Statements	21
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	31
Notes to Required Supplementary Information	32
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34

Report of Independent Auditors

The Governing Board
Davidson Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Davidson Academy (School), an unincorporated division of the Davidson Institute for Talent Development, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and page 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Irvine, California
September 17, 2026

Management’s Discussion and Analysis (Unaudited)

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2026

The Davidson Institute for Talent Development (the Institute) is a Nevada not-for-profit corporation whose mission is to recognize and support profoundly intelligent young people and to provide opportunities for them to develop their talents. In furtherance of its mission, the Institute established the Davidson Academy (the School), a public University School for Profoundly Gifted Pupils pursuant to Nevada Revised Statutes (NRS) chapter 388C, in August 2006. The School is an unincorporated division of the Institute.

This section of the annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2026, and should be read in conjunction with the School's financial statements, which immediately follow this section.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of a statement of net position and a statement of activities.

The statement of net position presents information on what the School owns (assets) and what the School owes (liabilities) to determine the School's net position. The difference between what the School owns and owes, or assets and liabilities, respectively, is called net position. Assets are comprised of three categories: 1) current assets, 2) other noncurrent assets, and 3) capital assets. Current assets are items such as cash and/or items that can easily be converted into cash or have a benefit lasting less than one year. Noncurrent assets include the School's prepaid amounts that provide economic benefit beyond the current period.

Capital assets are items such as facilities, property, equipment, intangible assets, and other items that are used in operations beyond a single fiscal year. Liabilities are also comprised of two categories: 1) current liabilities, and 2) long-term liabilities. Current liabilities are obligations expected to be paid within the next fiscal year; noncurrent liabilities generally are amounts expected to be settled beyond that period. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences such as accrued vacation).

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2026

The government-wide financial statements outline functions of the School that are partially supported by the State of Nevada through the Department of Education's (Nevada DOE) Pupil Centered Funding Plan (PCFP). The governmental activities of the School include instruction, support services, operation and maintenance of the facility.

Fund financial statements – A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Contributions from the Institute are the School's largest source of funding and totaled \$3,425,000 for the fiscal year ended June 30, 2026, and are included in donations in the accompanying statement of activities. The School also received \$1,684,732 in governmental funds from the State of Nevada during the fiscal year ended June 30, 2026.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the general fund, which is considered to be a major fund.

Student activities fund – The student activities fund is used to account for funds raised and earned by the various clubs and activities that are part of the School. Net position held in this fund is restricted to student activities.

Notes to financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the School's budget process. The School adopts an annual budget and a budgetary comparison to actual results is included in the required supplementary information section of this report.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2026

Financial Summary

- In the twentieth year of operation, 2025-2026, the School had a net position of \$390,197, a decrease of \$318,526 from the prior year mainly due to the continued amortization of prepaid rent, depreciation, and the loss resulting from the disposal of certain capital assets which are all noncash transactions.
- The Institute provided contributions of \$3,425,000 and was the largest source of revenue during the year.
- The School also received government funding from the PCFP and special education funding of \$1,684,732 during the 2025-2026 operating year.
- Enrollment increased at the School by 3 students, a 1.8% increase, compared to the prior year. Total enrollment for the 2025-2026 school year was 170 students as reported by the State. In 2024-2025, the School had average daily enrollment of 167 students reported to the State of Nevada.
- The School had no long-term debt as of June 30, 2026.

Government-Wide Detailed Financial Analysis

Net position may serve as a useful indicator of a government's financial position. In the case of the School, assets exceed liabilities by \$390,197 as of June 30, 2026. A significant portion of the School's net position relates to prepaid rent associated with its primary educational facility. The following presents a summary of the School's net position for the fiscal years ended June 30, 2026 and 2025:

	As of June 30, 2026	As of June 30, 2025
Assets		
Current and other assets	\$ 491,376	\$ 459,121
Prepaid rent, noncurrent	-	196,170
Capital assets, net	129,826	233,057
Total assets	\$ 621,202	\$ 888,348
Liabilities		
Current liabilities	\$ 231,005	\$ 179,625
Total liabilities	\$ 231,005	\$ 179,625
Net position		
Investment in capital assets	\$ 129,826	\$ 233,057
Restricted	286,742	467,426
Unrestricted	(26,371)	8,240
Total net position	\$ 390,197	\$ 708,723

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2026

Change in net position – The School's total revenues for the fiscal year ended June 30, 2026, were \$5,278,324. The total costs of all programs and services were \$5,596,850. The following is a summary of the changes in net position for the fiscal years ended June 30, 2026 and 2025:

	Fiscal Year Ended June 30, 2026	Fiscal Year Ended June 30, 2025
Revenues		
Program revenues		
Charges for services	\$ 111,371	\$ 104,094
Restricted contributions	29,476	15,010
General revenues		
Unrestricted contributions	3,452,745	3,469,598
State funding - Nevada	1,684,732	1,600,416
Total revenues	5,278,324	5,189,118
Expenses		
Regular instruction	115,500	100,161
Regular instruction - salaries and benefits	2,598,167	2,652,980
General administration	453,492	528,766
General administration - salaries and benefits	2,110,002	1,789,907
Facilities	216,458	211,110
Loss on disposition of capital assets	28,218	-
Depreciation and amortization	75,013	79,327
Total expenses	5,596,850	5,362,251
Change in net position	\$ (318,526)	\$ (173,133)

Included in expenses are (i) the amortization of the prepaid rent use of the School's facility totaling \$196,169, (ii) depreciation and amortization of \$75,013, and (iii) expenses resulting from the disposal of certain capital assets of \$28,218. These noncash expenses resulted in a negative impact of \$299,400 on net position or 94% of the change in net position. The following are significant current year transactions that had an impact on the statement of activities:

- Enrollment increased by 3 students, a 1.8% increase, compared to the prior year. Total enrollment for the 2025-2026 school year was 170 students as reported by the State.
- The School experienced an increase of approximately \$265,282 in salaries and benefits. General administration wages and payroll taxes increased by \$320,095 due to annual wage actions, the addition of one full-time academic database coordinator, and the reallocation of certain roles between instructional and administration.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2026

Detailed Financial Analysis of the School's Funds

As noted earlier, the School uses fund accounting to comply with Nevada DOE requirements.

Governmental funds – The reporting of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

The General Fund reflects the School's near-term financial activity and available financial resources. At June 30, 2026, the General Fund reported total fund balance of \$154,735, including \$75,215 of nonspendable fund balance, \$90,572 of restricted fund balance, and an unassigned fund balance deficit of \$11,052.

Significant Capital Asset and Long-Term Financing Activity

Capital assets – As of June 30, 2026, the School reported \$129,826 of net capital assets, including classroom equipment, computers, furniture, leasehold improvements, and software and website costs. The School incurred \$75,013 of depreciation and amortization expense during the year and \$28,218 in losses associated with the disposition of certain capital assets. Depreciation and amortization expense is calculated on a straight-line basis over the estimated economic useful lives of the assets and amortization expense over the lesser of the life of the lease or the leasehold improvements. Additional information on capital assets can be found in the notes to the financial statements.

Capital assets are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the accompanying statement of net position.

The School had no long-term obligations financed by a financial institution as of June 30, 2026.

Currently Known Facts, Decisions, or Conditions

The Nevada Legislature provides PCFP funding to the School from the State of Nevada on a per-student basis. The School estimates annual student enrollment based on continuing students and newly accepted students who have indicated their intent to attend. The amount of per-student PCFP funding is determined by the average daily student enrollment reported by the School to the Nevada DOE, which is reported daily and paid to the School on a monthly basis.

The School estimates flat enrollment over the next year (2026-2027) and an estimated increase in approved expenses of 6% due to instructional wage increases and student transportation services.

Requests for Information

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Vice President, Finance & Administration, The Davidson Academy, 9665 Gateway Drive, Suite B, Reno, NV 89521.

Government-Wide Financial Statements

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Statement of Net Position
June 30, 2026

ASSETS	
Current assets	
Cash	\$ 219,991
Prepaid expenses and current portion of prepaid rent	271,385
Total current assets	491,376
Capital assets, net of accumulated depreciation and amortization	
Office furniture and equipment	24,670
Computer equipment	25,678
Leasehold improvements	73,478
Software and website	6,000
Net capital assets	129,826
Total assets	621,202
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable and accrued liabilities	140,471
Compensated absences, current	90,534
Total current liabilities	231,005
Total liabilities	231,005
Net position	
Investment in capital assets	129,826
Restricted	286,742
Unrestricted	(26,371)
Total net position	\$ 390,197

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Statement of Activities
For the Year Ended June 30, 2026

Function/Program	Expenses	Program Revenues		Total
		Charges for Services	Operating Contributions	
Governmental activities				
Instruction				
Regular instruction	\$ (115,500)	\$ -	\$ -	\$ (115,500)
Regular instruction - salaries and benefits	(2,598,167)	-	-	(2,598,167)
Total instruction	(2,713,667)	-	-	(2,713,667)
Support				
General administration	(453,492)	111,371	29,476	(312,645)
General administration - salaries and benefits	(2,110,002)	-	-	(2,110,002)
Facilities	(216,458)	-	-	(216,458)
Loss on disposition of capital assets	(28,218)	-	-	(28,218)
Depreciation and amortization	(75,013)	-	-	(75,013)
Total support	(2,883,183)	111,371	29,476	(2,742,336)
Total governmental activities	<u>\$ (5,596,850)</u>	<u>\$ 111,371</u>	<u>\$ 29,476</u>	<u>(5,456,003)</u>
General revenues				
Contributions - unrestricted				3,452,745
State sources - Nevada				<u>1,684,732</u>
Total general revenues				<u>5,137,477</u>
Change in net position				(318,526)
Net position - beginning of year				<u>708,723</u>
Net position - end of year				<u>\$ 390,197</u>

See accompanying notes.

Governmental Fund Financial Statements

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Balance Sheet – Governmental Fund
June 30, 2026

	General Fund
ASSETS	
Current Assets	
Cash	\$ 219,991
Prepaid expenses and other current assets	75,215
Total current assets	295,206
Total assets	\$ 295,206
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	\$ 140,471
Total liabilities	140,471
Fund balance	
Nonspendable for prepaid expenses	75,215
Restricted for contributions	90,572
Unassigned	(11,052)
Total fund balance	154,735
Total liabilities and fund balance	\$ 295,206

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Reconciliation of the Balance Sheet – Governmental Fund
to the Statement of Net Position
June 30, 2026

Total fund balance - total governmental fund	\$ 154,735
Amounts reported for governmental activities in the balance sheet are different because:	
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not current financial resources, but they are reported on the statement of net position for governmental activities (Note 4).	129,826
Prepaid rent is not readily available for use and therefore is not reported in the fund (Note 3).	196,170
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund (Note 7).	<u>(90,534)</u>
Total net position - governmental activities	<u><u>\$ 390,197</u></u>

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Statement of Revenues, Expenditures, and Change in Fund Balance –
Governmental Fund
For the Year Ended June 30, 2026

	<u>General Fund</u>
Revenues	
Contributions, restricted and unrestricted	\$ 3,482,221
State sources - Nevada	1,684,732
Program fees - charges for service	<u>111,371</u>
Total revenues	<u>5,278,324</u>
Expenditures	
Instruction	
Regular instruction	115,500
Regular instruction - salaries and benefits	<u>2,598,167</u>
Total instruction	<u>2,713,667</u>
Support services	
General administration	453,493
General administration - salaries and benefits	2,122,352
Facilities	<u>20,289</u>
Total support services	<u>2,596,134</u>
Total expenditures	<u>5,309,801</u>
Change in fund balance	(31,477)
Fund balance - beginning of year	<u>186,212</u>
Fund balance - end of year	<u><u>\$ 154,735</u></u>

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund
Balance – Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2026

	<u>General Fund</u>
Total change in fund balance - governmental fund	\$ (31,477)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense is not presented in the governmental funds because they do not provide or use current financial resources, but they are presented in the statement of activities and allocated over their useful lives as annual depreciation and amortization expense in the statement of activities.	(75,013)
Certain items reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. These consisted of the following:	
pre-paid rent amortization	(196,169)
losses associated with the disposal of certain capital assets	(28,218)
the change in compensated-absence measurement between governmental-fund and government-wide bases	<u>12,351</u>
Change in net position of governmental activities - governmental fund	<u><u>\$ (318,526)</u></u>

See accompanying notes.

Fiduciary Fund Financial Statements

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Statement of Fiduciary Net Position
June 30, 2026

	<u>Student Activities Fund</u>
Assets	
Cash	\$ 63,426
Total assets	<u>\$ 63,426</u>
Liabilities	
Accounts payable	<u>\$ 619</u>
Total liabilities	<u> 619</u>
Net position	
Restricted for student activities	<u> 62,807</u>
Total net position	<u><u>\$ 62,807</u></u>

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2026

	<u>Student Activities Fund</u>
Additions	
Student activity receipts and club fundraising	\$ 20,241
Total additions	<u>20,241</u>
Deductions	
Student club and activity expenditures	<u>25,489</u>
Change in fiduciary net position	(5,248)
Net position, beginning of the year	<u>68,055</u>
Net position, end of the year	<u><u>\$ 62,807</u></u>

See accompanying notes.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation)
Notes to the Basic Financial Statements

Note 1 – Organization and Summary of Significant Accounting Policies

The financial statements of the Davidson Academy of Nevada (the School), a division of the Davidson Institute for Talent Development (the Institute), a Nevada nonprofit corporation, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting entity – The School was organized to operate as a public University School for Profoundly Gifted Pupils pursuant to Nevada Revised Statutes (NRS) chapter 388C and is located on the campus of the University of Nevada, Reno (UNR). During the 2025–2026 academic year, which extends from August through May, the School provided instruction to 170 students ranging in age from 10 through 18 years old.

The School received funding from the State of Nevada during the year ended June 30, 2026, and must comply with the reporting requirements of this funding source. However, the School is not included in any other governmental “reporting entity” as defined in GASB pronouncements, since its Governing Board has decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Government-wide financial statements – The basic financial statements include both government-wide (based on the School as a whole) and fund financial statements. The government-wide financial statements report the School's governmental activities. Fiduciary activities are excluded because those resources are held for the benefit of parties outside the School's governmental programs. The governmental activities are composed of all activities of the School.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The School's net position is reported in three parts: net investment in capital assets, restricted, and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of the School's functions. The School's functions are supported by program revenues, including charges for services and certain restricted contributions, and by general revenues, including unrestricted contributions and State funding. The statement of activities reduces gross expenses (including depreciation) by revenues.

Basic Financial Statements – Fund Financial Statements

- i. **Governmental fund** – The financial transactions of the School are reported in the General Fund financial statements. The General Fund is the primary operating fund of the School and accounts for all revenues and expenditures of the School. The General Fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The School's resources are allocated to and accounted for in the General Fund based upon the purposes for which they are intended and the means by which spending activities are controlled.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

- ii. *Fiduciary fund* – The Student Activities Fund is reported as a custodial fund and accounts for resources held by the School for the benefit of student clubs and activities that are not available to support the School's governmental programs. Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Additions are recognized when earned and deductions are recognized when liabilities are incurred.

Measurement Focus

- i. *Government-wide financial statements* – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow.
- ii. *Fund financial statements* – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The School considers revenues available if it is collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt that has not matured which is recognized when due.

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Interest income is subject to accrual. Other receipts become measurable and available when cash is received by the School and are recognized as revenue at that time.

Fund balance – In the governmental fund financial statements, fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are not in spendable form. Restricted fund balance includes amounts subject to externally enforceable restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments. Committed fund balance includes amounts whose use is constrained by formal action of the Governing Board, which is the School's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through formal action of the Governing Board. Assigned fund balance includes amounts intended for specific purposes as determined by the Governing Board's designated official. Unassigned fund balance represents residual amounts available for any lawful purpose.

When both restricted and unrestricted resources are available for the same purpose, the School uses restricted resources first. For unrestricted fund balance, committed amounts are used first, followed by assigned amounts and then unassigned amounts.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Budgetary data – The School adopts an annual budget for the General Fund on a basis that differs from GAAP applicable to governmental funds. The budget incorporates certain full-accrual accounting concepts, including depreciation and amortization and certain other noncash expenses that are not recognized as expenditures under the modified accrual basis of accounting. The budgetary comparison schedule presents the original and final legally adopted budgets and actual results on the budgetary basis. A reconciliation of actual results on the budgetary basis to the change in fund balance reported under the modified accrual basis of accounting is presented in the notes to required supplementary information.

The Governing Board has voluntarily established the policy, as a sound business practice, that expenditures may not exceed combined state and private funding based on the adopted budget and subsequent amendments. The budget presented in the supplementary data represents the budget of the School as approved by the Governing Board at June 30, 2026.

Contributions and grants – Contributions and grants that constitute voluntary nonexchange transactions are recognized when all applicable eligibility requirements, including time requirements, have been satisfied. Resources received before applicable eligibility requirements are met are reported as liabilities or deferred inflows of resources, as appropriate. Purpose restrictions imposed by resource providers do not affect the timing of revenue recognition; resources subject to externally imposed purpose restrictions are reported as restricted net position or restricted fund balance until the applicable restrictions are satisfied. In the governmental fund, revenues also are subject to the School's availability criterion under the modified accrual basis of accounting.

Prepaid expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the accompanying statement of net position (Note 3).

Capital assets – Capital assets, which include leasehold improvements, furniture, equipment, and intangible assets, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are measured at acquisition value at the date of donation.

It is the policy of the School to capitalize all capital assets which cost more than \$5,000 and have a useful life extending beyond one year. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

The School accounts for certain software licenses or other subscription arrangements which convey the right to use a vendor's software, alone or in combination with tangible capital assets, in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). A subscription asset and corresponding subscription liability are recognized at the commencement of the subscription term, and the asset is amortized over the shorter of the subscription term or the useful life of the underlying asset.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Capital assets are depreciated and amortized using the straight-line method over the following estimated useful lives:

Description	Life
Furniture and equipment	5-7 years
Leasehold improvements	Lesser of life or lease term
Intangible assets	3-5 years

Tax-exempt status – The School is a division of the Davidson Institute for Talent Development, which is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Management believes the School's activities did not generate material unrelated business taxable income during the year ended June 30, 2026; accordingly, no provision for federal income taxes has been recorded.

Compensated absences – The School recognizes a liability for leave attributable to services already rendered that accumulates and is more likely than not to be used for time off or otherwise paid or settled, together with directly and incrementally associated salary-related payments, in accordance with GASB Statement No. 101. Government-wide liabilities are reported as current or noncurrent based on the expected timing of liquidation. In the governmental fund, expenditures and liabilities are recognized for amounts normally expected to be liquidated with expendable available financial resources.

Restricted net position – Restricted net position of the government-wide financial statements consists of net position with constraints placed on their use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments. The restricted net position balance at June 30, 2026 was \$286,742, of which \$196,170 is composed primarily of prepaid rent (Note 5) and restricted cash balances of \$90,572 for restricted contributions received for the Science Olympiads program and other need based educational opportunities.

Fund balance restricted for contributions – Fund balance at June 30, 2026 restricted for contributions totaled \$90,572. Releases of restrictions during the year ended June 30, 2026, of approximately \$14,000 relate to cash outlays of such restricted contributions.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates include those associated with the measurement and amortization of prepaid rent related to the use and occupancy of the School's facilities. Actual results could differ from those estimates.

Risks and uncertainties – The School's cash and cash equivalents are maintained in various bank accounts. The School has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. The School believes that its credit risk is not significant.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

The School received approximately 65% and 32% of its revenue from the Institute and the State of Nevada, respectively, during the year ended June 30, 2026. The School is economically dependent on the continued support from the Institute to supplement appropriations from the State of Nevada. A significant decline in enrollment or changes to the State of Nevada budget would materially affect the level of funding needed from the Institute in order to maintain operations.

Leases – The School recognizes a lease liability and an intangible right-to-use lease asset at the commencement of a lease, except for short-term leases and arrangements that are immaterial to the financial statements. The lease liability is measured at the present value of payments expected to be made during the lease term using the interest rate charged by the lessor, if readily determinable; otherwise, the School uses its estimated incremental borrowing rate. The lease asset is initially measured as the lease liability plus lease payments made at or before commencement and certain initial direct costs, less lease incentives. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Note 2 – Cash

At June 30, 2026, the School's General Fund had a cash balance in the amount of \$219,991 and the Student Activities Fiduciary Fund had a cash balance in the amount of \$63,426. Bank deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable limits.

Note 3 – Prepaid Expenses and Other Current Assets

At June 30, 2026, prepaid expenses consisted of prepaid rent of \$196,170 (Note 5) and \$75,215 of miscellaneous prepaid expenses and other current assets.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Note 4 – Capital Assets

Capital asset balances and activities for the year ended June 30, 2026, were as follows:

	Balance, July 1, 2025	Additions	Disposals	Balance, June 30, 2026
Capital assets not being depreciated or amortized				
Construction in progress	\$ 28,218	\$ -	\$ (28,218)	\$ -
Capital assets being depreciated or amortized				
Office furniture and equipment	163,073	-	-	163,073
Computer equipment	482,399	-	-	482,399
Leasehold improvements	183,441	-	-	183,441
Software and website	83,600	-	-	83,600
Lease asset - expansion space	47,899	-	(47,899)	-
Total capital assets	<u>988,630</u>	<u>-</u>	<u>(76,117)</u>	<u>912,513</u>
Less accumulated depreciation				
Office furniture and equipment	(124,719)	(13,684)	-	(138,403)
Computer equipment	(445,048)	(11,673)	-	(456,721)
Leasehold improvements	(98,777)	(11,186)	-	(109,963)
Software and website	(65,740)	(11,860)	-	(77,600)
Lease asset - expansion space	(21,289)	(26,610)	47,899	-
Total accumulated depreciation	<u>(755,573)</u>	<u>(75,013)</u>	<u>47,899</u>	<u>(782,687)</u>
Capital assets, net	<u>\$ 233,057</u>	<u>\$ (75,013)</u>	<u>\$ (28,218)</u>	<u>\$ 129,826</u>

Note 5 – Facilities Leases and Operational Dependency

Jot Travis Building lease – The School entered into a lease agreement for facilities effective December 20, 2007, for a term of 20 years with annual rent of \$1. UNR received a contribution from the School's founders, which earmarked up to \$5,000,000 for leasehold improvements specifically for the use of the School. The sole rental and consideration for the use and occupancy of the facility over the term of the lease is the final construction cost of the improvements totaling \$3,727,194 plus \$1 per year. Rental expense under this lease is calculated as the annual amortization of the final construction cost of improvements over the term of the lease as of move in, which was one year subsequent to entering the lease. Rental expense amounted to \$196,170 for the year ended June 30, 2026, consisting of \$196,169 of amortization of prepaid rent and \$1 of required annual base rent.

The School entered into the First Amended lease agreement effective December 6, 2024, and the Second Amended lease agreement effective March 10, 2025, for a term of 10 years beyond the original maturity date with annual rent of \$1 and the option to renew for up to four additional five-year periods. Additionally, the School is responsible for paying parking fees and, beginning December 7, 2027, annual payments of a proportionate share of UNR's operating expenses at \$9.84 per square foot, as defined.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Remaining contractual base rent and recognition of prepaid rent are as follows:

	<u>Cash</u>	<u>Amortization of Prepaid Rent</u>	<u>Total</u>
<u>Fiscal Year Ending June 30,</u>			
2027	\$ 1	\$ 196,170	\$ 196,171
Total lease payments	<u>\$ 1</u>	<u>\$ 196,170</u>	<u>\$ 196,171</u>

Expansion space – The School entered into a separate noncancellable lease with UNR for additional space in the Jot Travis Building, effective November 14, 2024, for an initial term of eighteen months. The lease provided for monthly base rent of approximately \$2,699, which was prepaid during fiscal year 2025. The initial lease term expired in May 2026, and the related lease asset was fully amortized as of June 30, 2026. Lease amortization expense of \$26,610 for the year ended June 30, 2026, is included in depreciation and amortization in the accompanying statement of activities.

Following expiration of the initial lease term, the School continued to occupy the expansion space pursuant to the holdover provisions of the lease agreement. Under those provisions, the School occupies the premises as a tenant at will or at sufferance and is required to pay rent equal to 150% of the base rent in effect immediately prior to expiration of the lease. The monthly rent during the holdover period is approximately \$4,049. The holdover provisions do not extend the original lease term. Accordingly, rent incurred during the holdover period is recognized as expense as incurred.

Note 6 – Related Party Transactions

The Institute annually provides the largest source of revenue. During the fiscal year ended June 30, 2026, the Institute made contributions of \$3,425,000 to the School (Note 1).

A related party processes payroll and certain employee benefit payments on behalf of the School. During the year ended June 30, 2026, approximately \$4,708,000 of payroll and employee benefit costs were incurred through the related party. At June 30, 2026, approximately \$119,000 remained payable and is included in accounts payable and accrued liabilities.

The School participates in a defined contribution 401(k) retirement plan sponsored by a related party (the Plan). The Plan covers employees meeting certain eligibility requirements. Under the terms of the Plan, employees may elect to contribute a portion of their compensation up to the maximum allowable as determined by the Internal Revenue Service. Under the Plan, the School matches 100% of employee contributions up to 4% of employee compensation. Total matching contributions for the year ended June 30, 2026, were approximately \$108,000.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Note 7 – Compensated Absences

The School recognizes a liability for compensated absences attributable to services already rendered that accumulate and are more likely than not to be used for time off or otherwise paid or settled. At June 30, 2026, management expects the entire compensated absences liability to be used or otherwise settled within one year; accordingly, the liability is classified as current in the statement of net position.

Changes in the compensated absences liability for the year ended June 30, 2026, were as follows:

Balance, July 1, 2025	\$ 102,884
Additions	212,471
Uses	<u>(224,821)</u>
Balance, June 30, 2026	<u><u>\$ 90,534</u></u>

Note 8 – Contributed Assets and Services

Contributed capital assets are recognized at acquisition value at the date of donation. The School did not receive any significant contributed capital assets during the year ended June 30, 2026. No amounts have been reflected in the financial statements for donated services during the year since none met the recognition criteria.

Note 9 – State Funding

The Nevada Legislature provides funding to the School from the State of Nevada primarily on a per-student basis. The School estimates annual enrollment based on continuing students and newly accepted students who have indicated their intent to attend.

Per-student funding is determined based on average daily student enrollment reported by the School to the Nevada Department of Education. Payments are made monthly. During the year ended June 30, 2026, the School recognized \$1,606,345 of State funding based on student enrollment and \$78,387 of State special education funding, for total State funding of \$1,684,732.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Financial Statements

Note 10 – Contributions

Contributions – Contributions are amounts received from the public and other sources to support the School's operations and programs.

Contributions consisted of the following amounts during the year ended June 30:

Cash - unrestricted	\$ 3,452,745
Cash - purpose restricted	<u>29,476</u>
Total contributions	<u>\$ 3,482,221</u>

Note 11 – Risk Management and Contingencies

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the School carries commercial insurance. There were no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School receives funding from the State of Nevada as a public university school. Periodic audits of this program are required, the results of which could result in a refund of payments received. Management believes that any such refund would be immaterial, and no such provision has been made in the accompanying financial statements.

Note 12 – Subsequent Events

The School has evaluated subsequent events that have occurred through the date of the report of independent auditors, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

Required Supplementary Information

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2026

	Budgetary Amounts			Variance Positive (Negative) Original to Final Budget	Variance Positive (Negative) Final Budget to Actual
	Original	Final	Actual		
Revenues					
Donations, restricted and unrestricted	\$ 3,655,000	\$ 3,655,000	\$ 3,482,221	\$ -	\$ (172,779)
State sources - Nevada	1,739,180	1,739,180	1,684,732	-	(54,448)
Program fees - charges for services	80,000	80,000	111,371	-	31,371
Total revenues	5,474,180	5,474,180	5,278,324	-	(195,856)
Expenses - Budgetary Basis					
Instruction					
Regular instruction	135,740	135,740	115,500	-	(20,240)
Regular instruction - salaries and benefits	2,774,530	2,774,530	2,598,167	-	(176,363)
Total instruction	2,910,270	2,910,270	2,713,667	-	(196,603)
Support services					
General administration	575,545	575,545	453,492	-	(122,053)
General administration - salaries and benefits	1,946,690	1,946,690	2,110,002	-	163,312
Facilities	243,025	243,025	216,458	-	(26,567)
Loss on disposition of capital assets	-	-	28,218	-	28,218
Depreciation and amortization	52,425	52,425	75,013	-	22,588
Total support services	2,817,685	2,817,685	2,883,183	-	65,498
Total expenditures	5,727,955	5,727,955	5,596,850	-	(131,105)
Excess (deficiency) of revenues over expenses - budgetary basis	\$ (253,775)	\$ (253,775)	\$ (318,526)	\$ -	\$ (64,751)

See accompanying report of independent auditors.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Required Supplementary Information
Year Ended June 30, 2026

Note 1 – Budgetary Basis and Process

The School's annual budget is adopted on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP) applicable to governmental funds. The budget incorporates certain full-accrual accounting concepts, including depreciation and amortization, amortization of prepaid rent, and certain other noncash items that are not recognized as expenditures under the modified accrual basis of accounting.

Accordingly, actual amounts presented in the budgetary comparison schedule (Schedule) are reported on the same basis as the legally adopted budget to provide a meaningful comparison of budgeted and actual results. The following reconciles the change in fund balance on the budgetary basis to the change in fund balance reported in the General Fund financial statements:

Net change - budgetary basis	\$ (318,526)
Add: depreciation and amortization included as a budgetary expense	75,013
Add: pre-paid rent amortization included as a budgetary expense	196,169
Add: loss on disposal of capital assets included as a budgetary expense	28,218
Less: compensated-absences recognized on the full accrual budgetary basis, but not recognized as a current governmental-fund expenditure	<u>(12,351)</u>
Change in fund balance - GAAP modified accrual basis	<u><u>\$ (31,477)</u></u>

Note 2 – Budget Amendments

The School did not make any amendments to its originally adopted budget during the year ended June 30, 2026. Accordingly, the original and final budget amounts presented in the Schedule are the same, and there were no significant original-to-final budget variances requiring further explanation.

Note 3 – Significant Final Budget-to-Actual Variances

Actual General Fund revenues were approximately \$196,000 below final budget. Contributions were approximately \$173,000 below budget and State of Nevada funding was approximately \$54,000 below budget, partially offset by program fee revenues that exceeded budget by approximately \$31,000. The shortfall in State of Nevada funding was due to lower enrollment than originally budgeted for.

Davidson Academy
(An Unincorporated Division of the Davidson Institute for Talent
Development, a Nevada Not-for-Profit Corporation)
Notes to Required Supplementary Information

Actual General Fund expenses were approximately \$131,000 below final budget. Regular instruction salaries and benefits were approximately \$176,000 below budget, while general administration salaries and benefits were approximately \$163,000 above budget. These variances were primarily attributable to the reallocation of certain staff and responsibilities during the year ended June 30, 2026, as well as the addition of a full-time academic database coordinator. Other general administration and facilities expenses were also below budget, primarily due to lower-than-anticipated professional service costs and, to a lesser extent, reduced costs associated with lower than budgeted student enrollment.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Governing Board
Davidson Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Davidson Academy (School), an unincorporated division of the Davidson Institute for Talent Development (the School) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 17, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Irvine, California
September 17, 2026

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

September 17, 2026

Baker Tilly US, LLP
2050 Main Street, Suite 700
Irvine, California 92614

We are providing this letter in connection with your audit of the basic financial statements of the Davidson Academy, an unincorporated division of the Davidson Institute for Talent Development, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2026 and the respective changes in financial position and for the year then ended and the related notes to the basic financial statements, for the purpose of expressing opinions as to whether the basic financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 17, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 13, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity. Specifically, the financial statements:
 - a. include all component units;
 - b. include all fiduciary activities required by U.S GAAP;
 - c. properly classify all funds and activities in accordance with GASB Statement No. 34, as amended;
 - d. appropriately present majority equity interests in legally separated organizations;
 - e. appropriately present joint ventures with an equity interest; and
 - f. properly disclose all other joint ventures and other related organizations.
3. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37, as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
5. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
6. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
7. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
9. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
11. All transactions have been properly recorded in the accounting records and are reflected in the basic financial statements.
12. We have appropriately identified, recorded, and disclosed all leases in accordance with GASB Statement No. 87.
13. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
14. Provisions for uncollectible receivables have been properly identified and recorded.
15. We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASB Statement No. 101.
16. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
17. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
18. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.
19. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
20. Capital assets are properly capitalized, reported, and, if applicable, depreciated or amortized.
21. We have appropriately disclosed the School's policy regarding whether first to apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
22. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; designate an individual who

possesses suitable skill, knowledge, or experience to oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

Information Provided

23. We have provided you with:
- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - Minutes of the meetings of the Governing Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
24. We have retained copies of all information we provided to you during the engagement and have been provided copies of all necessary financial and non-financial schedules, memos, data, and other information related to all services performed by you, such that in our opinion our records are complete, including our records supporting our financial statements and all related accounting policies and positions. Furthermore, you do not act as the sole host of any financial or non-financial information system for us, nor do you provide any electronic security or back-up services for our data or records.
25. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
26. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- Management,
 - Employees who have significant roles in internal control, or
 - Others when the fraud could have a material effect on the basic financial statements.
27. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
28. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
29. We are not aware of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
30. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
31. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware.
32. We have identified to you any previous audits, attestation engagements, internal or external monitoring, and other studies related to the audit objectives and disclosed to you

the findings received and the related corrective actions taken, including whether related recommendations have been implemented from the end of the period covered by the audit to the date of the auditor's report.

33. The School has no plans or intentions that may materially affect the carrying value or classification of assets and fund balance or net position.
34. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
35. The School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
36. The School has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
37. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Required Supplementary Information (RSI)

38. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signed by:

Mark Herron

7BE17D88774947B...

(Mark Herron, President)

DocuSigned by:

Karin Dixon

5AA1CF79E9E04D9...

(Karin Dixon, VP of Finance and Administration)

Signed by:

Kevin Connelly

73ABE5B9288344C...

(Kevin Connelly, Director of Accounting)



Certificate Of Completion

Envelope Id: 64055215-57C5-8835-8117-E1F99E1525ED	Status: Completed
Subject: Complete with Docusign: Management Rep Letter - (Govt) v25-06.docx	
Deltek Client Engagement Code (123456.XXXX): 907618	
Office Location:	
Orange County	
Document Type: AS - Mgmt Rep Letter	
Source Envelope:	
Document Pages: 4	Signatures: 3
Certificate Pages: 3	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Matt Parsons
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	999 Third Avenue
	Suite 2800
	Seattle, WA 98104
	matt.parsons@bakertilly.com
	IP Address: 204.62.199.26

Record Tracking

Status: Original	Holder: Matt Parsons	Location: DocuSign
9/17/2026 10:12:33 AM	matt.parsons@bakertilly.com	
Security Appliance Status: Connected	Pool: Security Pool	

Signer Events

Signer Events	Signature	Timestamp
Karin Dixon kdixon@davdgrp.com VP Security Level: Email, Account Authentication (None)	DocuSigned by:  5AA1CF79E9E04D9... Signature Adoption: Pre-selected Style Using IP Address: 99.26.253.193	Sent: 9/17/2026 10:14:58 AM Viewed: 9/17/2026 11:11:58 AM Signed: 9/17/2026 11:12:34 AM

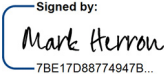
Electronic Record and Signature Disclosure:

Accepted: 9/17/2026 11:11:58 AM
ID: 7eb6714d-eee1-45fc-beee-90ac2e67a19e

Kevin Connelly kconnelly@davdgrp.com Director of Accounting Security Level: Email, Account Authentication (None)	Signed by:  73ABE5B9288344C... Signature Adoption: Pre-selected Style Using IP Address: 76.116.220.80	Sent: 9/17/2026 10:14:59 AM Viewed: 9/17/2026 10:15:34 AM Signed: 9/17/2026 10:17:06 AM
---	--	---

Electronic Record and Signature Disclosure:

Accepted: 9/17/2026 10:15:34 AM
ID: 959d860c-3df9-43aa-930f-1591e0c31d52

Mark Herron mherron@davdgrp.com President Security Level: Email, Account Authentication (None)	Signed by:  7BE17D88774947B... Signature Adoption: Pre-selected Style Using IP Address: 2600:387:f:4b13::5 Signed using mobile	Sent: 9/17/2026 10:14:58 AM Viewed: 9/17/2026 11:47:37 AM Signed: 9/17/2026 11:47:56 AM
---	---	---

Electronic Record and Signature Disclosure:

Accepted: 9/17/2026 11:47:37 AM
ID: 07bdd470-8388-4a49-9bb1-e62ba55db7e8

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp

INDEX

TAB 1

TAB 2

TAB 3

TAB 4

TAB 5

TAB 6

TAB 7

TAB 8

TAB 9

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	9/17/2026 10:14:59 AM
Certified Delivered	Security Checked	9/17/2026 11:47:37 AM
Signing Complete	Security Checked	9/17/2026 11:47:56 AM
Completed	Security Checked	9/17/2026 11:47:56 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

Parties agreed to: Karin Dixson, Kevin Connelly, Mark Herron

CONSENT FOR USE OF ELECTRONIC SIGNATURES AND DOCUMENTS

By selecting the "I Accept" button, you are signing this document electronically. You agree your electronic signature is the legal equivalent of your handwritten signature on this document. By selecting "I Accept" using any device, means or action, you consent to the legally binding terms and conditions of this document. You further agree that your signature on this document (your "E-Signature") is as valid as if you signed the document in writing. You also agree that no certification authority or other third party verification is necessary to validate your E-Signature, and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting agreement. You are also confirming that you are authorized to sign this document. Finally, you understand and agree that your E-Signature will be legally binding and such transaction will be considered authorized by you.

INDEX**TAB 1****TAB 2****TAB 3****TAB 4****TAB 5****TAB 6****TAB 7****TAB 8****TAB 9**