

NOTICE OF PUBLIC MEETING
of the
Board of Directors of
SOMERSET ACADEMY OF LAS VEGAS

Notice is hereby given that the Board of Directors of Somerset Academy of Las Vegas, a public charter school, will conduct a public meeting on July 28, 2015, beginning at 5:30 p.m. at 50 N. Stephanie Street, Henderson, Nevada 89074. The public is invited to attend.

Attached hereto is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Chairperson.

Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend or participate at the meeting. Any persons requiring assistance may call Kimberly Ballou at (702) 431-6260 in advance so that arrangements may be conveniently made.

Public comment may be limited to three minutes per person at the discretion of the Chairperson.

AGENDA

July 28, 2015 Meeting of the Board of Directors of Somerset Academy of Las Vegas

(Action may be taken on those items denoted “For Possible Action”)

1. Call to order and roll call. (For Possible Action).
2. Public Comment and Discussion. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.).
3. Review and Approval of April 9, 2015, April 13, 2015 and May 14, 2015 Board Meeting Minutes. (For Possible Action.)
4. Selection of New Board Legal Counsel. (For Possible Action.)
5. Interview of Board Member Candidates. (For Discussion.)
6. Nomination and Election of Board Member. (For Possible Action.)
7. Review of Schools Financial Performance. (For Discussion.)
8. Approval of Auditor for the 2014/2015 Annual Audit. (For Possible Action.)
9. Discussion and Approval to Form Somerset Academy of Las Vegas Foundation. (For Possible Action.)
10. Update Regarding Development of Final Phase of Somerset Academy Sky Pointe Campus and Hiring of Project Manager and Architect. (For Possible Action.)
11. Discussion Regarding Disclosure of Conflicts of Interest. (For Possible Action.)
12. Proposed Adoption of Board Member Handbook and Grievance Policy. (For Possible Action.)
13. Discussion Regarding Charter School Association of Nevada Conference, Proposed to Take Place November 2, 2015 at Somerset Academy’s Losee Campus. (For Discussion.)

14.Executive Director and Principal Reports. (For Discussion.)

15.Public Comments and Discussion. (For Discussion.)

16.Adjournment. (For Possible Action.)

This notice and agenda has been posted on or before 9 a.m. on the third working day before the meeting at the following locations:

- (1) 385 W. Centennial Parkway, North Las Vegas, Nevada 89084
- (2) 7038 Sky Pointe Drive, Las Vegas, Nevada 89131
- (3) 50 N. Stephanie St., Henderson, Nevada 89074
- (4) 4650 Losee Road, North Las Vegas, Nevada 89081
- (5) North Las Vegas City Hall, 2200 Civic Center Dr., North Las Vegas, Nevada.
- (6) Henderson City Hall, 240 South Water Street, Henderson, Nevada.
- (7) Las Vegas City Hall, 495 S. Main St., Las Vegas, Nevada.
- (8) Academica Nevada, 1378 Paseo Verde Parkway, Suite 200, Henderson, Nevada 89012

SOMERSET ACADEMY OF LAS VEGAS
2015/2016 SCHOOL YEAR BOARD MEETING SCHEDULE

July 28, 2015

September 9, 2015

November 11, 2015

January 13, 2015

March 9, 2015

May 11, 2015

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 3 – Review and Approval of April 9, 2015, April 13, 2015 and May 14, 2015 Board Meeting Minutes.
Number of Enclosures: 3

SUBJECT: Review and Approval of April 9, 2015, April 13, 2015 and May 14, 2015 Board Meeting Minutes.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves / Board

Recommendation:

Proposed wording for motion/action:

Motion to Approve the April 9, 2015, April 13, 2015 and May 14, 2015 Board Meeting Minutes.

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 2-5 minutes

Background: Board meetings were held on April 9, 2015, April 13, 2015 and May 14, 2015. The minutes from these meetings need to be approved by the Board of Directors.

Submitted By: Staff

MINUTES
of the meeting of the
BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS
April 9, 2015

The Board of Directors of Somerset Academy of Las Vegas held a telephonic public meeting on April 9, 2015 at 12:00 p.m. at 1378 Paseo Verde Parkway, Suite 200, Henderson, Nevada 89012.

1. Call to order and roll call.

Board Chair Cody Noble called the meeting to order at 12:09 p.m. Present were Board Members Cody Noble, Amy Malone, Will Harty, Eric Brady and Eric Elison (joined the call later in the meeting).

Also present were Academica Nevada Representatives Bob Howell, Clayton Howell, Corinne Wurm and Ryan Reeves (joined the call later in the meeting), along with the Board's Counsel, Jeff Blanck and the Board's Bond Financial Advisor, Russell Caldwell.

2. Public Comments and Discussion.

No member of the public requested to comment at this time.

3. Review and Approval of All Necessary Document for Bond Closing.

Bob Howell addressed the Board and stated that about three years ago, legislation was introduced that would allow schools to purchase their facilities. Mr. Howell explained that Academica has been working with the Department of Business and Industry, which is the conduit to which the bonds were issued. Mr. Howell stated that Scott Hammond had introduced legislation two years ago and this bond process has been accomplished through this legislation. Mr. Howell further stated that this is the first charter school bond issuance being done in the State of Nevada. Mr. Howell added that charter schools are now allowed to issue bonds and purchase their buildings.

Mr. Howell stated that the idea behind the bond deal is to purchase the complete properties at the Sky Pointe location, along with secure enough funds to build out the last phase and to also purchase phase one of the North Las Vegas campus. Mr. Howell further stated that the whole idea behind this is not only to own the properties, but to also save money. Mr. Howell stated that this was a great market and that there will be no more escalators, as in the lease agreements. Mr. Howell noted that the monthly payments will be fixed for the next thirty years. Mr. Howell stated that the Board's Financial Advisor did a great job making sure everything needed was provided, as well as saying to things that were not reasonable. Mr. Howell further stated that this has been a great process and what was set out to be accomplished two years ago has been achieved.

Russell Caldwell addressed the Board and spoke regarding the process and his role in the process. Mr. Caldwell stated that everyone worked very hard and they caught a decent market. Mr. Caldwell spoke regarding the bond sale and noted that Somerset had a BB rating issued by Standards and Poors. Mr. Caldwell explained the bond sale process and the documents generated. Mr. Caldwell further explained calls that took place to answer any questions that arose out of the analysis that took place. Mr. Caldwell spoke regarding the sale of the bonds and provided information on the market conditions seen, noting that it was a relatively stable market. Mr. Caldwell provided information regarding the amount of bonds sold. Mr. Caldwell stated that the true interest cost is slightly under 5.06%. Mr. Caldwell noted that the payment is roughly \$2,815,000.00 to \$2,820,000.00 a year for thirty years. Mr. Caldwell further noted that this improves the cash flow, puts Somerset in a position to own their schools and makes the budgeting process highly predictable and gets rid of the escalators.

Mr. Caldwell talked about some recent comparable bond sales and how they compare to the rate received by Somerset and noted that the transactions were similar to each other. Mr. Caldwell noted information regarding investor orders and how this effects the rates.

Mr. Caldwell stated the bond proceeds are \$43,000,000.00 of which, \$39,000,000.00 to \$40,000,000.00 will go into the project funds to buy both buildings and finish the expansion at the Sky Pointe campus, along with a reserve fund of \$2,800,000.00. Mr. Caldwell noted that there is nno out of pocket funding to compelte the bond, as this was all included with the bond funding. Mr. Caldwell stated that if anyone ever has any questions he is happy to answer them.

Mr. Caldwell spoke regarding the remaining process and noted that the Board would approve the signing of the bond related documents and once the documents are signed, the bond deal is set to close on April 16, 2015. Mr. Caldwell stated that he recommends taking advantage of all this work and pricing and that the Board adopt the bond documents to lock this in so that the underwriter can deliver the bonds on April 16, 2015.

Member Noble asked, as clarification that, as the Board's Financial Advisor, Mr. Caldwell and the Board's legal counsel has reviewed the documents being presented and that both are recommending moving forward, based on the language in the documents. Mr. Caldwell confirmed and recommended approval from the financial standpoint. Jeff Blanck addressed the Board and stated that he has reviewed various versions and the documents being presented are well within the legal parameters and does not see any issues.

Member Noble asked Bob Howell and Clayton Howell if they have confirmed that the terms are at least as good or better than what the projections were. Mr. Caldwell stated that he can confirm this as well, noting the savings to be had. Bob Howell stated that the payments were lowered for the first year and then level off at \$2,820,000.00 per year. Mr. Howell added that Somerset is in great shape, as the projected payments were about \$3,000,000.00. Clayton Howell noted that he sent out figures showing the lease rates for the coming years. Mr. Howell explained the lease rates for the next year for both campuses, noting that the combined lease rate for both campuses is \$3,300,000.00m including the build out of phase three of the Sky Pointe campus, which is a \$500,000.00 savings. Mr. Caldwell noted that over thirty years, that savings is a pretty big amount.

Bob Howell noted that from a cash flow point, Somerset is in a good place financially. Member Noble asked Mr. Caldwell what action is needed. Mr. Caldwell stated that the documents related to the bond sale need to be approved, specifically the Bond Purchase Agreement. Discussion was had as to what needs to be approved.

Member Noble Motioned to approve all necessary documents to close the bond issuance, including the Purchase Agreement. Member Harty seconded the Motion and the Board unanimously approved.

Mr. Caldwell stated that the Bond Purchase Agreement would need to be signed right away and be sent to the underwriter. Bob Howell stated that it will be handled that day.

Mr. Caldwell congratulated the Board for sticking with the process to get this done. Member Noble thanked everyone that helped with this huge undertaking and process. Member Noble added that this will definitely benefit the schools and allow Somerset to continue to make a difference.

4. Public Comments and Discussion.

No member of the public requested to comment at this time.

5. Adjournment.

Member Noble Motioned to adjourn the meeting at 12:30 p.m. Member Malone seconded the Motion. The Board unanimously approved and the meeting was adjourned.

Approved on: _____

Secretary of the Board of Directors
Mater Academy of Nevada.

DRAFT

MINUTES
of the meeting of the
BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS
April 13, 2015

The Board of Directors of Somerset Academy of Las Vegas held a telephonic public meeting on April 13, 2015 at 5:30 p.m. at 7038 Sky Pointe Drive, Las Vegas, Nevada 89131.

1. Call to order and roll call.

Board Chair Cody Noble called the meeting to order at 6:04 p.m. Present were Board Members Cody Noble, Will Harty, Eric Brady (Member Brady was present by telephone until arriving at the meeting at 6:20 p.m.).

Board Members Eric Elison and Amy Malone were not present.

Also present were Principal Phillips, Principal Kelley, Principal Barlow, Principal Jefferson, Principal Farmer, Principal Mayfield and Principal Pendleton, as well as Academica Nevada Representatives Ryan Reeves, Bob Howell, Clayton Howell, Carlos Segrera, Jacob Smoot and Allison Salmon.

2. Public Comments and Discussion.

Member Noble noted that each person wishing to make public comment will have three minutes to present.

Patty Valentine address the Board and spoke regarding her children's enrollment at Somerset. Ms. Valentine noted that she as two 5th graders at Sky Pointe, adding that they are now going into their third year of trying to get their other son into Sky Pointe as well.

Ms. Valentine stated that when her younger son did not get in for kindergarten, under sibling priority, they chose to keep him at their zoned CCSD school for kindergarten. Ms. Valentine added that for 1st grade, they decided to enroll their younger son into the Somerset North Las Vegas campus, because the priority seating at that time placed transfer student seating above sibling priority seating, making the chances of getting in better, however, this policy was changed, giving sibling priority over transfer students.

Ms. Valentine agreed that this change in policy makes sense, however, it does not take into account families like hers that made decisions at the beginning of the school year, based on the policies in place at that time. Ms. Valentine stated that had they known what they know now, they would have left him at their zoned CCSD school until he got into the Sky Pointe, to alleviate all the movement between schools.

Ms. Valentine stated that now, after a difficult year of taking kids to different campuses, twenty minutes apart, with that same start time, her son still has a very poor chance of getting into Sky Pointe, as he is number thirty on the sibling waitlist for 3rd grade, and there is such a low turnover rate at this campus.

Ms. Valentine stated that it seems to her that holding a random lottery every year is not fair to those who have waited multiple years to get their children in to the same school. Ms. Valentine added that she knows of instances where new families have gotten one child into Sky Pointe and then their other child is put on the sibling priority list and then offered a seat, while those who have been waiting a long time still have not gotten all their students in to the same campus yet. Ms. Valentine added that with the high school in place, the sibling priority list will only continue to grow every year. Ms. Valentine provided an example of how older students being accepted will give their siblings priority and potentially be seated before someone who has been waiting for years.

Ms. Valentine stated that she does not think this is fair and feels the system would be more equitable if the process had less to do with luck and more to do with commitment. Ms. Valentine further stated that she feels that families should be rewarded for their commitment and dedication to a school and be given priority over new incoming families. Ms. Valentine added that this makes sense to her and hopes it makes sense to the Board to accommodate those families that have already given so much to the school, before welcoming new families.

Ms. Valentine stated that having her children separated those past few years has been extremely difficult on her family and would like the Board to give consideration to those that have been dedicated to the Sky Pointe campus. Ms. Valentine added that to make this process fair, consideration should be given during the lottery, as to the length of time that families have applied and waited to get in, with some sort of rating system, according to the length of time families have been waiting. Ms. Valentine stated that she is not alone in her feelings about this and has a number of friends and acquaintances that are in the same situation, and are very discouraged by the process. Ms. Valentine asked what can be done to help make a chance for families that have been waiting years to get in with no end in sight. Ms. Valentine acknowledged not being able to discuss this as it is not on the agenda, and asked that it be placed on the agenda for a future meeting.

Member Noble stated that this can be discussed at this meeting, however, no action can be taken without the subject being on the agenda. Mr. Reeves noted that Ms. Valentine has been communicating with him and added that he appreciates her patience. Mr. Reeves stated that he is looking in to the legality of two additional priorities, 1) priority for a reapplying student – would stay at the top of the list if already there and 2) if you are both a sibling and a transfer student, that you would move ahead of just a sibling or just a transfer, giving an ultimate priority for families that have their students split up at multiple campuses. Mr. Reeves stated that he has asked the staff at the Charter Authority about these priorities and has not heard back as of yet.

Member Noble asked Ms. Valentine about her attempt to enroll her son into kindergarten and asked if she had students already enrolled at Sky Pointe. Ms. Valentine stated that the year she tried to enroll her kindergarten son, her other kids were enrolled for their first year as well. Ms. Valentine added that she understood not getting in that first year, however, she felt like this year they should have had a greater chance of getting in. Ms. Valentine reiterated her chances of not getting in for next school year as well.

Member Noble asked if she had applied to other schools. Ms. Valentine stated that for this coming year they did not, as to keep from moving him around from school to school. Member Noble stated that she thinks the Board has already discussed and made a decision on priority for students that are both siblings and transfer students, however, lengthy discussion has not taken place regarding how the shuffling every year works in a way that makes sense and would like to discuss this at a future meeting. Ms. Valentine stated that that discussion is more important to her than the sibling / transfer status.

Member Noble stated that he understands Ms. Valentine's position and stated that it can be addressed by the Board. Member Noble noted that Mr. Reeves is looking into what the legal options are to help guide the decisions. Member Noble reiterated that lengthy discussion took place regarding the sibling and transfer students, noting that it is hard to distinguish between students waiting to be enrolled that are at a Somerset school versus another school, as the goal is for all families to be together, regardless of situation.

Member Noble asked for the lottery process to be included on a future agenda, Mr. Reeves confirmed. Ms. Valentine thanked the Board.

Member Harty stated that he has been approached about this as well and noted that past discussions talked about having a formula that calculated the length of time on a waiting list. Member Harty added that he is concerned about how complicated that is in explaining the process to someone, however, he would be in favor. Member Noble added that he does not know if it would make sense or not, however, it is worth discussing.

Melanie Smith, a teacher and parent at Sky Pointe addressed the Board and mentioned the teacher survey recently received. Ms. Smith stated that after talking with other teachers, they are concerned about not having a sign up on the building, despite being open for three years. Ms. Smith noted issues of not having the sign up and stated that they would really like to have a sign put up.

Principal Jefferson stated that she has been communicating with that architect and Jake Smoot regarding this. Principal Jefferson agreed with Ms. Smith and noted the publics uncertainly about the school because there is no sign up yet.

Member Noble asked Bob Howell why there is no sign yet. Mr. Howell stated that he is not sure, but that he will find out. Member Harty asked that this be added to the agenda for the next Board meeting. Mr. Howell confirmed, noting that an update will be provided. Principal Jefferson added that all the specifics regarding the sign have been picket out. Additional discussion was had regarding the lack of signage.

- 3. Review and Approval of the Minutes of the January 8, 2015 Meeting.**
- 4. Review and Approval of the Minutes of the February 3, 2015 Meeting.**
- 5. Review and Approval of the Minutes of the February 27, 2015 Meeting.**

Member Harty Motioned to approve the minutes of the January 8, 2015, February 3, 2015 and February 27, 2015 meetings. Member Brady seconded the Motion and the Board unanimously approved.

6. Acknowledgment of Resignation of Board Vice Chairperson Scott Hammond.

Ryan Reeves addressed the Board and noted the recognition of the resignation of Board member Scott Hammond in an open meeting. Mr. Reeves added that Mr. Hammond had sent his letter of resignation to all the members of the Board. Mr. Reeves further added that Mr. Hammond was currently in session at the State Legislature and was unable to be present at the meeting.

Mr. Reeves stated that Mr. Hammond was the last member of the original Somerset Board and the committee to form in 2010. Mr. Reeves noted that with this resignation, there were now two open Board positions. Mr. Reeves added that one of the issues before the Board, which could be addressed at this meeting, is how to proceed with filling this seat.

Mr. Reeves stated that at the last meeting, the Board directed Academica staff to proceed with bringing back candidates to fill the seat left vacant by Crystal Thiriot and provided the parameters the Board wanted to see in the candidates. Mr. Reeves advised that those candidates are present at the meeting. Mr. Reeves stated that the Board could potentially fill Mr. Hammond's position from these candidates as well, or request an additional search, if the Board wants to include additional parameters.

Mr. Reeves stated that the Board requested an educator to replace Ms. Thiriot, as she was a former educator and had insight on education matters. Mr. Reeves further stated that Ms. Thiriot license had expired and was not kept active. Mr. Reeves added that the Board is required to have two licensed educators, two professionals in business, accounting or human resources and one parent of an enrolled student. Mr. Reeves stated that with Mr. Hammond's resignation, he was one of two licensed educators and now one of the two open seats must be filled by a licensed educator.

Member Noble stated that Mr. Hammond was an amazing Board member and it is a great loss with his resignation. Member Noble further stated that Mr. Hammond had some great insight and wonderful commitment to the school and he will be sorely missed. Member Noble stated that the Board would like to thank, on the record, Mr. Hammond for all the many many hours of service that he gave to the school. Member Noble noted

that Mr. Hammond was one of the originals that had the vision of the school and he should be very proud of that. Member Noble added that hopefully the Board will continue in a way that is in line with that vision. Member Noble thanked Mr. Hammond for his efforts.

7. Interview of Board Member Candidates.

Member Noble stated that the Board is not too familiar with this process and apologized for there not being a set protocol. Member Noble added that he would like to hear from each of the candidates and maybe be able to ask them questions afterwards. Mr. Reeves stated that he had prepared the candidates to introduce themselves to the Board and answer any questions the Board may have.

Mr. Reeves stated that, in following with the Board's direction, Academica put out word to the entire Somerset community advising that there was a Board vacancy, as well as noting that the Board was looking for a parent of an enrolled student and someone with experience in education, with an educator's license, if possible. Mr. Reeves noted that thirty-one applications / resumes were received from parents interested in serving, which is a great sign of the willingness of the Somerset community to serve, dedicating their time and energy to this effort.

Mr. Reeves stated that Academica then reviewed the received resumes and selected individuals for interview. Mr. Reeves added that Academica reached out to some of the Principals and had them participate in the interviews to have their input and feedback on who should be part of the final three candidates to bring before the Board.

Mr. Reeves stated that all three of the candidates before the Board are all parents of students currently attending or are enrolled to attend in the coming school year and are all licensed educators. Mr. Reeves added that these candidates' resumes are contained in the support materials. Mr. Reeves asked each of the candidates to address the Board.

Nathalie Burgess address the Board and thanked them for the excellent opportunity. Ms. Burgess stated that she has been in education for twenty years, beginning as a 5th grade teacher in California, moved to Las Vegas in 2003 and continued teaching until she moved to teaching in secondary education as a 6th grade reading teacher for two years. Ms. Burgess further stated that she then became the Dean of Students at Von Tobel Middle School and then as the Assistant Principal at the high school level. Ms. Burgess added that she was recently appointed Principal of Hickey Elementary School.

Ms. Burgess stated that her children are ages 14, 9 and 7. Ms Burgess further stated that her 14 year old (8th grade) does great in the regular CCSD setting and that she has been pleased with his education so far. Ms. Burgess added that her two younger children will be attending the Lone Mountain campus next school year and was thrilled to have a chance for her kids to attend this school. Ms. Burgess further added that she thinks her daughter has some unique needs that will be better served at a campus like Lone Mountain.

Ms. Burgess stated that her interest in wanting to become a Board member is simple, she is very interested in making sure that Somerset continues to grow and continues to provide families, as they are now, and to try to be an integral part of that to help sustain that growth. Ms. Burgess noted the person that spoke during public comment about trying to get her kids in and empathizes with that, as she too tried to get her children in last school year as well. Ms. Burgess stated that she thinks there is a real desire to have choice in Clark County and wants to be a part of helping to support that.

Member Noble asked why the Principal of a school would want to be on this Board. Ms. Burgess noted that was a great question and stated that she really believes that education is ultimately going to be the ticket for our kids to do what they need to do. Ms. Burgess further stated that this is why she is in education and aspired to

be a Principal. Ms. Burgess further noted that she works in a very low economic area where there is a lot of kids that have lost hope for schooling and not understanding how to get out of the cycle of poverty. Ms. Burgess stated that she wants to provide her service to that community and has been doing turn around work for five years and whole heartedly enjoys that service, however, she is not serving the community of the schools her children attend and would like to be able to also provide service in her immediate community as well. Ms. Burgess stated that she does not see herself moving school and sees this as an excellent opportunity to provide service not only in the areas that need her, but also in her own community.

Ms. Burgess stated that she has a super supportive husband that understands the additional time commitment to education. Member Harty asked between everything she has with school, would attending Board meetings at least once a quarter, and maybe even monthly, be an issue. Ms. Burgess stated that while she cannot predict the future, she is good at multi-tasking and is very organized. Ms. Burgess stated that her husband has a flexible schedule and they make things work as a team. Ms. Burgess added that her and her husband talked about taking this on, before she submitted her resume. Ms. Burgess stated that she is very interested in the charter school system and has done a lot of research on charter schools in learning how to turn schools around and aspires to one day, maybe be more active in possibly looking into her own charter school system. Ms. Burgess reiterated that her and her husband talked long and hard about the time commitment and would not be there if it would be an issue. Ms. Burgess noted that absolutely there will be conflicts with having three active children, however, overall she thinks she can handle it. The Board thanked Ms. Burgess.

Andrea Connolly addressed the Board, stating that she has been in Las Vegas for a little over twenty years and has been with CCSD for nineteen years, beginning in the human resources department and then moved to the schools. Ms. Connolly stated that she is currently at Rancho High School, as the Assistant Principal. Ms. Connolly noted that she began her career in the elementary grades and has a master's degree in elementary education. Ms. Connolly stated that she taught middle school for a few years before going into the high school realm and has tried teaching at all levels, loving all of them.

Ms. Connolly stated that she has one child currently attending the North Las Vegas campus and has been there for the last three years (was at the Oakey campus prior to that). Ms. Connolly further stated that they love Somerset and had tried a few other schools, ultimately liking Somerset with that smaller class sizes. Ms. Connolly stated that the choice came down to the more individualized instruction that her son really needed. Ms. Connolly further stated that the school they are zoned for would have bigger class sizes and has been very very happy with Somerset. Ms. Connolly noted that she had attended some of the previous Board meetings when the North Las Vegas campus went through transition a few years back and was impressed by how smoothly the process went, at least from a parent's perspective.

Ms. Connolly stated that she too spoke at length with her family about the time commitment. Ms. Connolly noted that she too is passionate about education and is there to be in the best interest of the students and to be a part of her son's education. Ms. Connolly added that knowing she does not want to leave the school she is at, however, she would like to be active in her son's education, as well as her community, on behalf of the parents at the North Las Vegas campus.

Member Noble asked what she hopes to bring to the Board that would help the school be better. Ms. Connolly stated that her having taught elementary, middle school and high school would be a benefit to the Board. Ms. Connolly stated that she has also worked in administration at all levels as well and could bring a voice from all levels and have some insight into the education issues.

Member Noble asked Ms. Connolly in her capacity as an administrator, what she sees the Board's role as in the whole education process. Ms. Connolly stated that she sees the Board as being an asset and a resource for the Principals to ensure that the Principals have what they need to be successful, whatever that is for each Principal

and school. Ms. Connolly added that the Board should be there to help each campus be the best they can be, while also maintaining the high standards, even through growth.

Carrie Boehlecke addressed the Board and stated that she is a proud parent of a Somerset Stephanie student and is the Dean of Students at East Career and Technical. Ms. Boehlecke added that she has been in education since 1998 and has taught high school English for fifteen years, with two years as an English Language Arts facilitator. Ms. Boehlecke stated that while she has not taught elementary or middle school, she has worked with elementary and middle school teachers. Ms. Boehlecke noted that her experience might be slightly different, given that East Career and Technical is a different type of school, however, she still has teacher supervision and disciplinary issue experience.

Ms. Boehlecke stated that she was born in Boulder City and went to CCSD school for kindergarten through 12th grade, then to UNLV and has been in Nevada her whole life. Ms. Boehlecke added that she has seen CCSD change and grow. Ms. Boehlecke added that they applied for Somerset from the beginning to have something different and a choice and started with Somerset Emerson and have grown with that system. Ms. Boehlecke added that she likes what the Academics schools do for the landscape of the city offering a choice, helping all educators to look at what is best for our kids and allowing parents the ability to say that they have choices and other options besides their zoned schools.

Ms. Boehlecke stated that they are all here because of the call for an educator and that they would not be there, without that passion. Ms. Boehlecke further stated that she told her husband that she was applying for the Board position and he understood, as he too is very involved with their kids. Ms. Boehlecke added that she likes the family environment and the thirty hour requirements for parents.

Member Noble noted that when he became a Board member he did not know exactly what it entailed and if he had, he might not have taken on the role, noting that he is surprised that as administrators of other schools, that the three candidates would want to take on this role, to possibly, take away from their own school and asked why they want to do that.

Ms. Boehlecke stated that every day they ask their kids / students to do new things and to learn and grow from it, and her stopping from doing those same things, she would not be right for education. Ms. Burgess added that when she saw this Board position come open, while not knowing what it is like to sit on a Board, she is interested in the system, in the idea of dealing with parents and teachers and being a part of that open communication. Ms. Burgess added that she wants to be a part of the place to discuss things and work for solutions and added that as a new administrator, she likes seeing things from a different angle of being on the Board, being an administrator and having been a teacher.

Member Noble stated that he admires these three candidates, being in front of the Board to answer questions, as he did not have to go through this process. Member Noble asked if they know each other and each noted that they do now and Ms. Connolly noted that they have interacted through school turn around. Member Noble stated that the administrator would be of value to the Board as they do not have anyone in that capacity and is glad to see that people of their caliber are interested in being on the Board.

Member Noble asked what would they hope to bring to the Board to help them, given their knowledge of the Somerset background and what they hope to bring to the Board to help them. Ms. Burgess stated that she would like to bring the perspective of both a parent who has been very excited about seeing the growth of the system and also has gone through the up and downs of not being able to get her children in and who has friends voicing those frustrations. Ms. Burgess stated that she can bring her parent perspective when considering things like the lottery or growth and needs of the parents. Ms. Burgess added that as an educator and administrator, she can bring a lot of perspective and understanding of what is best for kids and teachers to continue the academic

success already seen. Ms. Burgess stated that she believes she can help by making informed decisions where students and teachers are concerned.

Member Noble asked how they see the role of the Board, what is their function. Ms. Burgess stated that the Board should be the checks and balances and to serve the community, while making sure forward progress continues for Somerset. Ms. Burgess noted that with quick growth, it is important to not lose sight of the foundation of what makes Somerset so successful, which is also a role of the Board.

Ms. Boehlecke agrees with Ms. Burgess and further added that it is important that the schools stay somewhat individual and autonomous, but at the same time, be what makes Somerset great (small classes, parent input, etc.) and why anyone would choose Somerset over their zoned school. Ms. Boehlecke noted the conversations that happen at Board meetings and they parents, teachers, principals, etc. can voice concerns and the Board supporting the integrity, the idea, the model and the mission of Somerset, by making sure all stay true to that. Ms. Boehlecke added that whether you are on the Board or not, they are all a huge part of the Somerset community. Ms. Boehlecke noted being involved with all the schools and the changes across the entire system.

Member Noble asked the candidates, based on what they know about Somerset, if they have noticed things they think the Board should do to make Somerset better (Member Noble noted that Ms. Burgess might not be able to answer this, being that her child is not attending yet) or to work better. Ms. Connolly stated that the differences are not necessarily anything the Board could do differently, noting the pool of teachers that everyone is pulling from and added that Somerset has had some phenomenal teachers and some that are questionable. Ms. Connolly added that she knew the teacher issue might be a factor when she enrolled her son with Somerset. Ms. Connolly noted that with the smaller community the Principals get to know their teachers and the Board is there to support the Principals. Ms. Connolly added that smaller class sizes make a big difference when you have a struggling teacher. Member Noble stated that the Board has struggles with what to do to get teachers to come to Somerset and added that hopefully one of them will be able to help them in that area, as this is an area he is unfamiliar with.

Ms. Burgess stated that while her children have not attended a Somerset school yet, one thing that could be better, to raise student achievement and maintain high student achievement, is quality instruction. Ms. Burgess noted that it does not need to be the best teachers, however, those that want to be reflective will grow and listen to the Administration to become better. Ms. Burgess added that they need to ensure that the Administration and teachers always continue to strive for high collaboration and working together to always be better. Ms. Burgess further added that they need to adjust to meet the needs of kids and what is effective in the classroom.

Ms. Boehlecke stated that one thing that is great is always looking at what they can do better, even for something as simple as adding sports and after school activities. Ms. Boehlecke noted the fast response when issues come up and noted that this makes a huge difference.

8. Nomination and Election of New Board Members.

Member Noble stated that he feels uncomfortable with that three Board members present filling the open seats when two of the Board members are not present and do not have an opportunity to hear from the candidates. Member Noble added that he feels like they have a good pool to fill one seat with an educator and would want to broaden the search for the other spot, even if it results in the same pool, however, to see what they get back. Member Noble asked Member Harty and Member Brady if they should go ahead and make a decision as to one spot or if they should give the other Board members the opportunity to read the minutes and then elect a member at the next meeting. Member Brady stated that he was impressed with the three candidates and their caliber, adding great value to the Board, whomever is selected. Member Brady agreed that the other two Board members should be included in the decision. Member Harty stated that he is ok with that, however, asked how this would work and if the candidates would have to come back and go through the process again. Member Noble stated that the other Board members could read the minutes and Mr. Reeves agreed. Member Brady asked if the

two could call the candidates to ask questions. Mr. Reeves stated that any conversations that aid in a decision being made would be subject to Open Meeting Laws.

Member Noble stated that the other two could read the minutes and that the candidates would not need to come back at the next meeting, unless they wanted to, and then a decision could be made. Member Noble added that he feels that the other two Board members should be familiar with the testimony from the candidates before making a decision.

Member Noble asked that this be placed on the agenda for the next meeting. Mr. Reeves acknowledged this and discussed the time-frame, pursuant to the bylaws, in which the open seats need to be filled. Mr. Reeves stated that the three Board members present would need to decide whether or not do an additional search, or to move forward with these three candidates. Mr. Reeves noted that because of the time-frame issues, an additional search would need to be conducted as soon as possible. Member Noble stated that he thinks there should not be such a focus on needing an educator, for all the open spots. Member Harty asked Member Noble if he would feel comfortable filling one of the vacant seats with one of the three candidates. Member Noble stated that he believes they will, however, the question will be to the two Board Members not present to review the testimony and then the Board will decide on one of the candidates. Member Noble noted that for the other spot, to go back and look at the pool and see if there are some non-educators that were excluded because the original vacant spot was required to be filled by an educator. Discussion was had regarding the time-frame in which the positions need to be filled. Mr. Reeves noted that he believes the spirit intended by the time-frame is being met by the Board.

Member Brady stated that with regard to the second Board position, he is comfortable with that group presented and does not necessarily think another search needs to be done. Member Noble agreed stated that his thought was that the initial search may have excluded non-educators that submitted resumes that he would like to consider. Mr. Reeves noted that Academica will report back at the next meeting. Member Noble thanked the candidates for coming.

9. Election of New Board Officer(s).

Member Noble sought to confirm that the officer position open is that of the Vice Chairperson. Mr. Reeves confirmed, noting that if a current officer is elected for the Vice Chairperson spot, there spot would need to be filled as well. Discussion was had regarding who holds which position current. Mr. Reeves stated that the bylaws call for a Chairperson, Vice-Chairperson, Treasurer and Secretary. Mr. Reeves noted the format for electing an officer.

Member Brady nominated Member Harty as the Board Vice Chairperson. No other nominations were made and the floor was closed for nominations. All present Board members voted in favor of Member Harty as Board Vice Chairperson and Member Harty was elected to this position.

17. Review and Approval of Participation in Nevada Entergy's Smart School Program at the Somerset Sky Pointe campus.

Jacob Smoot addressed the Board and noted that Isaac Moubarek from Clearesult was also present. Mr. Smoot stated that it is being proposed to retrofit the Sky Pointe campus, as was previously done at the North Las Vegas campus. Mr. Smoot further stated that this would be for phase one of the building, which is the elementary building, the middle school building, excluding the multi-purpose room.

Mr. Smoot referenced the support materials and noted that the estimated payback with the rebate is 1.7 years. Mr. Smoot stated that the investment on Somerset's part is \$21,900.00 for the lamps. Mr. Smoot explained what the retrofit would entail and the changes to be made.

Member Noble asked Mr. Smoot if he was involved in the North Las Vegas retrofit and Mr. Smoot confirmed and explained what was done at the North Las Vegas campus. Member Harty asked if there was a reduction in the amount of light and Mr. Smoot stated that there was not. Member Noble asked Principal Mayfield to join the conversation. Principal Mayfield stated that they have enjoyed the lighting and does not think that there has been any reduction in light at all. Principal Mayfield added that she cannot even tell the difference anymore. Mr. Smoot added that the same retro-fit has been done at Pinecrest Academy and Doral Academy as well, all with good reviews.

Member Brady asked if the fixtures are retro-fitted or if it is just the bulbs. Mr. Smoot stated that it is just the bulbs and the ballast. Member Brady asked if LED lights last longer and Mr. Smoot confirmed. Discussion was had regarding the cost savings at the North Las Vegas campus and Mr. Smoot stated that no savings has been seen in the utility bill, however, this could be because of the warmer than normal winter. Member Harty asked if there is a way to test to see if the usage has gone down. Discussion was had regarding the savings.

Member Brady asked if Nevada Energy still has rebate money available and if there is any change Somerset would not get that funding. Isaac Moubarek addressed the Board and provided his background and qualifications. Mr. Moubarek provided information regarding other project retro-fits he has done and noted the savings that has been seen and noted some reason that savings may not be seen. Mr. Moubarek further noted the savings seen because the light bulbs are not being changed out as often.

Mr. Smoot stated that the rebate will pay for the labor of the retro-fit. Member Noble asked if there is a chance of not getting the rebate. Mr. Moubarek stated that the rebate will be received and added that the only thing the school will have to pay for is the materials.

Member Noble asked Principal Barlow and Principal Jefferson if they have anything to add. Principal Jefferson noted all the lights that have gone out and the costs associates with fixing them. Member Noble asked Principal Jefferson if she is in favor of the retro-fit and both Principal Jefferson and Principal Barlow confirmed.

Member Brady Motioned to approve the lighting retro-fit at the Sky Pointe campus as presented. Member Harty seconded the Motion and the Board unanimously approved.

10. Review of School Financial Performance.

Carlos Segrera addressed the Board and referenced the Financial Summary as of February 28, 2015, included in the support materials. Mr. Segrera stated that as of February 28, 2015, the Somerset system has a surplus of \$1,793,317.99. Mr. Segrera provided information as to the surplus variance and noted areas that are under budget as well as unbudgeted expenses seen through the school year.

Mr. Segrera referenced the Balance Sheet and stated that system wide, Somerset has about \$6,400,000.00 (including student generated funds) in the bank. Mr. Segrera stated that Somerset's biggest receivable is the DSA funding and that that largest liability is the accrued payroll. Mr. Segrera noted that backup materials provided for the figures presented.

Mr. Segrera advised the Board that individual campus Profit & Loss reports had been included in the support materials as well. Mr. Segrera added that budgets for the 2015/2016 school year have also been split out for elementary and middle/high school at the Sky Pointe and Losee campuses as well.

Member Harty asked if the number showing on the Balance Sheet for the total equity of \$4,700,000.00 includes the current surplus and if this is expected to change materially before year end. Mr. Segrera stated that this amount is expected to increase by \$300,000.00 by the end of the year. Mr. Segrera noted that the State should do a true up at the end of the year to adjust for the outside revenue portion of the DSA funding. Mr. Segrera

added that last year the true up was about \$300,000.00. Member Harty asked what is budgeted for bonuses at the end of the year. Mr. Segrera stated that the benefits category is running under budget and that he would have to verify what was done last year. Mr. Segrera added that there were retention bonuses done last year, however, based on when they are paid out, this amount will hit next year's budget.

Member Harty asked about the cash in the Nevada State Bank account and whether these funds gain a return. Mr. Segrera stated that they get about \$200.00 cash back reward from the Bank, however, that is all.

Member Noble asked what the number of days cash on hand is. Mr. Segrera stated that system wide, it is about fifty-one days. Member Noble asked what they should have and Bob Howell stated that in order to be investment grade, the Standards and Poors wants to see about seventy-five days cash on hand. Member Noble asked what the State required. Mr. Reeves stated that the State does not have a requirement, however, the bond obligation for the two campuses requires fifty-five days cash on hand. Mr. Segrera explained that the bond obligation is only for the Sky Pointe and North Las Vegas campuses and that those campuses have fifty-five to fifty-six days of cash on hand, which is about \$1,900,000.00.

Member Brady asked if with that current cash on hand, is there an ability to pay off some debt. Mr. Segrera stated that the only long term debt currently on the books is the playground at the North Las Vegas campus, which will be paid off with bond funding and the buyout of the first North Las Vegas furniture, fixtures and equipment loan with Zions (this is to be discussed later in the agenda). Member Harty asked if needed, could the bond money being set aside in escrow for the final phase at Sky Pointe, be pulled out of escrow and used for operating expenses. Mr. Howell stated that it cannot and that those funds are designated for construction. Discussion as had regarding the current financial outlook and whether Somerset has enough money for operating expenses. Mr. Segrera provided additional information regarding the cash on hand and how the number of days cash on hand is calculated.

Member Brady asked about the debt showing on the Balance Sheet and what this debt encompasses. Mr. Segrera explained the figure seen and how those numbers are compiled. Discussion was had regarding the cash on hand and how this is calculated by campus and how each campuses figures effect the total number. Member Harty stated that he thinks Somerset is in a good place financially and that they have room to take a little more risk than has been done in the past. Mr. Segrera noted that once the per-pupil funding amount is known for next school year, a portion of that increase will be allotted for teacher salaries.

11. Review and Approval of Tentative Budgets for the 2015/2016 School Year.

Clayton Howell addressed the Board and stated that Academica has met with the Principals to go over each of their budgets. Mr. Howell noted that the budgets are generated at 95% enrollment, in case enrollment was to come in lower than projected, as well as the budgets are created with a 3% surplus for each campus. Mr. Howell added that most of the campuses are able to meet the 3% surplus.

Mr. Howell provided information regarding each campuses expenses and revenues. Mr. Howell added that the campuses having Kinder through 12th grade will be split out by elementary and middle/high school. Mr. Howell added that the Losee budgets will have a change, which will reduce their surplus, as a Special Education teacher will need to be hired for both the elementary and middle/high school buildings. Mr. Howell provided information as to the numbers budgeted and how the numbers were derived. Mr. Howell reminded the Board of the increase in PERS, which is reflected in the budgets as well.

Mr. Howell noted the savings that will be seen at the North Las Vegas campus because of the bond financing and the possible pay off of the Zions loan. Mr. Howell explained how the budget was split between the elementary and middle/high school at the Sky Pointe campus. Mr. Howell further explained the savings to be seen from the bond financing.

Member Noble Motioned to approve the tentative budgets as presented. Member Harty seconded the Motion and the Board unanimously approved.

12. Review and Approval of Exercising Buyout Clause of Previous Furniture, Fixture and Equipment Lease with Zion Bank.

Mr. Reeves stated that the first furniture, fixture and equipment lease is coming to an end. Mr. Reeves noted that the loans are taken out for four years and further added that there is a clause included in the agreement that allows for of the items to be purchase option at the end of the four years.

Mr. Reeves noted that this is an exciting meeting, with that bond financing completed and the first furniture, fixture and equipment loan about complete, this will allow funding that would have been used in these areas to be put towards other areas. Mr. Reeves added that while some of the items included in this loan may need to be replaces, most of these items will not need replacing and will be owned directly by the school.

Mr. Reeves stated that the payment on the initial \$750,000.00, which was borrowed in 2011 was \$15,996.00 per month. Mr. Reeves further stated that the buyout provision is available after the forty-fifth month, with a 5% premium of the total amount borrowed with a total payout of \$86,131.51. Mr. Reeves stated that Academica is looking to receive Board approval now, so that a letter can be sent to Zion advising that Somerset will be utilizing the payout in the month of September, 2015.

Discussion was had regarding whether taxes would be paid with this amount or not. Mr. Reeves stated that if Somerset continued to make the monthly payments for the entire 2015/2016 school year, the total amount would be more than the buyout total. Member Noble asked if there is even an option to continue the lease. Mr. Reeves stated that Somerset could continue to pay through the forty-eighth month, however, the furniture would be owned by Zion, not Somerset.

Member Harty Motioned to approve the buyout, as presented. Member Noble seconded the Motion and the Board unanimously approved.

13. Review and Approval of Furniture, Fixture and Equipment Funding Source for the 2015/2016 School Year.

Allison Salmon addressed the Board and stated that with that opening of a new campus, there will be a need to furnish campus with furniture, fixtures, equipment and curriculum. Ms. Salmon further stated that in the past, Somerset has obtained a loan from Zions Credit to fund these purchases. Ms. Salmon noted that with that opening of the Lone Mountain campus and the additional students at some of the campuses, a calculation has been done showing the needs for each campus.

Ms. Salmon referred to the support materials noting the breakdown between the Lone Mountain, Losee middle/high school, Sky Pointe middle/high school and the Stephanie campus. Ms. Salmon noted that these are the only campuses adding students for the 2015/2016 school year.

Ms. Salmon stated that calculations were presented to two creditors, to obtain the lease as done previously. Ms. Salmon noted that two amounts were presented for funding, one with the inclusion of additional funding for testing computers and one just for the regular furniture, fixtures and equipment needed. The Board has the option to choose the funding amount they would like to see covered under the lease.

Ms. Salmon stated that the two companies approached were Zions Credit / Vectra Bank and GE Capital. Ms. Salmon noted the working relationships that Somerset has with both companies. Clayton Howell spoke

regarding the term sheets presented by both companies and stated that after an analysis of both term sheets was done, Zions Credit has provided a better cost savings. Mr. Howell provided specific numbers to the Board as to overall cost from both companies. Mr. Howell further advised the Board that GE Capital was not willing to finance the curriculum portion of the loan, explaining why GE had taken this approach. Mr. Howell stated that Academica recommends going with Vectra Bank for the furniture, fixtures and equipment loan, further stating that Vectra Bank has been very good to deal with during the bond financing and all aspects of the process.

The Board asked if the high amount, which includes additional computers, if for the computer purchase previously approved by the Board. Ms. Salmon stated that the computers previously approved were for the existing campuses and the high loan amount would be for additional computers at Lone Mountain and the three campuses increasing student enrollment for next school year. Member Brady asked if the additional computers is an additional \$100,000.00 and Ms. Salmon confirmed. Member Noble asked if this is a question of whether to finance the computers or whether to purchase them at all. Ms. Salmon stated that the computers will be needed, whether they are bought now or later, given all the testing taking place. Ms. Salmon added that it is a choice of whether to purchase them with that lease funding now, or whether this comes back before the Board later to approve funds for the purchase. Discussion was had regarding the timeframe to purchase the computers now or later.

Member Harty stated that there is enough cash on hand that if the computers were not included in the loan amount, it could be found at a later date to make the purchase. Ms. Salmon confirmed. Member Harty stated that he would like to see Somerset finance less, rather than more, if there is cash on hand. The Board discussed how this purchase effects the days of cash on hand. Principal Barlow stated that in looking at accessibility of the technology to be in the hands of the kids, purchasing sooner rather than later because the teachers will know how to plan and prepare for the new school year.

Member Brady asked what Academica's thoughts would be on paying cash for the additional computers. Bob Howell stated that Somerset is not in a position to pay cash in order to maintain the needed cash on hand for the bond financing. Mr. Howell noted that Somerset's financial position will increase over the next twelve months. Member Brady stated that he would like to see cash paid for the additional computers and to finance the furniture, fixtures and equipment. Discussion was had regarding the number of computers needed and when they would be purchased.

Member Harty asked if the initial amount to be financed is already in the budgets presented and Clayton Howell confirmed. Discussion was had as to whether the additional computers costs are included in the budget. Member Noble asked the Principals to confirm that they have everything they need right now and that this additional purchase will be for the next school year. The Principals confirmed. Ms. Salmon clarified the needs for Stephanie, Lone Mountain and Losee.

Member Brady Motioned to approve the Zion Bank / Vectra financing in the amount of \$1,057,800.00 for the 2015/2016 school year and for the purchase of additional computers with available cash. Member Harty seconded the Motion and the Board unanimously approved.

Member Brady asked if in the future, a true lease option could be obtained, versus a capital lease option. Member Brady noted that this would allow the loan to be paid off early, if Somerset had the cash on hand.

14. Update on Executive Director Search.

Mr. Reeves advised that the Executive Director job description was finalized at a recent telephonic Board meeting, which was then sent out to the community and placed on Teacher-to-Teacher.com. Mr. Reeves added that two weeks were given for resumes / applications to be submitted. Mr. Reeves stated that a total of nineteen

candidates applied for the Executive Director position, noting that some of the applicants are from out-of-state, as well as some local applicants and some applications from within the Somerset organization.

Mr. Reeves stated that nineteen parents submitted interest in serving on the Executive Director search committee, of which a random selection was made, selecting Carrie Boehlecke to serve. Mr. Reeves explained how the random selection was conducted and stated that the committee is made up of Carrie Buck, Bridget Phillips and Carrie Boehlecke.

Mr. Reeves stated that the committee has met once and corresponded via email as well. Mr. Reeves added that the candidates have been narrowed down to ten or twelve, which will have reference checks done before deciding which candidates will be interviewed. Mr. Reeves further added that following the interviews, the committee will make their final selection of which candidates to bring before the Board for interview.

Member Harty asked Ms. Boehlecke if she had anything to add. Ms. Boehlecke explained the process used to create the rubric scoring sheet and how each candidate was reviewed and scored, in order to narrow the pool down. Ms. Boehlecke added that a reference survey was created and will be sent out on the top eleven candidates. Member Harty asked that the rubric scoring sheets be provided to the Board for the candidates so the Board can see how the process is progressing.

Ms. Boehlecke noted that the job description was very specific areas of concentration, along with leadership and educational knowledge. The Board thanked Ms. Boehlecke and the committee for their help.

15. Update on Nellis Air Force Base Charter School Selection.

Mr. Reeves referred to the support materials containing a letter from the Air Force advising that they have selected to partner with a school other than Somerset Academy. Mr. Reeves added that Academica also received a call thanking Somerset for providing their application and noting how close they were to the other school that applied. Mr. Reeves stated that during the call it was noted that the Air Force is in negotiations with that other school and asked if those negotiations did not work out, if Somerset would still entertain coming on board. Mr. Reeves further stated that if this was the case, this would be brought back before the Board for approval.

Mr. Reeves provided some background regarding this selection and the process used.

16. Principal Reports, Review of Parent Surveys and Possible Discussion Regarding SBAC Testing.

Principal Phillips spoke regarding the advance band at the Losee and North Las Vegas campuses, which combined to perform at the Clark County Ban Festival, where they received superior ratings and then traveled to Universal Studios where they all received medals for a superior performance.

Principal Phillips spoke regarding two Losee students that won awards at the UNLV Science Fair. Mr. Phillips further acknowledged a freshman that will be a starting player for the Cheyenne High School Varsity Softball team, noting that according to a newspaper article, this young lady is 14th in the league in hitting and will be returning to Losee for her sophomore year.

Member Noble asked Principal Phillips if he had a chance to review the parent surveys for his campus. Principal Phillips stated that he and Principal Kelley had reviewed them, however, it was slightly difficult to discern where the survey results are directed, elementary or middle/high school. Member Noble noted that at Sky Pointe, the survey was split up by elementary and middle/high school and Principal Phillips and Principal Kelley requested that the survey be split up for the end of year survey. Principal Kelley noted that unless the responses were very specific, it was hard to figure out which area was being talked about. Member Noble asked if there things they gleaned. Principal Phillips stated yes and noted that the first year is always rough in getting to know

your community. Principal Phillips noted that the parents of the Losee community are not as active as in other school in the system. Principal Phillips further noted that their communication could be much better and noted that he and Principal Kelley are trying to find their way and how they approach their students. Principal Phillips added that there were some things they were able to look at and try to remedy.

Member Noble stated that in the past, Principals took the surveys and created an action plan on how to improve on the areas with unfavorable survey results. Member Noble further stated that this is something he thinks would be helpful. Principal Phillips stated that they have encouraged all the teachers to complete the teacher surveys as well. Principal Phillips noted that typically, those parents that are satisfied do not fill out the survey.

Member Noble stated that it may be best to wait for the teacher surveys and then the Principals can report their action plan at a future meeting. Principal Kelley stated that the Losee campus would like to see the parent surveys split out before they could provide an action plan, as it is difficult to know which area needs improvement (elementary versus middle/high school). Member Noble asked Academics when the teacher surveys would be complete. Mr. Reeves stated that those surveys wrapped up the previous Thursday and would be presented at the next meeting.

Member Harty asked Principal Phillips if, hypothetically, he had a few hundred thousand dollars in his budget, where he would spend it. Principal Phillips stated that he would spend it on staffing, as they need more help. Member Harty asked if this would be for support staff and Principal Phillips stated it would be for both support and teaching staff. Principal Phillips noted that the middle / high school at Losee recently hired a counselor and things have improved greatly, allowing for teachers to help kids. Member Harty asked if Losee will have a second office manager for the 2015/2016 school year. Principal Phillips stated that this would not happen for next school year, however, this would be the case for the 2016/2017 school year. Member Harty asked if the money for this position was in the budget, would this be done sooner and Principal Phillips confirmed.

Principal Barlow spoke regarding all the students at the Sky Pointe and Losee campuses taking advanced placement tests, noting that Sky Pointe is a testing center and added that this is a great accomplishment. Principal Barlow further spoke regarding all the testing taking place and the staff training taking place for testing protocols and provided explanation of all the mandated testing taking place.

Principal Jefferson thanked the Board for the commitment of technology for testing and stated that testing had not begun yet, however, those computers have been used every day to work with the students on how to use them. Principal Jefferson noted that they purchased one hundred mice to assist the students with testing as well.

Principal Jefferson spoke regarding the Battle-of-the-Books contest, noting the teams participating from each campus. Principal Jefferson noted that the two winning elementary teams and one winning middle/high school team would be going to Florida to compete with their teams. Principal Jefferson spoke regarding the Science conference that some of the teachers attending, a few weeks back. Principal Jefferson noted the Accelerated Reader goals set for each elementary student and reported that over four hundred fifty students had met their goal for the third quarter, adding that some award ceremonies would be taking place in the next few weeks.

Principal Jefferson reported on the number of staff leaving the Sky Pointe elementary campus to join the Lone Mountain staff. Principal Jefferson stated that she has four staff moving to the Lone Mountain campus and another three that are moving out of state.

Member Noble asked Principal Jefferson about the parent surveys. Principal Jefferson noted that a couple of things that came up were areas that needed clarification as has put out additional information to encourage input and feedback. Principal Jefferson stated that one area of improvement for the elementary campus would be

finding additional professional development for teachers to work with students that are meeting and exceeding standards to ensure those students are challenged as well as remediating for those that are behind. Principal Jefferson noted that the teachers have been doing great at pin pointing those students that need remediation, however, there needs to be a mechanism in place to ensure those exceeding students are not left behind.

Principal Barlow noted the need to work on the communication between teachers and parents in the middle / high school side. Principal Barlow noted that overall, his campus has a 94% approval rating, which is great for a second year school.

Member Harty stated that he has heard about some wanting to opt out of the SBAC testing and asked if this has been vocalized. Principal Jefferson stated that personally she has had one elementary parent and was copies on an email from a parent of a middle school student regarding this topic. Principal Jefferson stated that they had a meeting earlier that day with any parents wishing to attend, to go over the testing, how it looks and to provide information parents had questions on. Principal Jefferson stated that by the end of the meeting, not one parent wanted to opt out. Principal Barlow commented on the meeting and noted that the parents in attendance will be able to share this information with other families. Member Noble thanked all involved in the meeting and noted that he wants parents to have choices and is glad to see that information is being provided to help parents make those decisions.

Nicole Yokum (a member of the public) stated that both Principal Jefferson and Principal Barlow's doors are always open and parents do not take advantage of this. Ms. Yokum stated that she is a parent that asked to discuss opting out her 8th grader from testing this year, however, after receiving information, she does not want to do anything to harm Somerset.

Member Harty asked Principal Jefferson and Principal Barlow the hypothetical question of what they would do with additional finding and both answered they would hire more staff. Member Noble asked if this is because they are understaffed. Principal Jefferson stated that they are not necessarily understaffed, there are always more eyes and hands needed on a campus.

Member Harty asked if Principal Jefferson means increasing the number of people on the campus or increasing the pay and benefits for those already there. Principal Jefferson stated both, nothing that she wants to make sure they can keep the staff she has and genuinely loves her teachers. Principal Jefferson added that it is important to her that her teachers are happy, nothing that there is a pay structure that goes in to that as well. Principal Barlow spoke regarding some of the dilemmas / challenges he sees in lowering class sizes, because he could use more staff. Member Harty asked John if he has the other resources needed to split classes up. Principal Barlow stated yes and noted that these types of challenges are seen in middle / high school.

Member Noble stated that from a Board perspective, when hearing from the Principals that they need more staff, this is the first time the Board is hearing this. Principal Jefferson stated that the Principals do not always know when to come to the Board. Principal Kelley spoke regarding a discussion she had with Academics about staffing needs. Member Noble noted the tension felt when talking about finances and added that if the Board does not know what is needed, it cannot be considered. Principal Kelley provide additional information regarding budget preparation talks. Member Harty stated that he would like the Principals to involve the Board more to let them know what they need. Discussion was had regarding budget preparations and the ability to contour these budgets as much as possible.

Principal Farmer stated that when surveying himself, he feels like he let his middle school teachers down this year with the growth that took place in middle school this school year. Principal Farmer added that it is just Assistant Principal Rodriguez and himself trying to accomplish everything. Principal Farmer spoke regarding the additional students being added for the 2015/2016 school year and his concern of not having enough time to allocate to his teachers, with all the other things needing to be done. Principal Farmer stated that he would really

like to have an Assistant Principal for elementary and another for middle school, and added that staffing would be on his list if he had extra money in his budget. Principal Farmer spoke regarding the needs of the campus to address growth, while still maintaining safety and obtain quality results.

Principal Farmer added that he respects Academica and the budgets put together with the resources available, however, if the school want to continue to be successful and be the schools they set out to be, as Somerset grows the same mindset as the past needs to continue and thought be put in to staffing and what is needed for each campus to be successful.

Principal Mayfield spoke regarding her Administration setup and noted additional staff she will be hiring to allow her and her Assistant Principals more time in the classroom, while still being there to talk to parents. Principal Mayfield noted that about 60% of her teachers are band new, which required a great deal of support from the Administration to keep at the campus in the years to come. Principal Mayfield further explained why this support is so important for new teachers. Principal Mayfield further added the importance to have the means to hire some experienced teachers as well. Principal Kelley agreed regarding the support needed for new teachers.

Member Noble reiterated that the Board has never heard about these needs and how things could be better. Member Noble added that even if everything asked for cannot be done, at least the Board would be aware. Member Noble noted that the Executive Director may be able to help in this area. Mr. Reeves stated that everything being said is exactly what is to be expected in the charter school world. Member Harty suggested that the Principals present ideas of what they would do different with their budgets. Mr. Reeves spoke to the role of Academica in preparing budgets, etc. to meet the yearly surplus amounts allowing for Somerset to be the first charter school to be eligible for bond financing. Mr. Reeves stated that he understands the need for more staff and that getting to the point of having extra money for some of these is attainable, just not yet.

Member Noble noted that he is not being critical of Academica, he just is not aware of these challenges or issues. Member Noble added that if these issues are not know, they cannot be considered. Mr. Reeves added that he looks forward to the budgets being more flexible, but the finances have to be there to support additional hiring. Member Harty noted that Academica has done a great job with the budget for Somerset and stated that the financial situation is debatable as to when Somerset can begin to put more money into staffing. Discussion was had regarding future funding and the ability to obtain bond financing for two additional buildings down the road.

Mr. Reeves stated that everyone is a team and these are great conversations to have. Mr. Reeves further stated that the 2016/2017 school year will put Somerset in a great position with lower lease rates and the completion of one furniture, fixture and equipment lease and with proposed funding increases. Member Harty stated that as heard as a public concern in past meetings, when hearing that existing staff pay or needs cannot be done because the cash on hand needs to be available for future growth, benefits for current teachers is being forgone for future growth. Mr. Reeves stated that the Board has obtained a great balance of trying to meet the needs of the community as well as to the needs of current campuses. Mr. Reeves reiterated that these needs are seen nationwide by all charter school communities. Member Harty stated that he would still like to hear from the Principals on what they could use. Member Brady asked the Principals if they participate in the budget process and the Principals acknowledged that they are involved. Discussion was had regarding the process of creating the budgets.

Principal Farmer stated that after review of the surveys he recognizes better communication needed on the middle school side and has been planning for next school year. Principal Farmer reiterated his need to balance things better to be in the classroom and meet the needs of his parents and teachers. Principal Farmer noted one parent letter regarding opting out of SBAC testing, that he has sent to Academica and the Sate for some guidance on how to handle this.

Principal Mayfield spoke regarding the new electives to be offered next school year and provided some handout information to the Board. Principal Mayfield noted that of the students that were not passing their core subjects earlier in the year, after meeting with that students and parents, 75% are now passing and they will continue to work with the other 25%.

Principal Mayfield spoke regarding the band teacher and how great she is and how the collaboration as a whole within the system. Principal Mayfield reported that twelve students at North Las Vegas that qualified for awards at the science fair. Principal Mayfield provided info on sports and the battle-of-the-books competition.

Principal Mayfield spoke regarding the parent surveys and the area of communication that they are working on. Principal Mayfield reported that she has had two families opting out of SBAC testing.

Principal Pendleton spoke regarding Lone Mountain and reported that she is fully staffed with the exception of a part time band teacher. Principal Pendleton provided information on upcoming events for the campuses and fundraising events in place. Principal Pendleton spoke regarding PTO signups and perks of being part of the PTO and the different levels that will be offered as well. Principal Pendleton added that she is working on being responsive to her parents and staff. Principal Pendleton provided information about a spirit shirt context and shirts being designed for middle school, as she is working on creating great school spirit. Principal Pendleton spoke regarding the interest seen in social media sites and the great response being seen. Principal Pendleton thanked the Board for their support.

Principal Pendleton asked the best way to be in contact with that Board but still be appropriate. Member Harty stated that while no decisions can be made outside of an open Board meeting, all the Principals are welcome to reach out to the Board at any time. Member Harty noted that they appreciate the updated.

Discussion was had regarding communication with that Board and Mr. Reeves added that all Board members now have Somerset email addresses. Mr. Reeves stated that any email sent by the Board that will be discussed as an action item at a Board meeting, need to be sent to Academica to be included as support materials. Member Harty asked if all emails should be copied to Mr. Reeves. Mr. Reeves stated that while this helps to ensure the inclusion of these things as support materials, this is entirely up to the Board.

Mr. Reeves noted the letter included as support materials regarding SBAC testing. Mr. Reeves provided information from the letter and the opinion issued in the attached letter. Mr. Reeves spoke regarding the potential one star score given to schools with less than 95% of the students being tested. Mr. Reeves stated that Academica is working with Principals to address parent concerns.

18. Discussion and Possible Action Regarding Formation of Committee for Expansion and Growth.

This item was tabled.

19. Public Comment and Discussion.

Melanie Smith addressed the Board and thanked them for the approval of expenditures for additional computers, nothing the areas this has helped both the teachers and the students.

Nicole Yokum addressed the Board and thanked them for the computer purchase for testing, as well as additional electives that can now be offered. Ms. Yokum thanked the Board for their service.

20. Adjournment.

Member Harty Motioned to adjourn the meeting at 9:05 p.m. Member Brady seconded the Motion and the Board unanimously approved. The Meeting was adjourned.

Approved on: _____

**Secretary of the Board of Directors
Somerset Academy of Las Vegas**

DRAFT

MINUTES
of the meeting of the
BOARD OF DIRECTORS of SOMERSET ACADEMY OF LAS VEGAS
May 14, 2015

The Board of Directors of Somerset Academy of Las Vegas held a telephonic public meeting on May 14, 2015 at 4:00 p.m. at 1378 Paseo Verde Parkway, Suite 200, Henderson, Nevada 89012.

1. Call to order and roll call.

Board Chair Cody Noble called the meeting to order at 4:04 p.m. Present were Board Members Cody Noble, Will Harty, Eric Elison and Amy Malone.

Board Members Eric Brady was not present.

Also present were Academica Nevada Representatives Ryan Reeves and Executive Director Search Committee Member Bridget Phillips.

2. Public Comments and Discussion.

Member Noble noted that each person wishing to speak during public comment will have three minutes to present.

Suzanna Harty addressed the Board and stated that she thinks Somerset is special because its culture is created by a community of Principals, teachers, parents and students. Ms. Harty further stated that she feels the community is not being heard.

Ms. Harty stated that she has gone over the minutes from the January and February Board meetings and that when talking about the Executive Director position, Dr. Jacoby stated that so long as Somerset was not growing, this position could be done part time. Ms. Harty noted the teacher Ms. Smith asking for a one year hiatus from opening a new school and Member Malone repeatedly asking if a Lead Principal role was more appropriate for the position for the time being. Ms. Harty also noted that various Principals stated that Principal Jefferson was already doing the job responsibilities of the Executive Director. Ms. Harty added that Sky Pointe has the longest student waitlist, even after Lone Mountain began enrolling, which she believes is a credit to Principal Jefferson and the culture that has been built at Sky Pointe. Ms. Harty stated that she thinks if Principal Jefferson is not being considered for the Executive Director role, then the Board is overlooking the best candidate.

Ms. Harty spoke regarding conversations she had with others when deciding whether to enroll her child and added that others spoke so highly of Principal Jefferson. Ms. Harty added that after seeing Principal Jefferson at a parent interest meeting, she could tell that she was a leader with poise that created a confidence that enrolling her kids in Somerset was the right thing to do, even though it was new and her husband was against it.

Ms. Harty spoke regarding a conversation she recently had with a teacher that worked for Principal Jefferson, however, no longer works for Somerset because Somerset cannot pay teachers the same as CCSD can. Ms. Harty noted that this teacher told her that Principal Jefferson is amazing because of the talent she brings and the culture of the school.

Ms. Harty asked the Board to stop ignoring the Somerset Principals, teachers, its Board members and parents and put a hiatus on growth and to consider Principal Jefferson for at least a year until she trains a

replacement Principal. Member Noble thanked Ms. Harty for her comments. Member Noble added that everyone on the Board would echo how much they love Principal Jefferson, she is wonderful and fantastic.

3. Update from Executive Director Search Committee on Possible Executive Director Candidates for Board Consideration.

Bridget Phillips addressed the Board and thanked Mr. Reeves for the information. Ms. Phillips stated that all supporting materials are located at the Academica office. Ms. Phillips provided information on the scoring process completed.

Ms. Phillips stated that there were nineteen applicants who submitted resumes and letters of reference. Ms. Phillips provided information regarding the scoring process for the first phase and noted that eleven of the nineteen candidates moved on the phase two. Ms. Phillips added that those eleven were the ones that the committee felt had the leadership, educational and practical experience that demonstrated that they could be a good leader within the Somerset organization. Ms. Phillips noted that one candidate rescinded their application, leaving only ten applicants to move into phase two.

Ms. Phillips spoke regarding phase two of the selection process. Ms. Phillips stated that the committee reached out for references and utilized supervisory references. Ms. Phillips explained the review process for the references received. Ms. Phillips stated that at the end of phase two, seven candidates were selected to move to phase three, the interview process.

Ms. Phillips spoke regarding phase three and stated that there was a writing piece included in this phase, as well as an interview with the committee members. Ms. Phillips added that the final scores for each candidate has been provided, thereby identifying the top three candidates, all of which are good candidates for Board consideration. Ms. Phillips stated that one candidate is an internal candidate, one is a CCSD candidate and one is coming from another charter organization. Member Noble thanked Ms. Phillips.

Member Noble asked Ms. Phillips to provide information on the rubric used for the supervisory reference section. Ms. Phillips spoke to this process noting that those not moving on scored under ninety-five on this section. Member Noble asked how the scores were determined. Ms. Phillips stated that there was a detailed rubric scale used. Ms. Phillips asked if the rubric could be provided to the Board. Mr. Reeves stated that this could be provided, noting that typically documents regarding the candidates are not sent out, as anything provided will be out there for all the see as public documents. Mr. Reeves provided additional information as to how this process typically takes place and noted that those who agree to an interview can have their information posted. Member Noble asked what considerations were given to determine what a candidate scored. Ms. Phillips stated that there were twenty questions and each was worth up to five points each. Ms. Phillips provided information about each question noting that the questions centered around leadership in an educational organization.

Member Noble asked how the writing sample was scored. Ms. Phillips stated that a detailed rubric was created, with multiple levels. Ms. Phillips provided information regarding the questions on the rubric.

Member Noble asked how the relative weight for each of the phases was determined. Member Noble noted that phase two seems to be heavily weighted and wondered how this was determined. Ms. Phillips stated that the committee felt very strongly about the betting component because a good leader would have excellent references, noting that the top three candidates have exemplary references.

Member Noble asked Ms. Phillips if there was anything else she could offer the Board from the process that would be helpful when deciding who and how many candidates to interview at a future Board meeting. Ms. Phillips noted that all the rubrics and scoring information was sent to Academica and asked if there is any way the Board to review these without violation of Open Meeting Laws and what should be publically issued. Ms.

Phillips encouraged the Board to review these documents, if it is at all possible, to help get a good picture of the comprehensive process.

Member Harty thanked Ms. Phillips and the committee for completing this process, noting the hard work put into this process. Member Noble agreed.

Principal Jefferson addressed the Board and advised that the resume that was rescinded was hers and stated that she wanted to give an explanation as to why she rescinded her application, so that the Board had a clear understanding of why the decision was made. Principal Jefferson stated that she had been in contact with Members Noble and Harty about this because she wanted more information about this position moving forward. Principal Jefferson stated, as she expressed to Members Noble and Harty, she has given her life to this school and she does not want to see it fail, and this is not the time to leave, with Sherry Pendleton now the Principal of her own campus. Principal Jefferson spoke of the difficulties when the administration left another campus and did not want that to be repeated. Principal Jefferson stated that she just wants it on record that she pulled her name from the Executive Director candidate pool because, for Sky Pointe Elementary, with all that is happening right now, it would not be the right thing for both administrators to leave the school at the same time.

Principal Jefferson stated that she asked if there could be a transition period and noted that in earlier conversations with Dr. Jacoby, starting out with only four schools, this could possibly be a part time position. Principal Jefferson noted that this being a part time position, she could still keep her Principal duties and slowly transition out. Principal Jefferson added that the response she received was that this was more of a full time position, at which time she made the decision that Sky Pointe was more important than the Executive Director position. Member Noble thanked Principal Jefferson for her explanation and for everything she does and her dedication.

4. Discussion and Possible Action Regarding Executive Director Search and Final Candidates for Interview.

Member Noble noted the committee's recommendation and stated that he thinks it is the Board's job to determine how to interpret this information and how many and which candidates to interview at a later Board meeting.

Member Noble stated that he does not see any reason, at this point, not to go with that recommendation of the committee and invite the top three candidates for interview by the Board. Member Harty stated his concern that they only interview the top three and then the Board decides on a salary and what this position will be and then it is determined that the top three candidates are over qualified and/or are not in the salary range the Board determined. Member Harty stated that until the Board decides what the salary amount and Executive Director responsibilities will be, he is not sure that it is wise to narrow it down to just three, however, he does not want to invite seven and only interview three.

Member Noble agreed with Member Harty and stated that he thinks there needs to be a task for moving forward. Member Noble stated that he thinks what was in mind was to hear the report from the committee and then decide on who to invite for interview for the next Board meeting. Member Noble stated that the only other way he can think to do this is to hold multiple Board meetings, which becomes difficult for all those that need to attend and organize the meeting and would prefer to handle everything in one meeting. Member Noble stated that if this means inviting all seven and possibly only interviewing three, then so be it. Member Noble stated that he would support narrowing the pool down as well.

Ms. Phillips stated that the three top candidates were notably stronger than the other four candidates. Member Harty asked if, during the interview process, whether it was a phone call, face-to-face or writing was compensation ever mentioned at all during the process. Ms. Phillips stated that it was not mentioned. Member

Harty asked if any of the candidates ever asked what the salary was for this position and Ms. Phillips stated that they did not. Member Harty asked Ms. Phillips, if in her opinion, if the top three candidates, based on their experience would be compensated as the bottom four candidates. Ms. Phillips stated that based on the salary range Mr. Howell and Mr. Reeves shared with her, that the top three candidates would think the amount is appropriate. Member Harty asked what the mentioned salary range was. Ms. Phillips noted that the conversations were about other schools and asked Mr. Howell if he was comfortable sharing the information, as this information is about Doral Academy. Member Harty stated that he did not need particulars.

Member Harty stated that while burdensome to the Board and the community, he is uncomfortable limiting it to just three candidates until the salary amount is determined. Member Harty noted that it is very possible that they talk about the salary expectations early on at the next Board meeting and then determine to only interview the top three and then wasted the time of the other four. Member Harty reiterated that he does not feel comfortable narrowing the list down without talking about salary amount first. Member Noble noted that it is unlikely they would interview all seven candidates and it is more likely that seven would be invited and only some would be interviewed, depending on other discussions. Member Noble stated that it sounds like the best course of action is to invite all of the seven candidates and let them know that it is possible they would not be interviewed at all.

Member Malone agreed with Member Harty that she is uncomfortable with narrowing it down to the top three candidates if the salary is going to be more than the Board decides the amount should be. Member Malone stated that she would rather be more comfortable with having all the candidates there, even if only a few are interviewed.

Member Elison stated that he would like to keep it simple and only interview the top three candidates, as recommended by the committee. Member Elison added that these candidates are expecting a salary commensurate with an executive position and thinks the Board should move more with that expectation and interview the top three, and if those three drop out, the other four can be brought in. Member Noble agreed with Member Elison, however, with an even number of Board members on the call, it is a split vote. Member Noble stated that he does not mind having all seven come to the Board meeting, so as to move this process along and decide at the next Board meeting which candidates are interested in interviewing.

Mr. Reeves spoke regarding Principal compensation scales, noting that the figures are available for public viewing. Mr. Reeves stated that typical Principal salaries run from \$90,000.00 to \$92,000.00 for a brand new Principal to \$130,000.00 to \$140,000.00 for a fifteen to twenty year veteran Principal. Mr. Reeves added that as Executive Director and Lead Principals have been looked at in other systems, the \$120,000.00 to \$140,000.00 pay range has been looked at for those positions.

Mr. Reeves stated that he is not sure having all seven candidates come to the next Board meeting is efficient, as it could be that because compensation was not discussed and because the Board approved job description noted would be commensurate with experience, all seven may be interested in the number decided on. Mr. Reeves added that he does not know how opening it up to all seven candidates would ensure that any of the seven would be able to work within the number the Board decides, thus not inviting all seven, but rather search for the right candidate and then try to make the salary commensurate with experience.

Member Malone stated that originally the position was called Executive Director, however, when discussed at the Board meeting, the Board was looking for someone as more of a liaison. Member Malone added that she does not know if this thought has shifted, as she is hearing that this is more of an Executive Director position and needs to be paid more than the Principals. Member Malone further added that her original feelings were that this is someone that would be on par with the Principals and is concerned that many of the candidates are wanting an executive salary. Mr. Reeves stated that the numbers he provided were within the upper salary of the Principals in the district. Mr. Reeves spoke regarding the Executive Directors and the services to be provided

with this position. Mr. Reeves noted that he was not looking to alter what the Board had previously decided, but rather was encompassing the job description previously approved.

Member Noble noted his concern of wasting the time of busy people and added that salary has yet to be discussed by the Board and will be discussed in detail at the next Board meeting. Member Noble added that they need to determine what the best course of action is, taking into account being thoughtful of everyone involved time, including that of the Board. Member Harty stated that everyone has valid points and this does not need to be a contentious issue. Member Harty stated that while he too is concerned about wasting people's time, the Board has been talking about this position for over a year, so if it means one more Board meeting, he is ok with that.

Member Harty Motioned to move forward with all seven candidates and not eliminate anyone. Member Malone seconded the Motion and the Board unanimously approved.

Member Noble stated that he intends to have on the agenda at the next Board meeting the interviews of whichever candidates the Board decides to interview and that all seven candidates be notified of the meeting and that the Board may or may interview them. Member Harty confirmed that this was his thought as well.

Member Harty asked Ms. Phillips for confirmation that one of the seven candidates is from out-of-state. Ms. Phillips confirmed and recommended a Skype interview or something like that, because of the expense involved to be present. Member Harty agreed and stated that the candidates be advised that they may or may not be interviewed, however, to be present if they can. Discussion was had regarding calling the out-of-state candidates if they are selected for interview. Member Noble asked if Scott Hammond will be in town. Mr. Reeves stated that the Legislative session is still ongoing and that the Mr. Hammond is expected to still be in session. Mr. Reeves added that Mr. Hammond could be asked to be available for possible interview by the Board. Member Noble asked all of the Board if they agree with this. Member Harty stated that he does and noted that if the candidates can be present that is great, however, if not, that is ok too.

Mr. Reeves asked for Board availability for the next Board meeting. Member Noble asked what date it could be set for, allowing for proper notice to be issued. Mr. Reeves stated that the meeting could be noticed the next day and that the earliest day to hold the meeting would be the following Wednesday, as such the meeting could be Wednesday, Thursday or Friday of the following week. Mr. Reeves asked if the following Wednesday at 4:00 p.m. would work. Discussion was had regarding the meeting time and location, as well as the placing of agenda items. Additional discussion was had regarding a date all are available for the meeting. Bob Howell suggested having five members of the Board present to avoid not having a tie breaker. The meeting was tentatively set for the following Wednesday at 5:00 p.m., pending confirmation of attendance by Members Malone and Brady. Mr. Reeves stated that the agenda will be prepared accordingly and asked the Board to advise when this date and time are confirmed, as the agenda needs to be posted by 9:00 a.m. the following day. Discussion was had regarding the meeting location, asking if Losee's campus is available. Principal Kelley stated that Losee is available. Member Noble stated that the plan will be to hold the meeting at the Losee campus at 5:00 p.m. the following Wednesday, May 20th.

Ms. Phillips stated that all the completed forms are at Academica, however, she emailed Member Noble the rubrics used in some areas and has asked Academica to send the rubrics for the reference portion of the process as well. Member Noble thanked Ms. Phillips and added that it will be helpful to the Board to know the areas being considered when scoring the candidates.

5. Discussion and Action Regarding Nomination and Election of New Board Members.

Member Noble stated that he had hoped Member Brady would be able to participate in this, noting that he is open to possibly tabling this item until a future meeting. Member Noble noted the past long discussion

regarding three very qualified candidates for consideration for the Board, however, no decision had been made at that time because two of the Board members were not present. Member Noble added that this was moved to the agenda for this meeting to allow the two Board members not present the benefit of reviewing the minutes from that meeting, to be informed and able to participate in the election of someone to the Board.

Member Noble asked if there is any further presentation to be had for this item. Mr. Reeves stated that there is not, nothing that the item was placed on the agenda for consideration by the Board. Mr. Reeves added that the minutes for that portion of the meeting will be ready for the next Board meeting, as the last meeting was held in such close proximity to this meeting that the minutes are not complete as of yet. Mr. Reeves added that this is an opportunity for the Board to take any action if they chose to.

Member Noble stated that he wanted to make sure that Members Malone and Elison were included and had an opportunity to review resumes that were included at the last meeting. Members Malone and Elision stated that they had looked at the resumes. Member Noble asked Members Malone and Elison if they preferred to wait until reading the minutes. Member Brady stated that he would rather do this in a phone meeting rather than an in person meeting, and would like to make a decision now.

Member Malone asked if both Board positions were being filled. Member Noble stated that it was briefly discussed at the last meeting and noted that he feels one position should be filled with one of the three candidates right now. Member Noble stated that when originally looking for candidates, significant weight was given to educators and three great candidates were identified, one of which will make a great addition to the Board. Member Noble noted that he suggested that, because the statute only required that one of the positions be filled with an educator, that a new search be done that was opened up to all that wanted to apply, not just a certain requirement. Member Noble noted that he wanted to see this search more broad, even if it resulted in the same candidates being brought back as the best candidates.

Member Malone asked Member Noble if they were able to talk to the candidates in person at the last meeting and Member Noble confirmed. Member Malone asked Member Noble if he would mind sharing his impressions. Member Noble noted that they did not provide impressions at the last meeting since there were only three Board members and the items was tabled until the next meeting, so that all could participate. Member Noble stated that the three candidates are extremely qualified and would do great on the Board and would have a lot of educational insight. Member Noble noted that he did have a concern that two of the candidates are currently administrators at other schools, taking up a lot of their time and that their availability might not be as much on the Board needs. Member Noble stated that he would be in favor of Carrie Boehlecke.

Member Malone stated that she was under the impression that all three candidates hold administrator positions. Mr. Howell stated that this is correct and noted that another consideration given when selecting the final three candidates was which campus their child will be attending, as to have more campus representation from the Losee and North Las Vegas campus. Mr. Howell noted that Carrie Boehlecke's children attend the Stephanie campus and that the other two have children at the North Las Vegas and Lone Mountain campuses. Member Brady stated that he was very impressed with all three candidates and added that he would be ok with Carrie Boehlecke as well.

Member Malone stated that looking at the resumes, she did not have strong feelings towards any one candidate, however, since she was not at the last meeting, she would be ok going with Carrie Boehlecke, as other Board members felt strongly about her. Member Malone noted that she would also be in favor of one of the other candidates as well, to have representatives from another campus. Member Noble asked Member Harty if he had an opinion and Member Harty stated that he did not. Member Noble asked Member Elison his thoughts. Member Elison stated that he had heard really good things about Carrie Boehlecke, so he would be on board with electing her as well.

Member Noble Motioned to elect Carrie Boehlecke to the Board. Member Malone seconded the Motion and the Board unanimously approved.

6. Public Comments and Discussion.

Suzanna Harty addressed the Board and stated that she feels like, as a Board, they have so much power and that she does not like attending Board meetings because she feels like every time she attends, her comments are ignored. Ms. Harty stated that she still feels like the Board should allow Principal Jefferson to be interviewed for the Executive Director position. Ms. Harty further stated that she cannot express enough as to how powerless she feels, constantly being ignored at Board meetings when expressing an opinion or suggestion.

Member Noble thanked Ms. Harty and stated that they do not mean to ignore anyone, nor does he believe that they disregard anyone. Member Noble noted that with regard to Principal Jefferson, Principal Jefferson stated herself, during the meeting that she does not want to be a candidate and withdrew her name, which the Board had nothing to do with. Member Noble added that they all love Principal Jefferson and would consider her, just as highly as anyone else, however, she withdrew her name. Member Noble stated that he is not sure what the Board can do, when a person does not want to apply for a position.

Ms. Harty stated that maybe she misunderstood, however, she was under the impression that Principal Jefferson withdrew her application because she did not want to leave Sky Pointe without an Administrator continuing from the previous year. Ms. Harty stated that it seems to her, if the Board would have allowed Principal Jefferson to continue as the Administrator and the Executive Director, that she could do that. Principal Jefferson confirmed that, nothing that when she asked she was told that the Executive Director position was full time and that her doing both was not an option.

Member Noble stated that when Principal Jefferson asked his opinion, he stated that he thinks this is a full time position and continues to believe that. Member Noble added that he did not think it was wise to have a Principal with a full time job to do everything they have to do and then be responsible for the duties outlined in the Executive Director job description. Member Noble stated that he is willing to put this on the agenda to discuss it, however, it has not really been an issue brought up.

Mr. Reeves stated that as a matter of Board record, this was on a previous agenda at the last Board retreat, allowing for public comment and was discussed by the Board. Mr. Reeves noted two previous meetings where the job description was proposed and then later approved by the Board.

Member Harty stated that he is not sure where he sits on whether this is a full time or part time position. Member Harty added that he envisions it being a full time position, however, is not sure if the Board ever took action on this. Member Harty stated that he would like to see the minutes stating that this would be a full time position that could not be filled by one of the current principals, as he does not recall voting on that. Member Harty stated that he says to put this to the Board for a vote.

Mr. Reeves stated that this was done in the form of a discussion, which led to the creating of the job description, which came to be after discussing whether this should be a full time or part time position. Mr. Reeves stated that his recollection was that it was agreed this was a full time position, as the job description reflected that.

Ms. Harty stated that she has read the previous minutes and all the comments, with many stating that they thought this should be a part time position. Ms. Harty stated that there are a lot of people who are not sure if this is a full time position at the moment. Ms. Harty further stated that while Somerset Academy may grow and this may become a full time position, however, she is not sure why, after other Principals have stated that Principal Jefferson is already doing some of the items on the job description, why she could not do both jobs at the same time.

Mr. Reeves reiterated that the subject of whether not this is a full time position was spoken about, at great lengths, previously. Member Harty noted that this does not show that it was voted on by the Board. Member Noble stated that this can be discussed when going over the budget and whatever is discussed then will determine the pay scale and whether it is a full time or part time position.

Ms. Harty asked if that means that Principal Jefferson will be considered. Member Noble stated that at the meeting the Board can decide who they would like to interview. Member Noble added that the seven candidates will be invited and if there is anyone else present that the Board feels is qualified and they want to interview, they have the ability to do so.

20. Adjournment.

Member Noble Motioned to adjourn the meeting at 5:07 p.m. Member Harty seconded the Motion and the Board unanimously approved. The Meeting was adjourned.

Approved on: _____

**Secretary of the Board of Directors
Somerset Academy of Las Vegas**

DRAFT

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 4 – Selection of New Board Legal Counsel.
Number of Enclosures: 6

SUBJECT: Selection of New Board Legal Counsel.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Motion to approve the hiring of _____, as the Board's new legal counsel.

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: The Board's counsel, Jeff Blanck has relocated and taken an employment opportunity that does not allow for him to continue in the capacity as the Board's counsel. As such, new counsel will need to be appointed for the Board.

Submitted By: Staff



Nevada • California

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May 18, 2015

Cody Noble, Chairperson
Somerset Academy
9101 Spirit Canyon Drive
Las Vegas, Nevada 89149

Dear Mr. Noble:

I am pleased to have the opportunity to be of service to you and Somerset Academy (the "Charter School"). I look forward to working with you and will do my best to provide high quality legal services in a responsive and efficient manner. Fundamental to a sound attorney-client relationship is a clear understanding of the terms and conditions upon which I will be providing legal services. Accordingly, the purpose of this letter is to set forth the terms and conditions of my representation.

Scope of Services

You have asked me to provide legal advice to the Charter School regarding staff issues, student issues, compliance issues, operational issues and contract review on a monthly retainer basis, referred to in this agreement as "the matter." Such issues can be brought to my attention by email, letter, phone call or fax.

You have also agreed that any additional legal services that you or the designated representative request, and I may agree to provide that are outside the scope of the retainer provisions, such as arbitration, litigation, and meetings in Las Vegas, shall be at the hourly rate set forth herein. On all legal matters, I will take direction either from the Administrator or President of the Board of Trustees. I will be an independent contractor and not an employee as set forth in NRS 386.595.

Cody Noble, Chairperson
May 18, 2015
Page 2

I will be the attorney responsible for your representation. When questions or comments arise about any aspects of my representation of you, please contact me directly at 775-323-7797. It is important that you are satisfied with my services and responsiveness at all times.

Responsibilities

In reliance upon information and guidance provided by you, I will provide legal counsel and assistance to you in accordance with this letter.

To enable me to render these services effectively, you agree to fully and accurately disclose to me all facts that may be relevant to a matter or that I may otherwise request, and to keep me apprised of developments relating to a matter. You agree to assist and cooperate with me as appropriate in dealing with a matter.

To enable me to render these services effectively, you agree to cooperate fully with me in all matters relating to the preparation and presentation of cases, to fully and accurately disclose to me all facts that may be relevant to the matter or that I may otherwise request, and to keep me apprised of developments relating to the matter. You will also make yourself reasonably available to attend meetings, discovery proceedings and conferences, hearings, and other proceedings. Your responsibilities will also include approving negotiation, discovery and litigation strategies; approving causes of action and parties to any litigation; and determining acceptable terms of any compromise, settlement, or agreement. In addition, you will be responsible for advising me whether any document I have prepared or received and sent to you for your approval or review reflects the principal terms of your proposed agreement, general litigation strategy, or other expectations, as the case may be.

Either at the beginning or during the course of our representation, I may express my opinion or beliefs concerning the matter or various course of action and the results that might be anticipated. Any such statement made by me is intended to be an expression of opinion only, based on information available to me at the time, and must not be construed by you as a promise or guarantee of any particular result.

Cody Noble, Chairperson

May 18, 2015

Page 3

Fees, Disbursements, and Other Charges

For legal advice on staff, student, compliance matters and contracts I will charge a monthly retainer of Five Hundred Dollars (\$500.00) per month billed at the beginning of the month for that month. For matters not covered by the monthly retainer my fees will be based on the amount of time spent by me on the matter at my discounted hourly rate of Two Hundred Ten Dollars (\$210.00). This rate multiplied by the time spent on the matter, measured in tenths of an hour, will be evaluated by me as the basis for determining the fee.

In addition to my fees, you will be responsible for disbursements and other charges incurred by me in performing services for you, such as photocopying, messenger and delivery fees, air freight, videotape recording, travel (including mileage, parking, airfare, lodging, meals, and ground transportation), copying, court costs and filing fees, court reporter fees, and other related expenses. No mark-up or profit is included in calculating these costs. Unless special arrangements are made, fees and expenses of others such as experts, investigators, witnesses, consultants, and court reporters and other large disbursements will not be paid by my office or myself and will be your responsibility and billed directly to you.

I will furnish you with periodic statements describing my services and separately showing fees, disbursements and other charges in a format and with such detail as you and I may agree.

Fees, disbursements and other charges are payable upon your receipt of my billing statement. I ask that you promptly review my statements and raise any questions regarding the amounts and items billed within thirty (30) days after presentation.

To the extent that your account reflects an outstanding balance and you elect to terminate your relationship with me or otherwise request the return or transfer of your files, my ethical rules generally permit me to retain your files until your account is fully paid, and I reserve my rights to take such action to the maximum extent allowable under those rules.

GENERAL PROVISIONS

Complete Agreement. This letter contains the complete agreement between you and me regarding the matter, fees and other charges payable by you in connection with the matter. This agreement shall not be modified except by a written agreement signed by you and me. This agreement shall be binding upon you and me effective July 1, 2015, and your and my respective heirs, executors, legal representatives, and successors.

Work Product/Retention and Destruction of Files. All of my office's work product will be owned by my office and myself and may be utilized in whole or in part in other projects involving other clients, under the condition that all attorney-client confidences are preserved. In the course of representing you, I am likely to come into possession of copies or originals of documents or other materials belonging to you or others. Once the matter has been concluded, I will make arrangements either to return the documents and materials to you, retain them in my storage facilities or dispose of those I do not believe are necessary to retain. In the absence of any other arrangements made with you, you agree that all file documents and materials relating to the matter can be destroyed upon the expiration of five (5) years after the matter has been closed. Such disposal will be accomplished in a manner that will protect the confidentiality of the files.

Email Communication. You consent to and allow me and any employees I might have to initiate communications with you via email and to respond to email communications from you via email. The foregoing consent will extend to the initiation of electronic communications with, and the electronic response to communications from, such other as I deem necessary or appropriate in the performance of our services hereunder, and will also include my attachment of electronic copies of your documents to any electronic communications. In giving this consent, you acknowledge and assume the risk that email communications may be randomly intercepted and disclosed by an otherwise disinterested person, and could be intercepted by an individual or other party interested in the matter that is the subject of the email communication. You hereby agree to hold me and my office harmless, should interception and disclosure of any email communication with me or my office occur.

Termination. You shall have the right at any time to terminate my services and representation upon written notice to me. Such termination shall not, however, relieve you of the obligation to pay for all services rendered and disbursements and other charges made or incurred on your behalf prior to the termination.

Withdrawal. I reserve the right to withdraw from my representation of you with your consent or for any reason consistent with the Nevada Supreme Court's rules of professional responsibility. This may include, without limitation, the failure to honor the terms of the engagement letter, the failure to pay amounts billed in a timely manner, the failure to cooperate or follow my advice on a material matter, or any fact or circumstance that would, in my view, impair an effective attorney-client relationship or would render my continuing representation unlawful or unethical. If I elect to do so, you will take all steps necessary to free me of any obligation to perform further, including the execution of any documents (including forms for substitution of counsel) necessary to complete my withdrawal, and I will be entitled to be paid for all services rendered and disbursements and other charges made or incurred on your behalf prior to the date of withdrawal.

Jurisdiction/Attorney's Fees. This agreement shall at all times be construed and interpreted in accordance with the laws of the State of Nevada, without regard to principles of conflicts of laws. Any controversy, dispute or claim that arises between us concerning my fees, charges, performance of legal services, or other aspects of my representation shall be decided within the State of Nevada and the prevailing party will be entitled to recover from the losing party all costs and expenses it incurs in bringing and prosecuting or defending any litigation or arbitration, including reasonable attorneys' fees and costs at trial and on appeal. If it becomes necessary for me to initiate any legal action to collect attorneys' fees and costs relating to the matters in which I have undertaken representation on your behalf, you agree that, if I prevail, I will be entitled to recover all costs and expenses incurred in bringing such action, including reasonable attorneys' fees and costs at trial or arbitration, and on appeal.

* * * *

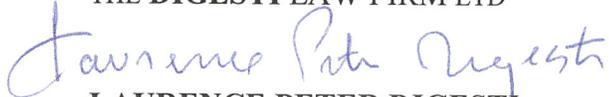
Cody Noble, Chairperson
May 18, 2015
Page 6

If this letter correctly reflects your understanding of my representation, and is approved by your Board of Trustees, please sign in the space provided below and return it to me. Upon your acceptance, these terms and conditions will apply retroactively to the date I first performed services on your behalf. If this letter is not signed and returned, you will be obligated to pay me the reasonable value of any services I may have performed on your behalf.

Once again, I am pleased to have this opportunity to be of service and to work with you.

Sincerely,

THE **DIGESTI** LAW FIRM LTD



LAURENCE PETER DIGESTI

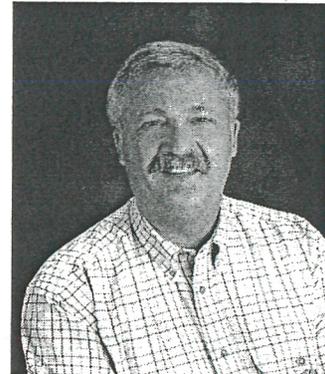
I have read and understand the terms and conditions set forth in this letter and, on behalf of Somerset Academy, agree to be bound by them. Said contract was approved by the Board of Trustees of Somerset Academy at their _____, 2015 board meeting.

Dated: _____, 2015

Cody Noble, Chairperson
Board of Directors of Somerset Academy

LAURENCE PETER DIGESTI

Date of admission to practice in Nevada: 1976
Firm: The Digesti Law Firm LTD
Size of Firm: 1
Practice area of law: Personal Injury, Civil
Litigation, Mediation & Arbitration
Affiliations: State Bar of California admitted 1977



Biography

Personal Information

Name: Laurence Peter Digesti
Family: Married to Robyn McKinley Digesti for 41 years; three grown children, Alyson, Matthew & Marc.

Employment

May 2009 to Present:	The Digesti Law Firm LTD 485 West Fifth Street Reno, Nevada 89503
January 1992 to April 2009:	Law Offices of Laurence Peter Digesti 485 West Fifth Street Reno, Nevada 89503
	Sole Proprietor: Personal Injury Litigation, Criminal Defense, Family Law, Civil Litigation, Mediation & Arbitration
1982 to December 1991:	Digesti & Peck, Attorneys at Law 485 West Fifth Street Reno, Nevada 89503
1977 to 1982:	Washoe County District Attorney's Office 75 Court Street Reno, Nevada 89520
	Chief Deputy Criminal Division
1976 to 1977	Law Clerk to the Honorable John E. Gabrielli Second Judicial District Court

Education

B.A. University of Nevada, Reno 1972

J.D. McGeorge School of Law 1976
Sacramento, California

Professional Affiliations

1. Member of the State Bar of Nevada admitted in 1976, and licensed to practice in all State and Federal Courts. Death Penalty qualified.
2. Member of the State Bar of California admitted in 1977, and licensed to practice in all State Courts and in the Eastern District of the United States District Court and Ninth Circuit Court of Appeals.
3. Member of the Board of Governors State Bar of Nevada.
4. Vice President Board of Governors State Bar of Nevada.
5. Past member of the Board of Governors, Nevada Trial Lawyers Association.
6. Past member of the American Trial Lawyers and Western Trial Lawyers Association.
7. Past member of the National Association of Criminal Defense Lawyers.
8. Member Washoe County Bar Association.
9. President Elect State Bar of Nevada 2014 – 2015.
10. President State Bar of Nevada 2015 -

Special Appointments and Affiliations

1. Judge Pro Tem Second Judicial District Court Short Trial Program.
2. Judge Pro Tem Reno Municipal Court, Reno Justice Court, Verdi Justice Court.
3. Special Prosecutor State Bar of Nevada Northern Nevada Disciplinary Panel.
4. Special Prosecutor Nevada State Board of Medical Examiners.
5. Special Prosecutor Washoe County District Attorney's Office.
6. Guest Lecturer People's Law School – Nevada Trial Lawyers.
7. Member of the selection committee for appointment of the Alternate Washoe County Public Defender.
8. Appointed to the Northern Nevada Disciplinary Panel of the State Bar of Nevada in 1987. Appointed as the Co-Chair of the panel in 1991, and Chairman in 1993. Served a total of nine years on the panel.
9. Member of the Advisory Commission on the Administration of Justice, and the Executive Committee representing the State Bar of Nevada.



KOLESAR & LEATHAM

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Las Vegas, NV 89145

Voice: 702-362-7800

Fax: 702-362-9472

<http://knevada.com>



KOLESAR & LEATHAM

ABOUT

We are a full service law firm located in Las Vegas, Nevada. The longer story unfolded over the course of the last 25 years. Almost from the start, we were a leader in our fields of focus.

Today, we represent a variety of clients with business interests in Las Vegas, throughout Nevada and worldwide. Our attorneys represent clients with complex business transaction or litigation matters in a variety of practice areas, including real estate, banking, commercial litigation, tax, employment and bankruptcy. The firm holds the coveted AV rating from Martindale-Hubbell.

At Kolesar & Leatham, our attorneys work together to represent our clients' interests. As a team, we provide the highest quality of legal services and counsel to our clients. Our goal is to successfully accomplish our client's objective, efficiently and cost-effectively.

Our attorneys are highly successful in representing the interests of our clients. Many have been published and recognized for their expertise in specific areas of the law. Their success and expertise, whether in real estate restructuring and workouts in high-stakes environments or in handling high-profile commercial litigation, offers clients the peace of mind that Kolesar & Leatham is a proven winner.

As we've grown, so has our reputation—and with it, our clientele, which now comes from across the country and around the world, seeking our help with:

- Business law
- Commercial litigation
- Construction law
- Insurance Defense
- Privilege and alcohol licensing
- Banking
- Bankruptcy
- Real estate
- Administrative law
- Labor and employment law
- Trusts and Estates
- Tax and tax litigation

ALAN J. LEFEBVRE

SHAREHOLDER

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alefebvre@klnevada.com



Alan Lefebvre served as the 89th president of the State Bar of Nevada, 2013- 2014, and remains active as a member of its board of bar governors.

He conducts a statewide civil trial practice in Nevada state and federal courts, in arbitral forums, and in mediation. He prosecutes and defends appeals in the Supreme Court of Nevada, and engages in civil writ practice, when trial judges err before trial.

His primary practice focus remains construction-related disputes. He represents public owners, private developers, contractors, design professionals, and sureties, concluding such disputes in jury trials and in binding arbitration, when the situation requires. Alan is a member of the firm's commercial litigation group. Resolution of shareholder disputes in corporate conflicts has become an active part of his practice in the last decade.

One dimension of Alan's practice has remained constant; since 1984 he has been a mainstay as the trusted attorney and counselor, in family disputes over wealth distribution and management. That role takes him into the contested trust and probate arena when circumstances warrant. Wealth creation among Nevada's pioneer families reached its zenith in the latter part of the last century and multigenerational litigation now arises with greater frequency. As a seasoned and creative litigator, Alan's expertise in bridging wealth stewardship conflicts, has earned him the reputation as the premier advocate in legacy disputes, among the affluent later generations of Nevada's original wealth creators.

The balance of his practice consists of resolving the full spectrum of disputes arising in commercial law.

Alan Lefebvre received his Bachelor of Arts from the University of California at Santa Barbara, with high honors and departmental distinction, in 1975. He received his Juris Doctor degree from the University of San Francisco, School of Law in 1978 and has been in private practice in Nevada since 1979. Alan has been a peer-rated AV lawyer for two decades; he is recognized as SuperLawyer in the western states, and is among VEGAS INC'S Top 100 Lawyers of 2013.

Alan is a member of the Board of Advisors of the Saint Thomas More Society of Nevada, and serves on the boards of a number of non-profits. He is a sustaining member of the Federalist Society, Las Vegas Chapter. He is active in civic and cultural affairs.

Affiliations

Member, State Bar of Nevada
Member, State Bar of California

Admitted to practice, United States District Court, Districts of Nevada and Central California
Admitted to practice, Ninth Circuit Court of Appeals
Admitted to practice, United States Supreme Court
Commissioner, Nevada Commission on Judicial Discipline (1991 – 1999)
Member, Board of Bar Governors, State Bar of Nevada
Member, American Bar Association Forum on the Construction Industry
Member, International Association of Defense Counsel
Member, Surety Claims Institute

Speeches • Presentations • Publications

1992 – Southern Surety Claims Association in Atlanta Georgia
1998 – Law Seminars International, Las Vegas, Nevada
1998 – The National Business Institute, Las Vegas, Nevada
1998 – Nevada District Court Judges 1998 Annual Seminar, Mesquite, Nevada

Significant Appellate Cases

Clark County v. Southern Nevada Health District, 128 Nev. Ad.Op. 58, 289 P.3d 212 (2012).
Hartford Fire Ins. Co. v. Trustees of the Construction Industry and Laborers Health and Welfare Trusts,
208 P.3d 844 (Nev. 2009)
Insurance Co. of the West v. Gibson Tile Co., Inc., 122 Nev. 455, 134 P.3d 698 (Nev. 2006)
Badillo v. American Brands, Inc., 117 Nev. 34, 16 P.3d 435 (Nev. 2001)
Transamerica Premier Ins. Co. v. Nelson, 110 Nev. 951, 878 P.2d 314 (1994)
U.S. v. D-Bar D Enterprises, Inc., 772 F.Supp. 1167 (D.Nev. 1991)

ROBERT J. KOLESAR

MANAGING SHAREHOLDER

Kolesar & Leatham
400 S. Rampart Blvd., Suite 400
Las Vegas, NV 89145
702-362-7800
rkolesar@kinevada.com



Mr. Kolesar primarily practices in banking, real property, corporate and finance law. He was formerly a senior vice president, senior trust officer and general counsel for Valley Bank of Nevada (now Bank of America Nevada). In 2000, Governor Kenny Guinn appointed Mr. Kolesar to the board of directors of Employers Holdings, Inc. where he has served as Chairman since 2005.

Robert Kolesar is quite active in the community, serving as a board member of HELP of Southern Nevada, the Las Vegas Symphony and the National Conference for Community and Justice. He is currently on the Nevada Development Authority's board of trustees and on the board of advisors for the Las Vegas Chamber of Commerce.

In 1965, Mr. Kolesar received his B.A. from John Carroll University. He received his Juris Doctor from Case Western Reserve University in 1968.

Affiliations

Member, State Bar of Nevada
Member, American Bar Association sections on corporation, banking and business law
Member, Nevada Bankers Association
Member, Real Estate Development Association (NAIOP)
Member, International Council of Shopping Centers (ICSC)
Member, Keystone Corporation
Member, Nevada Policy Research Institute (NPRI)

Awards • Honors • Recognitions

AV Rating, Martindale-Hubbell Legal Directory

Speeches • Presentations • Publications

Co-Author, "Current Issues in Banking Law in Nevada"
CLE Lecturer, State Bar of Nevada
CLE Lecturer, State Bar of Ohio
"Lawyers Who's Who," In Business Las Vegas

NILE LEATHAM

MANAGING SHAREHOLDER

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nleatham@klnevada.com



Nile Leatham primarily practices in bankruptcy, insolvency, secured transactions, commercial law and commercial litigation. From 1984 to 1986, he served as law clerk to Judge Robert C. Jones, the chief bankruptcy judge for the District of Nevada.

Mr. Leatham received his B.S. in Finance from Utah State University in 1981 and his Juris Doctorate from University of Utah in 1984. While in law school, he served on the editorial boards of the Journal of Contemporary Law and the Journal of Energy Law and Policy.

Affiliations

Member, State Bar of Nevada Bankruptcy Section

Member, Utah State Bar

Admitted to Practice, United States District Court, Districts of Nevada and Utah

Admitted to Practice, United States Court of Appeals, Ninth Circuit

Member, American Bankruptcy Institute

Member, American Bar Association – Business Law Section, Committee on Banking Law, Subcommittee on Loan Workouts and Bankruptcy

Member, Association of Southern Nevada Bankruptcy Attorneys (Director, 1989 – 1990)

Board-certified by American Board of Certification, Bankruptcy Law

Awards • Honors • Recognitions

"AV Preeminent" Peer Review Rating, Martindale-Hubbell

"Lawyers Who's Who" 2006, In Business Las Vegas

Mountain States Super Lawyer, 2010 and 2011

Speeches • Presentations • Publications

Co-author, "Basic Bankruptcy in Nevada," N.B.I. (1987)

"Current Issues in Banking Law in Nevada," N.B.I. (1992)

"Effective Mortgage Foreclosure Techniques in Nevada," N.B.I. (1993)

CLE Lecturer, State Bar of Nevada

ROBERT F. LIST

SENIOR PARTNER

Kolesar & Leatham
400 S. Rampart Blvd., Suite 400
Las Vegas, NV 89145
702-362-7800
rlist@knevada.com



Former Governor Robert List focuses primarily on public policy and government relations for corporate and business clients on the federal, state and local levels. His work in government relations has been recognized by The Best Lawyers in America multiple times. He has a particular emphasis on mining, energy, natural resources, construction, banking, gaming and finance. In addition, he counsels clients on administrative and regulatory matters as well as business expansion initiatives and business plans.

Mr. List served as the 24th Governor of Nevada from 1979 to 1983. Prior to being elected Governor, he served for eight years as the elected Attorney General of Nevada after serving as District Attorney of Carson City, Nevada. He was Chairman of both the Western Governors' Association and the Conference of Western Attorneys General. His experience with issues specific to the western states has led to numerous speeches and presentations, including at the prestigious Chautauqua Institute in 2014.

Former Gov. List remains politically active in Nevada. Most recently, List served as chairman of the transition team for Nevada Attorney General-elect Adam Laxalt. He was also the Republican National Committeeman for Nevada and Chairman of the RNC Budget Committee during the 2011-2012 election cycle. He had served as a Presidential or Cabinet Member appointee to governing and advisory boards and commissions under Presidents Nixon, Ford, Carter, and Reagan, and with both Bush administrations.

Mr. List currently serves on several boards of directors, including College Loan Corporation, the National Association of Heavy Equipment Services, Inc., American Asphalt and Paving Inc., the Nevada Taxpayers' Association and the Keystone Corporation. He is also an active volunteer in the Boy Scouts of America.

Former Gov. List received his B.S. degree from Utah State University, and his Juris Doctor degree from the University of California Hastings College of the Law.

Affiliations

Member, State Bar of Nevada
Admitted to Practice, District of Columbia
Admitted to Practice United States Supreme Court
Admitted to Practice, Ninth Circuit Court of Appeals
Admitted to Practice, U.S. District Court, Nevada
Member, Society of Attorneys General Emeritus
Member, Past Governors' Association

MATTHEW D. SALTZMAN

SHAREHOLDER

Kolesar & Leatham
400 S. Rampart Blvd., Suite 400
Las Vegas, NV 89145
702-362-7800
msaltzman@klnevada.com



Mr. Saltzman practices primarily in banking, corporate and commercial transactions and real estate, including liquor licensing. He assists businesses in their formation, licensing and governance matters; he also counsels businesses on corporate mergers and acquisition matters. He assists highly regulated financial institutions in corporate and regulatory compliance matters. In this regard, he has testified before the Nevada legislature as an expert on trust company legislation and drafted portions of Nevada law relating to the chartering and operation of Nevada trust companies. Mr. Saltzman represents a wide range of liquor retailers, wholesalers and suppliers in licensing and compliance matters in all Nevada jurisdictions.

Matthew Saltzman received a Bachelor of Arts degree in Economics and Philosophy from University of Wisconsin, Madison in 1987. In 1993, he received his Juris Doctor from University of Pittsburgh School of Law, where he was also Executive Editor of the University of Pittsburgh Law Review and served as teaching assistant for the Legal Research and Writing course.

Affiliations

Member, State Bar of Nevada
Admitted to Practice, United States District Court of Nevada
Admitted to Practice, Pennsylvania State Court
Admitted to Practice, United States District Court of Pennsylvania (inactive)
Member, American Bar Association
Member, Nevada Bankers Association
Member, National Conference of State Liquor Administrators (NCSLA)
Associate Member, National Association of Licensing and Compliance Professionals (NALCP)
Sustaining Member, National Association of Alcoholic Beverage Licensing Attorneys (NAABLA)
Founding Member, Alliance of Alcohol Industry Attorneys and Consultants (AAIAC)
Member, Academy of Hospitality Industry Attorneys
Member and President, Las Vegas Lawyers Chapter of the Federalist Society for Law and Public Policy Studies
Member, Republican National Lawyers Association
General Counsel to the Nevada Trust Companies Association

Awards • Honors • Recognitions

Appointed to the Nevada State Advisory Committee by the United States Commission on Civil Rights
Secretary and Director of Keystone Corporation
Former Member, Scott Township PA Planning Commission

Speeches • Presentations • Publications

Panelist at the National Association of Licensing and Compliance Professionals (NALCP) annual conference (Oct. 2014) – “Dealing with Land Use and Zoning Issues in Liquor Licensing”
NFIB.com, August 2014 - Four pieces of legal advice that sound good but small business owners should avoid (Matt Saltzman quoted)

Panelist among Nevada and California trust and tax experts for series of seminars sponsored by First Foundation Bank regarding the benefits of Nevada Asset Protection Trusts (Oct. 2013)

The Trust Advisor, June 9, 2013 – “Nevada Trust Community Rallies to Fight Stealth Attack on Asset Protection”

Moderated panel discussion among Nevada liquor licensing administrators during the National Association of Licensing and Compliance Professionals (NALCP) Conference (Oct. 2012)

“Launching A Nevada Trust Company” (May 2012)

“How to Succeed as a Summer Associate” (March 2012) University of Nevada- Las Vegas Boyd School of Law

“Nevada’s Banking Regulator Tells Lawmakers More Tough Laws More Important Than More Business” Trust Advisor Blog (March 26, 2011)

“Residential Foreclosures – How the Mortgage Process is Changing in Nevada” Nevada Business Magazine (March 2011)

“How to Apply for a Nevada Liquor License” Lawyer.com Administrative Law Blog (December 8, 2010)

“Nevada Banking Regulator Proposes Tighter Rules for Trust Firms” Trust Advisor Blog (October 31, 2010)

“Matthew Saltzman interviewed on Las Vegas NBC TV affiliate regarding the effect of Dodd Frank financial reform laws on Nevada community banks”.
(August 2010)

“Nevada’s Oldest Trust Company Calls It Quits After 107 Years in Business” Trust Advisor Blog (July 31, 2010)

“Regulator Says He Won’t Relax Write-Down Rules” Las Vegas Review-Journal (April 3, 2010)

“Climate Policy Heats Up: What’s Not Cool About Global Warming Regulations,” Event audio/video, Las Vegas Lawyers Chapter of The Federalist Society (May 3, 2010)

“Pessimism Persists” Guest Columnist, “New Act to Affect Community Banks,” Las Vegas Sun (July 30, 2010) Las Vegas Review-Journal (January 20, 2008) “Nevada Legislature Passes Proposal to Change Judicial Selection Process,” State Court Docket Watch, Las Vegas Lawyers Chapter of The Federalist Society (November 1, 2007)

“Responses to Judicial Corruption,” (event audio/video) – Las Vegas Lawyers Chapter of The Federalist Society (May 4, 2007)

“Appointive vs. Elective Methods of Judicial Selection,” (event audio/video) Las Vegas Lawyers Chapter of The Federalist Society (April 6, 2007)

“Industrial Loan Corporations Eye Nevada, Henderson,” NV Economic News Report (Summer 2006)

“Legal Considerations in Starting a Franchise in Nevada,” N.B.I. (2003)

Co-author and Lecturer, “Consideration in Buying or Selling a Business in Nevada,” N.B.I. (2000 and 2002)

Co-author, “Procedural Aspects of Entering Confessed Judgments,” Pennsylvania Bar Institute (No. 1994-883)

COLBY L. BALKENBUSH

ATTORNEY

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400 S. Rampart Blvd., Suite 400
Las Vegas, NV 89145
702-362-7800
cbalkenbush@knevada.com



Balkenbush practices in the areas of commercial litigation, corporate law and privilege licensing. Mr. Balkenbush's litigation practice includes complex civil litigation in both state and federal court involving breach of contract actions, mortgage fraud litigation, landlord-tenant disputes, construction related disputes, and surety related litigation involving deposit bonds, performance bonds, and payment bonds.

Mr. Balkenbush's transactional practice is predominantly focused in the areas of medical marijuana and liquor licensing. In 2014, for the first time ever, the State of Nevada and local jurisdictions began accepting medical marijuana applications. After the Nevada Legislature enacted a statewide system of licensing manufacturers and retailers of medical marijuana, Mr. Balkenbush successfully prepared and submitted a number of local and state medical marijuana applications and represented clients at the first ever local licensing hearings for medical marijuana license applicants. Mr. Balkenbush was among the few attorneys successful in securing both state and local approval for a client's dispensary license application, making his client one of only twelve dispensaries to be permitted in the City of Las Vegas. Mr. Balkenbush continues to regularly advise medical marijuana clients on all aspects of compliance with Nevada law regarding medical marijuana.

Mr. Balkenbush received his Bachelor of Arts Degree, magna cum laude, in English Literature from the University of Nevada, Reno (UNR) in 2010. While in undergrad, he worked as a sports writer for the Reno Gazette Journal, the main daily newspaper in Reno, Nevada, and covered high profile events such as the Reno-Tahoe Open, the American Century Celebrity Golf Championship, and the World Series of Poker. Mr. Balkenbush speaks fluent German and spent a year studying German history and economics at the University of Heidelberg in Germany.

Mr. Balkenbush earned his Juris Doctor from the UNLV, William S. Boyd School of Law in 2013, where he graduated magna cum laude. During law school, Mr. Balkenbush was an Articles Editor for the Nevada Law Journal and worked as an extern for Judge Nancy Alf in the Eighth Judicial District Court.

Affiliations

- Member, State Bar of Nevada

Awards • Honors • Recognitions

- Merit Based Full Tuition Academic Scholarship for Law School
- CALI Awards (Highest Grade in a Single Class): Constitutional Law II, Real Estate Finance, Lawyering Process III: Litigation, and Conflicts of Law

Representative Matters

- As counsel to a large corporate client, Mr. Balkenbush successfully voided a multi-million dollar construction contract based on certain licensing issues.
- As counsel to one of the largest public entities in Nevada, Mr. Balkenbush successfully invalidated an arbitration clause in the parties' contract related to a multi-million dollar construction dispute.
- As counsel to one of the largest surety companies in the world, Mr. Balkenbush successfully litigated a breach of deposit bond action resulting in the breaching party being forced to fully indemnify the surety including being forced to pay a portion of the surety's attorney's fees.
- As counsel to a local group of physicians and entrepreneurs, Mr. Balkenbush prepared an application for a medical marijuana dispensary in the City of Las Vegas. Not only was the dispensary application one of only twelve approved by both state and local authorities, but it was one of the top ranked applications by the State of Nevada out of over 500 applications submitted.

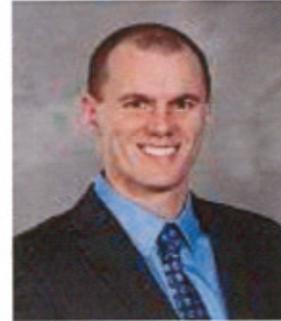
Co-author and Lecturer, "Consideration in Buying or Selling a Business in Nevada," N.B.I. (2000 and 2002)

Co-author, "Procedural Aspects of Entering Confessed Judgments," Pennsylvania Bar Institute (No. 1994-883)

WILLIAM D. SCHULLER

ATTORNEY

Kolesar & Leatham
400 S. Rampart Blvd., Suite 400
Las Vegas, NV 89145
702-362-7800
wschuller@knevada.com



Mr. Schuller practices primarily in civil commercial litigation and also has experience in insurance coverage/defense. He graduated cum laude from the University of Florida, majoring in criminal justice and minoring in history and received his J.D. from the UNLV, William S. Boyd School of Law in 2008.

Over the last three years, Mr. Schuller has volunteered his time to the Legal Aid Center of Southern Nevada's Children's Advocacy Program (CAP), representing abused and neglected children in Clark County and appearing on their behalf in court proceedings in family court.

From 2013 to 2015, Bill was selected as a "rising star" in general litigation by Super Lawyers Magazine.

Affiliations

Member, Nevada State Bar

Member, New Jersey State Bar

Member, Southern Lawyer Advertising Advisory Committee

Admitted to Practice, United States District Court, District of Nevada

Admitted to Practice, United States District Court, District of New Jersey

Admitted to Practice, Ninth Circuit Court of Appeals

JOSEPH J. MUGAN

SHAREHOLDER

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Mr. Mugan is a shareholder of the firm practicing primarily in the areas of corporate governance, commercial transactions, franchise law, banking, real estate and licensing matters. Mr. Mugan represents local, national and international companies, advising in formation, licensing, corporate governance and restructuring matters. Mr. Mugan counsels businesses in financing, structuring and negotiating mergers & acquisitions, asset purchases and sales, roll-ups and all other acquisition-related transactions. Mr. Mugan assists highly regulated financial institutions in corporate and regulatory compliance matters. Mr. Mugan represents large national homebuilders and commercial developers relating to acquisition, development and disposition of real property, leasing, formation of common-interest communities by homebuilders and related governance matters.

Mr. Mugan graduated with honors from Creighton University in 2001, where he received a Bachelor of Science degree in Accounting. Mr. Mugan earned his Juris Doctor from the William S. Boyd School of Law at UNLV in 2004, where he again graduated with honors. While attending law school, Mr. Mugan was the Business Editor on the Editorial Board of the Nevada Law Journal and a teacher in the Street Law Program, educating Nevada teens about the law. Prior to commencing law school, Mr. Mugan worked in the corporate tax department of MGM Resorts International.

Mr. Mugan also volunteers his time by serving as counsel to non-profit organizations, such as The Salvation Army of Southern Nevada and South Sudan Center of America. In addition to providing counsel, Mr. Mugan currently is Chairman of the Advisory Board of The Salvation Army of Southern Nevada. A member of the Advisory Board since 2007, Mr. Mugan also chairs its Membership Committee. Mr. Mugan is a member of Leadership Las Vegas, Class of 2014.

Affiliations; Community Involvement

- Member, State Bar of Nevada
- Admitted to practice, United States District Court of Nevada
- Member, American Bar Association Business Law Section
- Member, American Bar Association Forum on Franchising
- Member, Las Vegas Lawyers Chapter of the Federalist Society for Law and Public Policy Studies
- Chairman of the Advisory Board and Membership Committee of The Salvation Army of Southern Nevada

Awards • Honors • Recognitions

- Leadership Las Vegas, Class of 2014
- Mountain States Super Lawyer Rising Star (2010)
- "Lawyer's Who's Who" In Business Las Vegas (2006)

Speeches • Presentations • Publications

- Las Vegas Metro Chamber, October 2013
- Diamond Cake Magazine, September 2013

Recent Representative Engagements

- Lead counsel in sale of an aviation insurance company to a publicly traded company.
- Lead counsel in sale of a Nevada based mining conglomerate engaged in mining operations in Nevada, Mexico and Guatemala to an international mining company.
- Lead counsel in multistep sale of medical servicer business to a national private equity firm.
- Lead counsel in acquisition of solar energy company.
- Lead counsel in sale of substantially all of the assets of a construction materials firm to a publicly traded company.
- Counsel to a Nevada state-chartered commercial bank in connection with its sale to a California state-chartered commercial bank.
- Representation of large national homebuilder relating to acquisition, development and disposition of real property.

JONATHAN BLUM

SHAREHOLDER

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Las Vegas, NV 89145
702-362-7800
jblum@klnevada.com



Jonathan Blum practices primarily in the area of commercial litigation. His practice focuses on all phases of civil litigation including discovery, trial, appeal, and alternative dispute resolution.

In 1999, Mr. Blum graduated with honors from California Polytechnic State University, San Luis Obispo with a degree in Environmental Engineering. He obtained his Juris Doctor degree from the University of Colorado School of Law in 2005.

Prior to beginning his legal career, Mr. Blum worked as an engineer in Southern California.

Affiliations

Member, State Bar of Nevada
Admitted to Practice, United States District Court of Nevada

Awards • Honors • Recognitions

"AV Preeminent" peer rating, Martindale Hubbell
Rising Star, Super Lawyers Magazine, 2009

Speeches • Presentations • Publications

"Maximizing the Effectiveness of Offers of Judgment in Federal Court," ABA Trial Techniques Committee, Winter, 2014.

Activities

Legal Aid Center of Southern Nevada – Children's Attorneys Project
Vice-Chair, ABA Tort Trial and Insurance Practice Section Trial Techniques General Committee
South Sudan Center of America, Board of Directors
Southern Nevada Mountain Biking Association, Board of Directors

JANET L. ROSALES

SHAREHOLDER

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irosales@klnevada.com



Ms. Rosales is an associate practicing in the area of commercial litigation with primary focus in business, lender liability, real estate and construction disputes.

While at Yale University, Ms. Rosales was recipient of the Mildred Priest Memorial Prize, Department of Sociology. At Albany Law School, she was Associate Editor of the Environmental Outlook Journal, Quarterfinalist and Coach for the National Appellate Evidence Team and winner of the Foadelli Public Service Fellowship.

During law school, Ms. Rosales worked as a law clerk in litigation for a national law firm, environmental law firm and in the Litigation Bureau of the Office of the Attorney General for New York State.

Prior to starting her legal career, Ms. Rosales worked at the Southern Nevada Water Authority developing and managing water conservation programs. During this time, she published and presented numerous technical articles throughout the Southwest.

She received her Bachelor of Arts for Studies in the Environment and Organizational Behavior from Yale University in 1993. She received her Juris Doctor, cum laude, from Albany Law School in 2007.

Affiliations

Member, State Bar of Nevada
Member, Clark County Bar Association
Member, Southern Nevada Association of Women Attorneys

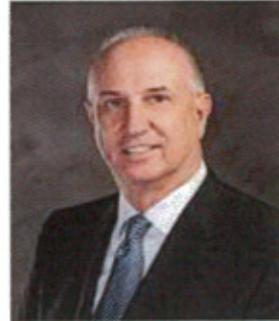
Speeches • Presentations • Publications

Author, "A Win-Win Water Waste Policy-Conference Proceedings," 2002
Author, "Residential Xeriscape: Answering Common Questions on Water/Landscape Maintenance Savings by Field Research," 2001
Author, "Xeriscape Conversion for Urban Water Conservation," 2000

ZEV E. KAPLAN

OF COUNSEL

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zkaplan@knevada.com



Zev E. Kaplan practices primarily in business and administrative law with substantial experience in matters regarding transportation law and policy.

From April 1995 to October 2012 he was General Counsel to the Regional Transportation Commission of Southern Nevada, where he played a key policy role in the start-up of the local transit systems and their facilities and was the principal drafter of the Regional Transportation Act of Nevada. In addition he has had a major role in the planning and financing of numerous major public infrastructure projects in Las Vegas.

Mr. Kaplan served as General Counsel to Cash Systems, Inc., a NASDAQ traded company in the financial services industry from 2005-2008 during which he was a member of the executive team; managed all legal matters and was part of the Executive Team developing cashless gaming product with approval of VISA/Mastercard. Following the acquisition of Cash Systems by Global Cash, Mr. Kaplan served as Associate General Counsel to Global Cash Access, a NYSE traded company from 2008-2009.

Prior to starting his own law firm, he spent fifteen years in government service. He has served as a Senior Deputy District Attorney with the Clark County District Attorney's Office-Civil Division, as legal advisor to Clark County's Finance Department and University Medical Center and on County transportation issues. He represented Clark County vs. New Jersey before the U.S. Supreme Court regarding transport of radioactive waste.

As General Counsel to the Nevada Public Service Commission, Mr. Kaplan managed the legal department and advised the Commission regarding the regulation of electric, gas, telecommunications, cable television and transportation industries. He represented the Commission before the Nevada Legislature in 1981 and 1983 and represented State of Nevada on case before U.S. Supreme Court involving jurisdiction of states over nuclear power plant siting.

After graduating law school Mr. Kaplan was a Staff Attorney to the U.S. Senate Committee on Commerce, Science and Transportation, during which time he participated in the drafting of the Motor Carrier Regulatory Reform Act.

Mr. Kaplan received his J.D. from Southwestern University School of Law and attended Georgetown University for post-graduate legal studies; a MBA from the University of Nevada, Las Vegas; and a B.S. from the Smith School of Business at the University of Maryland. Mr. Kaplan has an AV rating from Martindale Hubble. In addition to the practice of law Mr. Kaplan has served as a member of the Founders Fifty Five (LV), a group who organized and operated the LV Invitational Golf Tournament for many years.

He has also served as the President of the Las Vegas Music Festival. Mr. Kaplan received his varsity letter for basketball, as the manager of the University of Maryland Basketball team from 1970-73.

Affiliations

State Bar of Nevada

State Bar of California – inactive

U.S. Supreme Court

5th, 9th & 11th U.S. Circuit Courts of Appeal

U.S. District Court of Nevada

AV rating – Martindale Hubbell

Administrative Law Committee – State Bar of Nevada 1986-1992

Former Founding Member, Founders 55s (LV Invitational Golf Tournament)

Past President & Board Member of Las Vegas Music Festival

National Visitors Council, University of Maryland, College Park

Varsity Letter, University of Maryland Basketball/Manager 1970-73

Speeches • Presentations • Publications

Guest Speaker at American Public Transportation Assoc. Legal Affairs Conferences

E. DANIEL KIDD

SHAREHOLDER

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Mr. Kidd practices primarily in civil commercial litigation. He has extensive experience in insurance defense, coverage, bad faith, products liability and premises liability. Mr. Kidd is also fluent in Spanish.

He graduated magna cum laude from Brigham Young University Marriott School of Management, with a minor in philosophy. He received his Juris Doctor from the University of San Diego School of Law, graduating magna cum laude. While at law school he wrote for Law Review and was, in recognition of his achieved academic excellence, invited to join the Order of the Coif.

Affiliations

Member, Nevada State Bar

Admitted to practice, United States District Court, District of Nevada

Admitted to practice, Nevada Supreme Court

Awards • Honors • Recognitions

Order of the Coif

BRITTANY WOOD

SHAREHOLDER

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bwood@klnevada.com



Brittany Wood focuses her practice in title and real estate litigation. She also litigates state and federal excise and use tax cases and has defended clients in professional malpractice and catastrophic personal injury actions. She handles litigation matters in all state and federal courts in Nevada, as well as disputes subject to mandatory and contractual arbitration and regularly represents clients in hearings before various Nevada administrative boards.

Ms. Wood received her B.S. in Political Science from the University of Montana in 1997 and her J.D. from the University of Montana in 2000. While in law school, Ms. Wood received numerous awards, including: West Group's Award for Outstanding Scholastic Achievement; the Weymouth D. Symmes Award; the Emmett C. Angland Memorial Award; the Brown Law Firm Scholarship; the Anderson Memorial Scholarship; and the Sarsfield Scholarship.

Affiliations

Member, State Bar of Nevada
Member, State Bar of Montana
Admitted to practice, United States District Court for the District of Nevada
Admitted to practice, U.S. Court of Appeals for the Ninth Circuit

Reported Cases

State v. Whitlow, 306 Mont. 339, 33 P.3d 877 (2001)
Kim v. Kearney, 838 F. Supp. 2d 1077 (D. Nev. 2012)

Representative Matters

Bonanza Beverage Co., Inc. v. Labatt, USA
Bank of New York Mellon Trust Company v. NAPUS Federal Credit Union et al.
Alkimya Investment, LLC v. Wells Fargo Bank, N.A., et al.
RBM Construction, Inc. v. CML-NV Industrial Complex, LLC
Sunrise Paving, Inc. v. Blackstone Capital Group, LLC, et al.
Full House, Inc. v. Jolley Uрга Wirth Woodbury & Standish, et al.
Shapiro vs. Stewart Title of Nevada, et al.
Communication Electronic Systems, LLC v. Big Town Mechanical et al.

LISA ZASTROW

SHAREHOLDER

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lzastrow@knevada.com



Lisa Zastrow obtained her Juris Doctor in 2001 from Oklahoma City University School of Law and joined Kolesar & Leatham in 2015 as a Shareholder in the business and commercial litigation practice and employment law practice groups. She has a successful dual practice, offering expertise in business and commercial litigation and litigation avoidance, as well as transactional law. From acting in an advisory capacity regarding construction and design professional contracts, assisting in litigation avoidance for business owners, to first chairing jury and bench trials, Ms. Zastrow has a track record of success for her business.

Additionally, Ms. Zastrow routinely assists clients in drafting and implementing employment Policies & Procedures, assists employers in various employment investigations, and defends employers before the Nevada Equal Rights Commission ("NERC"), Nevada Department of Employment, Training and Rehabilitation ("DETR"), as well as in state and federal court. Lisa also has experience in administrative law, including advising clients regarding health and safety-related workplace issues specific to Nevada Occupational Safety & Health Administration ("NOSHA"). As an experienced commercial, transactions and employment lawyer, she successfully represents clients in state and federal court, as well as through all forms of alternative dispute resolution.

Affiliations

Member, State Bar of Missouri

Member, State Bar of Nevada

Member, State Bar of Oklahoma

Member, State Bar of North Dakota (inactive)

Former instructor in Criminal Court Process and Corrections in the Criminal Justice Department of Minot State University.

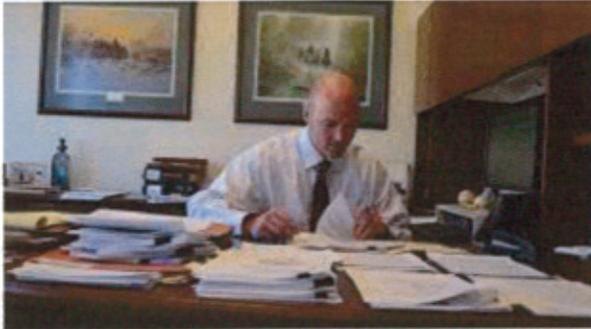
Pro bono attorney for children's cases through Clark County Legal Services, Children's Attorney Project (CAP).

Member of the Nevada SPCA

Practice Highlights

- Gregory Kelly v. LVMPD, et. al., 2:12-cv-02074, US District Court, jury verdict in favor of client, LVMPD Officers (May 7, 2015).
- Coyote Springs Investment, LLC v. The Eight Judicial District Court of the United States and Brightsource Energy, Inc., 131 Nevada Advance Opinion 18 (April 2, 2015).
- KS Design, LLP v. Via Tivoli, LLC, District Court, Clark County Nevada, Case No. A577436; favorable verdict in a complex construction matter involving a \$100,000,000.00 residential home.

LABOR & EMPLOYMENT LAW



Kolesar & Leatham represents employers in all issues that arise out of the employer-employee relationship and in the workplace. We also assist with the required teaching of personnel concerning discrimination issues and with the preparation of customized employer guidelines.

Our attorneys help their clients minimize the amount of time, effort, and money spent resolving employment-related problems, permitting them to concentrate on their primary business goals. Through counseling and implementation, litigation can often be avoided. However, when unavoidable, the firm's aggressive pursuit of focused litigation is an effective tool in helping clients lawfully resolve disputes.

While our philosophy is to practice preventative employment law, our lawyers, when necessary, aggressively defend clients' interests when claims are filed. We routinely represent clients in investigations and hearings before government agencies.

Kolesar & Leatham works to develop and uphold:

- Employment contracts
- Employment policies
- Employee handbooks

Our attorneys counsel employers on employee terminations and, as appropriate, the structuring of alternative dispute resolution procedures. For our clients, we also sponsor government-required seminars in avoiding sexual harassment claims.

Our lawyers have experience litigating employment law and discrimination cases in arbitration, state, and federal courts in a wide range of cases, including those involving employment law issues.

BUSINESS LAW



Our Business Attorneys practice in the following areas:

- Real estate development
- Banking
- Commercial litigation
- Construction litigation
- Mechanics liens and priority issues
- Privilege licensing
- Liquor licensing
- Hospitality
- Manufacturing
- Finance
- Insurance/Suretyship
- Agribusiness
- Distribution
- Retailing
- Service businesses and professions
- Public entity representation

Business Law services include:

- Entity selection, organization and governance
- Counsel in business licensing issues, especially in matters related to financial institution clients, and for hospitality clients that require guidance in Las Vegas and Nevada liquor and gaming licensing laws
- Local counsel for those involved in financial transactions with non-Nevada parties or affiliates
- Sophisticated business litigation in Las Vegas and across the nation, handling an eclectic array of subjects and issues
- Asset securitizations and related transactions
- Mergers and acquisitions of businesses and assets
- Executive employment and compensation
- Structuring and negotiation of loans and other credit and commercial transactions

OUR CLIENTS



Agassi Enterprises, Inc.
Alderwoods Group, Inc.
Angels Baseball, LP
Aramark Sports and Entertainment Services
Aspen Financial Services
AutoNation Financial Services
Bank of Nevada
Bank of New York Mellon
Bank of Nova Scotia
Bankers Systems, Inc.
Best Buy Stores, LP
Cal Neva Resort
Cardinal Health, Inc.
Carlson Restaurants Worldwide, Inc.
Carrabba's Italian Grill
CB Richard Ellis
Chipotle Mexican Grill, Inc.
Chrysler Financial, LLC
Cincinnati Reds, LLC
City of Henderson, Nevada
Clark County School District
Commonwealth Land Title Insurance Company
Community One Federal Credit Union
Core-Mark
Cornerstone Mortgage Company
Cumulus Media, Inc.
CVS Caremark
Daimler Chrysler
Denny's
Department of Public Works, Clark County, Nevada
Enterprise Rent-A-Car
Federal Deposit Insurance Corporation
Fifth Third Bank
First American Title Insurance Co.
First Bank of Beverly Hills
Fleming's Prime Steakhouse & Wine Bar
Fresh & Easy Neighborhood Market

Forest City Enterprises
GMAC Mortgage Corporation
Hampton Inn
Hartford Fire Insurance
Hyatt Hotels
Key Bank USA
Lawyers Title Insurance Corporation
Lehman Brothers Bank, FSB
Longs Drug Stores
Marriott International, Inc.
Marshall & Ilsley Corporation
Mazda Motors of America, Inc.
Meadows Bank
Meridias Capital
MGM Grand Hotel and Casino
Mimi's Cafe
Mitsubishi Motors Credit of America, Inc.
National City Corporation
Nevada State Bank
Nevada Title Company
Nissan Motor Acceptance Corp.
Nordstrom, Inc.
Outback Steakhouse
Park Corp.
Playtex Products, Inc.
Plaza Bank
Premier Trust of Nevada
Rich Little Enterprises
Royal Business Bank
Roy's
Seafood City Supermarkets
SEGA Entertainment
Sierra Health Services
Sinclair Broadcasting Group, Inc.
Smart & Final
Starwood Hotels & Resorts Worldwide, Inc.
State of Nevada Public Works Board
Stemedica Cell Technologies, Inc
Surety & Fidelity Association of America
Total Wine and More
To Go Brands, Inc
TOUSA, Inc. dba Engle Homes
U.S. Trust Company, N.A.
USAA Federal Savings Bank
Virgin Valley Water District
Weingarten Realty Investors
Wilmington Trust Company
Wynn Las Vegas
Yard House Restaurants
99¢ Only Stores

KOLESAR & LEATHAM

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knevada.com

July 21, 2015

Cody Noble, Chairperson
SOMERSET ACADEMY OF LAS VEGAS
8101 Spirit Canyon Drive
Las Vegas, NV 89149

Dear Mr. Noble:

I welcome the opportunity to apply and interview for the General Counsel role.

The nature of my practice and role in my firm allows me to fulfill the somewhat unpredictable involvement the tasks would entail, from routine and minimal to intensive. Several talented colleagues assume my other responsibilities when my available time is drawn away, for special projects, and a client, such as Somerset, has a need to be filled.

I am part of a stable of lawyers who do outside legal work for the Clark County School District. This is not a "conflict" problem, as oversight cast on charter schools is from above at the state level, and charter schools have their fixed funding from the tax base dictated by the legislature.

I represent the County of Clark (totally separate entity, different board) on special matters. The most unique was a suit against the City of North Las Vegas on a nuisance/trespass suit, arising from CNLV's construction of a water reclamation plant, and use of County owned property to convey effluent. The second most peculiar was a tax battle with an inferior local government, the So. Nev. Health District (over division of ad valorem tax revenue, and the governmental powers of the Board of Clark County Commissioners to limit funding SNHD's). I have been called on twice recently, to defend the local District Court Judges in employment disputes.

My practice emphasis for 25 years has been defense of owners/public entities from contractor claims, in court and arbitration. The County is a significant client for road construction/claims work and the work from the School District varies from civil rights to employment law, and general business litigation (the most recent, a suit by an insurance broker over commissions).

FEES

I have latitude in setting rates in matters I bring into the firm and can scale them for the particular task. My time on matters for clients of long standing is billed at \$350 per hour. The rate for governmental relations specialist and transactional lawyers is higher, but reasonable.

Cody Noble, Chairperson
SOMERSET ACADEMY OF LAS VEGAS
Page 2
July 21, 2015

KOLESAR & LEATHAM
ATTORNEYS AT LAW

Our fees are billed monthly, charges at cost, and copies at .25 cents per page.

PERSONAL

I just turned 62 and am in good health and plan to work past my mid-seventies, other factors permitting. I come from a long-lived family on both sides of the family tree.

My family life growing up was immersed in education; both of my parents were teachers. My Father was a central office administrator and a high school principal in the California public schools, while sitting on a diocesan school board. My Mother was a 4th grade teacher for 35 years. In short, I “get” education and find the Charter School innovation exciting.

My daughter is off to college and our “task,” her Mother’s and mine, is now directed to getting her through college. She is a local private school product. Eileen and I are proud of our efforts to ensure she got the best education possible when the alternatives were limited.

MY INTEREST IN APPLYING

Your enterprise is securing good press coverage:
<http://www.reviewjournal.com/news/education/henderson-turns-charter-schools-meet-growing-needs>.

I would enjoy the challenge of moving it forward when legal factors might interfere.

My cell is 702.672.0572 and direct 702.889.7722. I am fortunate to have Cindy Kishi as my assistant.

Appended are descriptions of five (5) client matters; they are detailed that you might have additional insight into the nature of my career, in Nevada/Las Vegas private practice.

Respectfully,

KOLESAR & LEATHAM

Alan J. Lefebvre, Esq.

AJL/chk
Enclosures

FIVE CLIENT MATTERS

Matter 1.

C.I. Engineers and Constructors Inc. v. Clark County Sanitation District and Boyle Engineering. The matter was tried to a jury for 9 months, in 1980.

Eighth Judicial District Court: Hon. J. Charles Thompson; Client, Clark County.

It was my first jury trial. I entered the case near the end of discovery and prepared the case for trial and second-chaired it with Rex Jemison. I experienced the majesty and toil of case presentation and the effectuation of a law and motion trial strategy amidst legion facts, to bring the case to a favorable end on the basis of the law. The plaintiff rested its case-in-chief after 8 months and the trial court then dismissed 75% of the plaintiff's damages claims, on the same basis advanced in law and motion practice before trial. The rest of the case then settled in its 9th month on favorable terms, with my client recouping its attorneys' fees.

I assisted in the preparation of the case, drafted significant pre-trial motions and those during trial, and conducted direct and cross examination of witnesses.

The significance of the case; I learned I could draw from a deep well of creativity, discipline, and endurance.

Matter 2.

The Trust and Estate of G. B. Henderson. (The Alexander Dawson School legacy). Hon. Thomas Foley, probate judge, Eighth Judicial District Court.

My firm represented the decedent's second wife, Mary Henderson, to perfect her interest in the estate; I shouldered a majority of case activity.

Mrs. Henderson signed a pre-nuptial agreement in 1964, just prior to marriage. Her maximum recovery set by the agreement was \$1 million. For estate tax purposes, the estate's tax form 706 valuation, shook-out its value to approximately \$125 million.

I worked almost every single working day for 18 months on the matter. Through private and direct dispute resolution with the principal co-executor, John D. O'Brien, we concluded the client's interest for approximately \$34 million. I prepared a creditor's claim, which was the basis to negotiate with Mr. O'Brien over the course of this case, having frequent meetings with Mr. O'Brien to determine the breadth and value of the estate and arrive at settlement figure acceptable to both the charitable remainder, and the claims of the first wife and her decedents.

At the date of her husband's death, Mrs. Henderson was 80 years of age and her descendants/potential heirs made the attorney-client relationship complex beyond imagination.

The importance of the case; I learned the value of negotiation and professionalism from Mr. O'Brien, a life-long mentor.

Matter 3.

In the Matter of the MGM Fire Litigation. Hon Louis P. Bechtel, sitting by MDL assignment in the United State District Court for the District of Nevada.

My firm represented the hotel architect, Martin Stern AIA, in a personal injury case arising from the 1980 fire. Three of us worked 100% of our time on the matter, for a year. The "burning limits" of the professional liability policy were \$3 million, in the face of 84 deaths and countless personal/bodily injury claims.

The case only concluded in settlement after the pretrial implementation of an advanced law and motion strategy, to corral the architect's exposure. The design professional's legal theory of exculpation from liability was premised upon the unique contractual mechanism for delivery of the mechanical and electrical system elements, tightly controlled by the owner. The owner's and plaintiffs' counsel were reluctant to accept the view that the architect was not fully or significantly liable, for the design of elements causing the spread of fire and dispersal of fumes.

The importance of the case; I learned the art of the tactical deployment of law and motion practice within a case made confusing, by factual complexities.

Matter 4.

Arthur Jordon v. Clark County School District. Hon Lloyd D. George, United States District Court for the District of Nevada. I represented the Clark County School District.

The matter concluded with a successful verdict for the defendant. Mr. Jordon sued the School District, for alleged civil rights violations occurring during his employment as a school administrator.

I tried the case as a solo effort. It was a "failure to promote" case. The matter flecked the scab of race relations and school desegregation. The employee witnesses I produced and examined were protagonists of Mr. Jordon throughout his long career with the District.

Despite best efforts, the matter could not be concluded before trial.

The importance of the case; I learned that some cases need to be tried and cannot be settled, with the inevitable heart-break that will ensue.

Matter 5.

S3H v. Hoffman Construction Company of Oregon: 3rd party respondent.

Matter type: private arbitration.

My role was that of party-appointed arbitrator, a new legal experience

Project: Construction of mechanical elements of a \$1 billion D1X, a computer chip manufacturing plant for Intel, in Hillsboro, Oregon.

Arbitration Panel Chair: Kenneth Gibbs, a member of the board of directors of JAMS. Other wing arbitrator: James Ehlers, San Diego, California. Both are construction lawyers/neutrals of national repute. I was honored to be selected, to serve in this quasi-judicial role.

Claim in arbitration: by a subcontractor against the general contractor for significant sums.

Proceeding: three week arbitral hearing of evidence in support and defense/mitigation, of a breach of contract damages claim, venued in Portland.

Disposition by award: made by the panel of arbitrators on October 29, 2014.

The importance of the case; The experience as a judge in an arbitration “trial,” enabled me to demonstrate that I have the capacity to set aside my institutionally engrained role, as a defendant’s lawyer. In my private practice, I have made a career of acting as counsel for public bodies (as construction owners), or general contractors. I demonstrated that I was fully able to step out of the role of an advocate, for one perspective, in such multi-party disputes. My practice perspective defending such matters, did not compromise my ability to render an award according to the facts, the contract, and governing law. I acted fairly and impartially and attempted to administer justice. The experience was a demonstration of my ability to work collegially on a panel of arbitrators.



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Fax: (916) 329-8905



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[Map & Directions »](#)

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*In multiple years,
Stuart Wolfe
and
Samuel Wyman
have been rated
and selected by
their peers as
Super Lawyers*

Wolfe & Wyman LLP is a civil litigation firm that assists corporate, institutional and individual clients with legal matters throughout the states of California, Nevada, Arizona and Virginia.

Founded in 1994 by Stuart B. Wolfe and Samuel A. Wyman, the firm develops and maintains a long-term partnership with its clients. Over 50% of the firm's work comes from clients who have been with us since our inception. All our attorneys and professional staff are dedicated to responding to client needs and have a passion for their work.

At Wolfe & Wyman LLP, we see the big picture and solve our clients' problems in an efficient and pragmatic manner. We understand our client's business and industry and that helps us get the best possible results. At times that requires creative thinking and an early settlement while other situations require vigorous advocacy to the very end. Either way, we stand ready to be accountable and deliver excellent client service.

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*More than
50% of
clients have
been with
the firm for
15+ years.*

- | | |
|--|---|
| Academica | Montpelier Group |
| Admiral Insurance Company | National Fire & Marine Insurance Co. |
| Albertsons LLC | Nautilus Insurance Company |
| Ally Financial, Inc. | Permanent General Assurance Corporation |
| Aurora Loan Services, LLC | PNC Bank, N.A. |
| Bank of America, N.A. | Ritz Carlton Hotels |
| Bayview Loan Servicing, LLC | Rushmore Loan Management Services, LLC |
| Berkley Risk Administrators Company, LLC | Saxon Mortgage Services, Inc. |
| Carrington Mortgage Services, LLC | Sedgwick CMS |
| CITI Group | Select Portfolio Servicing, Inc. |
| City of Hermosa Beach | Selective Insurance Group, Inc. |
| City of Monterey Park | Smart & Final Stores LLC |
| CTX Mortgage Co. | SunTrust Mortgage, Inc. |
| First Financial Insurance Company | Swift Transportation Co., Inc. |
| Gelson's Market (A TPG Company) | The Hanover Insurance Company |
| Great Divide Insurance Company | The Kroger Co. |
| Innovative Risk Management, Inc. (IRM) | Tower Insurance |
| Liberty Mutual Insurance Companies | Volvo Cars of North America |
| Marriott International | WFG Title Insurance |
| Marriott Vacation Clubs | York Insurance Service Group |

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Practice Areas



Product Liability

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Mortgage Banking

Wolfe & Wyman LLP represents banks, savings and loan associations, thrifts, loan servicers and other financial institutions in a wide variety of lending, banking, mortgage banking and real property matters. [... more »](#)

Insurance

Wolfe & Wyman LLP has been approved panel counsel for close to 20 years for some of the largest and most successful carriers in the world. [... more »](#)

Construction

The attorneys at Wolfe & Wyman LLP represent owners, developers, general contractors and sub-contractors in a variety of construction related roles [... more »](#)

Employment Law

Wolfe & Wyman LLP provides legal advice, guidance, and representation to its corporate and institutional clients in all areas of employment law, including the defense of companies in litigated claims under employment practices liability insurance policies. [... more »](#)

Real Property

Wolfe & Wyman LLP represents banks, savings and loan associations, thrifts, loan servicers and other financial institutions in a wide variety of real property related matters. [... more »](#)

Lender Liability Defense

Wolfe & Wyman LLP represents banks, savings and loan associations, thrifts, loan servicers and other financial institutions in a wide variety of lending,

Transportation

The attorneys at Wolfe & Wyman LLP are experienced in representing individuals and institutional clients in a variety of third-party transportation claims. [... more »](#)

Intellectual Property Litigation

Wolfe & Wyman LLP has significant experience handling trademark and trade dress infringement, copyright infringement, misappropriation of trade secrets, and unfair competition. [... more »](#)

Title Insurance

Wolfe & Wyman LLP has significant experience representing title insurance companies, as well as their insureds, throughout California in state and federal district and bankruptcy courts. [... more »](#)

Loan Fraud Recovery

Wolfe & Wyman LLP represents banks, savings and loan associations, thrifts, loan servicers and other financial institutions victimized as a result of loan fraud and related wrongful conduct. [... more »](#)

Retail, Restaurants and Hospitality

Attorneys at the firm have decades of experience representing some of the nation's leading operators in the retail, restaurant and hospitality space [... more »](#)

Professional Liability

Wolfe & Wyman LLP defends professional liability exposures across a broad range of business lines. [... more »](#)

Financial Services Litigation

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banking, mortgage banking and real property matters. ... more »

Business Litigation and Counseling

The attorneys at Wolfe & Wyman LLP handle a variety of business litigation and counseling matters for corporate and institutional clients throughout the United States. ... more »

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EDUCATION

University of California, Santa Barbara, B.A., Geography, 2004

University of Southern California, MPL, Urban Planning, 2006

University of Nevada Las Vegas, Boyd School of Law, J.D., 2011

-CALI Excellence for the Future Award in Torts

PRACTICE AREAS

Construction
Insurance
Lender Liability Defense
Professional Liability
Retail, Restaurants and Hospitality

Jarad D. Beckman

ASSOCIATE - Las Vegas
jbeckman@wolfewyman.com

BIOGRAPHY

Practice Areas

Jarad's practice focuses primarily on construction defect, premises liability and products liability defense.

Admitted to Practice

Nevada State Bar
United States District Court, District of Nevada
United States District Court, District of Colorado

Professional Activities

Jarad is a member of the American Bar Association.

Hobbies and Interests

Bowling, computer technology and spending time with his family.

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EDUCATION

State University of New York at Buffalo, B.A. History Cum Laude, 1992

Albany Law School of Union University, J.D. 1995

PRACTICE AREAS

Business Litigation and Counseling

Construction

Insurance

Professional Liability

Trucking & Transportation

Michael C. Hetey

PARTNER - Las Vegas
mchetey@wolfewyman.com

BIOGRAPHY

Practice Areas

Mr. Hetey practices in the area of civil litigation. He has consistently obtained positive results for his clients and insurers in areas including complex construction litigation involving both commercial and residential construction defects, along with construction site accidents. Mr. Hetey also has significant experience in the defense of auto, trucking and boating accidents, premises liability, product defect, general liability and environmental matters, including toxic bodily injury and mold claims. He has handled well over 100 Arbitrations and tried numerous six and seven figure cases to verdict.

Mr. Hetey was born in Syracuse, New York. He attended the University of Buffalo and received a bachelor's degree in History, Cum Laude in 1992. Mr. Hetey attended Albany Law School of Union University, graduating in 1995. While in law school Mr. Hetey received a student license to practice law and represented indigent disabled children in the Law School Disability Law Clinic. Mr. Hetey received the law school's clinic prize for his accomplishments in litigating matters representing children with physical and mental disabilities.

Admitted to Practice

Nevada State Bar (all State & Federal Courts since 1995)
North Carolina State Bar (2007)

Professional Activities

Mr. Hetey is a member of the Nevada and North Carolina State Bar Associations. He is rated BV by Martindale-Hubbell. Mr. Hetey is a member of the Las Vegas Defense League.

Hobbies and Interests

Mr. Hetey is an avid guitar player and enjoys outdoor activities including hiking, camping and sailing. Mr. Hetey is married with children. He and his wife are also licensed foster parents.

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EDUCATION

University of Nevada, Las Vegas, B.A. Psychology

University of Nevada, Las Vegas, William S. Boyd School of Law, Cum Laude

Society of Advocates

CALI recipient: Contracts II and Legal Ethics

PRACTICE AREAS

Insurance

Product Liability

Public Entity Defense

Retail, Restaurants and Hospitality

Cheryl C. Bradford

ASSOCIATE - Las Vegas
cbradford@wolfewyman.com

BIOGRAPHY

Practice Areas

Cheryl practices in the areas of Retail, Restaurants, Hospitality and Insurance Defense.

Admitted to Practice

Nevada State Bar
Nevada State & Federal Courts
Colorado Federal Court

Professional Activities

Clark County Bar Association, Southern Nevada Association of Women Attorneys, Leadership Las Vegas (Class of 2010).

Hobbies and Interests

Running, Bikram Yoga, and enjoying time with my family.

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EDUCATION

University of Santa Clara,
B.S.C. (Bachelor's of Science
in Commerce) with Emphasis
in Finance, 1978

University of San Diego Law
School and Graduate School
of Business, J.D./M.B.A., 1982
Gamma Beta Sigma Business
Honor Society

University of San Diego School
of Law, JD

Extern, U.S. Attorney's Office
for the Southern District of
California, Voting Rights Act

PRACTICE AREAS

Business Litigation and
Counseling

Construction

Insurance

Product Liability

Public Entity Defense

Retail, Restaurants and
Hospitality

Transportation

Robert B. Ryder

PARTNER - Irvine, Las Vegas
rbryder@wolfewyman.com

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Professional Activities

Mr. Ryder's practice focuses on Retail Hospitality, Construction, Business Litigation and Counseling, and Transportation. Mr. Ryder was inducted into the American Board of Trial Advocates (ABOTA). He is a member of the Los Angeles Bar Association, Orange County Bar Association, Clark County Bar Association, Association of Southern California Defense Counsel and the Defense Research Institute.

He is a member of the University of Santa Clara Alumni Association, the University of San Diego Alumni Association and judges law student competitions at a number of Universities. He is also a volunteer teacher with the ABOTA Jury Trial Education Program.

Trial results include: *Hayes v. New Albertsons, Inc.*, wherein he successfully defended a truck driver client in a wrongful death case in Orange County, California. In *Sykes v. Albertsons*, he defended a personal injury case on behalf of the supermarket involving a 69-year-old woman with an alleged claim that a beer case falling on her head led to multiple closed head injuries in Orange County, California. In *Gruber v. Waechter, Hursman, Spectrum Med Systems*, he was lead counsel on a case assigned to his firm 10 days before the 5th scheduled trial date, after all discovery had been handled by a solo corporate attorney with no litigation experience. Four plaintiffs had sued the designer and manufacturer of a unitary catheter system over a contract dispute. After one juror swayed the panel into a large verdict completely unsupported by the evidence, the court recognized the impropriety of the verdict and granted a new trial, at which point the plaintiffs settled the action for \$81,000 versus the \$5.6 million sought.

Mr. Ryder's aggressive litigation work has resulted in numerous positive resolutions. In one case, he obtained a successful outcome for the City of Hermosa Beach, California, after a plaintiff argued the City police officers were responsible for not fully investigating the scene of a fall and paramedics misdiagnosed plaintiff's head injury, leaving plaintiff with brain damage following the surgical evacuation of a subdural hematoma. The prevailing summary judgment motion was based upon causation and discretionary immunities.

In another case, Mr. Ryder defended a Las Vegas supermarket in a third party criminal assault case in which plaintiff alleged emotional distress and psychological treatment after surviving a shooting rampage at the store which left four employees dead and a fifth employee seriously wounded. His work resulted in one of the very few

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summary judgments in this area of law in Nevada under the "totality of circumstances" rule.

Admitted to Practice

California State Bar

Nevada State Bar

All four California U.S. District Courts (Northern, Central, Eastern, Southern)

U.S. Nevada District Court

U.S. Colorado District Court

Ninth Circuit Court of Appeals

Hobbies and Interests

Mr. Ryder's interests include scuba diving and digital underwater photography, snow skiing, travel, jazz music and he is an amateur piano player. He also is a fan of several sports teams, including the Angels and Lakers.

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EDUCATION

University of California, Los Angeles B.A., Political Science, 1971

University of Southern California Law School, J.D. 1975

PRACTICE AREAS

Insurance
Product Liability
Public Entity Defense
Retail, Restaurants and Hospitality
Transportation

Gregg Vorwerck

PARTNER - Irvine
gvorwerck@wolfewyman.com

BIOGRAPHY

Practice Areas

Gregg has been involved in an active casualty practice since graduating from law school. His practice has concentrated on cases involving premises liability, trucking accidents, false arrest, excessive force, ADA compliance and governmental tort liability. He has specialized in the defense of retail grocery and other retail businesses along with the defense of Cities and School Districts. He has continuously represented several of these companies and governmental entities for over 30 years.

Gregg has tried multiple cases to verdict in Los Angeles, Orange and Ventura Counties. Additionally, Gregg has been a frequent lecturer to the bar, clients and trade groups and has written manuals and guidelines for several of his clients.

Admitted to Practice

California State Bar
All California Federal Courts
Ninth Circuit Court of Appeals

Professional Organizations

Orange County Bar Association
Southern California Association of Defense Counsel
Defense Research Institute

Hobbies and Interests

Gregg is an avid golfer having travelled with other members of his golf club to Scotland and Ireland on many occasions. He also enjoys skiing, tennis and bowling, having been a member of the UCLA Bowling Team. He and his wife Barbara enjoy travelling with their boy/girl, college seniors, twins.

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EDUCATION

University of California, Los Angeles, B.A., 1988

Loyola Law School of Los Angeles, J.D., 1991

PRACTICE AREAS

Business Litigation and Counseling

Employment Law

Mortgage Banking

Real Property

Jeffrey Scott Kaufman

SENIOR COUNSEL - Irvine
JSKaufman@wolfewyman.com

BIOGRAPHY

Admitted to Practice

United States District Court, Central District of California
United States District Court, Southern District of California
United States District Court, Eastern District of California
United States District Court, Northern District of California
Ninth Circuit Court of Appeals
United States Supreme Court

Professional Activities

Orange County Bar Association; Orange County Bankruptcy Forum

Hobbies and Interests

Family, friends, community service and photography

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David C. Olson

ASSOCIATE - Irvine
dcolson@wolfewyman.com

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Practice Areas

David has been a successful practicing attorney in the State of California for over 30 years. He has extensive experience handling civil litigation matters in a broad range of fields at the trial and appellate court levels in state and federal courts. His fields of practice include: personal injury/casualty litigation in the areas of premises liability, motor vehicle and large commercial truck liability, products liability, government tort liability; toxic tort and asbestos liability, business litigation; real estate litigation; defamation/privacy/anti-SLAPP litigation; freight/cargo loss litigation; unfair business practice claims; trade secret litigation and competitive intelligence matters; insurance coverage litigation; and, he has extensive experience handling writs and appeals and appellate litigation. David also handles business and real estate transactional and counseling matters.

Admitted to Practice

California State Bar
Ninth Circuit Court of Appeals
U.S. District Court, Central District of California
U.S. District Court, Southern District of California

Professional Activities

David is a member of the California Bar, Litigation Section. David has also presented numerous seminars for insurance companies on various topics and has authored and presented a seminar for Lorman Education Services on "Trucking Litigation and D.O.T. Regulations" in San Francisco in 2008.

Hobbies and Interests

Avid sports fan, international travel and spending time with family

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EDUCATION

Purdue University, B.S.,
Biology, 1977
Western State University
College of Law, J.D., 1981

PRACTICE AREAS

Business Litigation and
Counseling
Insurance
Product Liability
Public Entity Defense
Real Property
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Our File No: Pending - 000

July 8, 2015

Cody Noble, Chairperson
Somerset Academy of Las Vegas
8101 Spirit Canyon Drive
Las Vegas, NV 89149

Re: Representation and Fee Agreement

Dear Mr. Noble:

Thank you for your consideration of Wolfe & Wyman to serve the legal needs of the Somerset Academy of Nevada. If our firm is selected, we would propose the terms outlined in this letter to serve as our representation agreement. We can of course discuss any proposed provision you wish. When signed by you and by us, this letter will become our agreement for legal services and the payment of fees and expenses related to them.

Scope of Representation

This agreement (“Agreement”) is made by and between the law firm of Wolfe & Wyman LLP (hereafter referred to as “Wolfe & Wyman”) on the one hand, and Somerset Academy of Nevada (“Client”), on the other hand. The legal services to be provided by Wolfe & Wyman to Client (the “Representation”) are limited to the following: (1) Consulting with and advising Client as to student and teacher rights and discipline, (2) Consulting with and advising Client regarding labor and employment law issues, (3) Consulting with and advising Client with regard to Special Education matters including but not limited to due process rights and disabled access legal issues, (4) Consulting with and advising Client regarding Public Open Meetings, (5) Consulting with and advising client regarding the protection of non-profit status, (6) Consulting with and advising Client with regard to Board meetings and policies, (7) Consulting with and advising Client with regard to bond issuance matters, (8) Consulting with and advising Client with regard to real estate matters, (9) Consulting with and advising Client with regard to contracts it intends to enter into or has entered into, and (10) any other legal work as may later be requested by Client and agreed to by Wolfe & Wyman, in writing.

Unless mutually agreed in writing, Wolfe & Wyman’s services will not include services regarding tax implications of the representation except for issues relating to the maintaining non-profit status or similar matters.

In retaining Wolfe & Wyman, Client is retaining our law firm and not a particular individual. Work for Client will be performed by the firm's personnel as determined by the billing partner on that matter.

Attorney's and Other Fees

Wolfe & Wyman's hourly rates are as follows: \$285.00 per hour for partners and of counsel; \$245.00 per hour for associates; \$125.00 per hour for paralegals and law clerks.

Wolfe & Wyman will charge in increments of one-tenth of an hour, rounded off for each particular activity to the nearest tenth of an hour. The minimum time charged for any particular activity will be one-tenth of an hour.

Wolfe & Wyman will charge for all activities undertaken in providing legal services under this Agreement, including, but not limited to, the following: appearances (including travel time); conferences (including preparation and participation); review and preparation of correspondence and legal documents; legal research; and telephone conversations with Client and others.

Note that the time involved in a particular task or tasks can vary greatly and Wolfe & Wyman therefore makes no promises about the total amount of attorney's fees to be incurred by Client under this Agreement, or the successful outcome of any specific matter.

The rates referenced in this section are subject to change on thirty (30) days' written notice by Wolfe & Wyman to Client.

Costs

In addition to attorneys' fees, Client shall also be responsible for whatever expenses and costs Wolfe & Wyman incurs in rendering its services, including, but not limited to, court filing fees, recording fees, messenger service, service of process fees, shipping, postage, after-hours word processing, photocopying, travel expenses (including, but not limited to, transportation, meals, lodging and all other costs of any necessary out of town travel by Wolfe & Wyman personnel and representatives) and computer charges for legal research.

The following is a partial itemization of Wolfe & Wyman's schedule of costs and expenses:

In-Office Photocopies:	\$ 0.10 per page
Mileage:	Federal/IRS rate (\$ 0.575 per mile as of 01/2015)

These rates are subject to change upon 30 days written notice by Wolfe & Wyman to Client.

Retainer

At this time, Wolfe & Wyman does not require a monetary retainer (“Retainer”) before any specific representation commences. However, Wolfe & Wyman LLP reserves the right to require a Retainer before any specific representation commences or after it commences. If ever required, no work on such matters shall commence (or continue) by Wolfe & Wyman until said Retainer is received, in full, by Wolfe & Wyman.

If a Retainer is required it shall be held in trust in Wolfe & Wyman’s attorney-client trust account to secure the future payment of legal fees. The Retainer shall be held by Wolfe & Wyman until all legal work for the Client is completed and either applied to the last bill or returned to the Client, subject to the other terms of this Agreement. If at any time the Client’s account becomes past due, Wolfe & Wyman reserves the right to apply the Retainer to said outstanding balance and, consistent with Rules of Professional Conduct, cease work until the outstanding balances are paid and said Retainer restored.

Client will not receive any interest on the Retainer, and any balance remaining upon completion of work, minus any sums Client owes to Wolfe & Wyman, will be refunded.

The Retainer may be in different amounts for each type of service. Any and all Retainer obligations are a condition precedent to Wolfe & Wyman’s initial and/or required additional Retainers, and thereafter, continued representation of Client.

Wolfe & Wyman reserves the right to increase the Retainer amount, as it unilaterally deems necessary. Non-exhaustive illustrations of where this might occur are where (1) the scope or depth of the Representation changes, (2) the average monthly fees and costs incurred are anticipated to increase, and (3) Wolfe & Wyman makes a general or special appearance as attorney of record in an action for Client on a matter which Client was not previously litigating.

Billing & Payment

Wolfe & Wyman will send monthly statements for attorneys’ fees and costs incurred, the basis of the charges and any current or past balances owed. If no attorneys’ fees or costs are incurred for a particular month, or if they are minimal, the statement may be held and combined with that for the following month. Fees and costs will be paid first out of any available Retainer monies and thereafter in full upon receipt of the monthly statement. Any balance remaining unpaid after 30 days will bear interest at the rate of ten (10) percent per annum, but in no event higher than the maximum interest permitted by law. Payment of the entire balance due within 30 days of the date of each invoice is a condition precedent to Wolfe & Wyman’s continued representation and other obligations to Client, unless otherwise provided by law. If Client tenders funds to Wolfe & Wyman without an express and clear indication as to which invoice number or matter said

Cody Noble, Chairperson
Somerset Academy of Nevada
July 8, 2015
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payment is intended to be applied, Wolfe & Wyman retains the right to apply those funds at its sole and unilateral discretion, without notice, to any obligation owed by Client to Wolfe & Wyman, including, but not limited to, application to the most aged receivable owed by Client to Wolfe & Wyman.

Client Assistance

In order to assist Wolfe & Wyman in Client's Representation, Client will be required to provide Wolfe & Wyman with any information, which may be necessary in connection therewith. Client is, of course, required to cooperate with Wolfe & Wyman, keep Wolfe & Wyman informed of developments as they pertain to the Representation and pay Wolfe & Wyman's invoices on time. Payment by Client of Wolfe & Wyman's attorneys' fees and costs in a timely manner is a condition precedent to any further legal services.

Commencement of Representation

This Agreement will not take effect, and Wolfe & Wyman will have no obligation to provide legal services to Client, until Client returns to Wolfe & Wyman a signed copy of this Agreement.

Independent Contractor

Wolfe & Wyman will serve as an independent contractor and not as an "employee" as set forth in NRS 386.595. Wolfe & Wyman will take its direction from Board members and/or their designees on various matters, including managers, senior employees, and designated third parties such as Academica.

Termination of Relationship

As Wolfe & Wyman's client, Client retains the right to replace Wolfe & Wyman at any time. Wolfe & Wyman also retains the right to cease representation of Client if Wolfe & Wyman has any serious differences regarding basic matters which would prevent Wolfe & Wyman from effectively or professionally continuing such representation, or if Wolfe & Wyman's fees, charges, costs and expenses are not paid as agreed. Should this occur, Wolfe & Wyman will comply with all legal and ethical obligations imposed upon lawyers intending to terminate representation of a client. Termination of Wolfe & Wyman's representation does not, however, affect Client's obligation to pay any fees incurred up to the point of termination. In the event it becomes necessary for Wolfe & Wyman to take legal action for the collection of such amounts, the prevailing party shall not be entitled to collect attorneys' fees and costs from the other party.

Disclaimer of Guarantee

Nothing in this Agreement and nothing in Wolfe & Wyman's statements or representations to Client will be construed as a promise guarantee about the outcome of any Client matter. Wolfe

& Wyman makes no such promises or guarantees. Wolfe & Wyman's comments about the outcome of Client's matter are an expression of opinion only.

Right to Arbitrate Disputes

If a dispute arises between Client and Wolfe & Wyman regarding attorneys' fees as set out in this Agreement and Wolfe & Wyman files suit in any court other than small claims court, Client will have the right to stay that suit by timely electing to arbitrate the dispute under California Business and Professions Code sections 6200-6206, in which event Wolfe & Wyman must agree to the dispute being arbitrated as provided for in these Code sections. The terms of this section of this Agreement apply only to representation venued in California, primarily involving California law and/or in which California Business and Professions Code sections 6200-6206 mandates.

Forum and Choice of Law

Client agrees that this Agreement shall be governed by the laws of the State of Nevada, and that any legal action or proceeding arising out of this Agreement shall be venued in Clark County, State of Nevada. This Agreement is deemed to be entered into in the State of Nevada.

Nevada Practice and "Nevada Client" Disclosures

The following terms of this section of this Agreement relate only to matters involving Nevada-based clients, matters venued in Nevada's state or federal courts and/or matters involving Nevada law. Wolfe and Wyman is registered with the State Bar of Nevada as a "Multijurisdictional Law Firm."

Pursuant to Nevada State Supreme Court Rules ("NSSCR"), Rule 199.1 3(e)(2), Client is advised that not all of Wolfe & Wyman's attorneys are licensed to practice in the State of Nevada; however, partners Andrew A. Bao, Michael C. Hetey, Robert B. Ryder and associates Lauren A. Barbaruolo, Jarad D. Beckman, Cheryl C. Bradford, Ryan H. Devine, Colt B. Dodrill, Steven K. Gage, Keith B. Gibson, Michael Li, Shannon Mitchell and Rebecca R. Valley are licensed to practice law in Nevada.

Pursuant to NSSCR, Rule 199.1 3(e)(2), Client is advised that it is anticipated that Wolfe & Wyman attorneys licensed in Nevada will handle most day-to-day technical matters with respect to the Representation and, further, that the scope of Representation to be handled by their supervising attorneys, who are not licensed in Nevada, will be as follows: oversight of the progress of the Representation; editing briefs, pleadings, memoranda, correspondence and the like; developing legal analysis and strategy; assisting with legal research and drafting; overseeing high-level case management issues; interacting with Client on substantive issues; and engaging in all other activities typical of a supervising attorney in a law firm environment, other than

appearing in court-related proceedings and related activities as specified in NSSCR, Rule 42 1(a). Despite the involvement of the supervising attorneys, pursuant to NSSCR, Rule 199.1 10, Wolfe & Wyman’s attorneys who are licensed in Nevada “shall be responsible for and actively participate as a principal or lead attorney” in the Representation, with respect to Nevada-based representation, where appropriate or as required by law.

Miscellaneous

If the above meets with Client’s approval, please so indicate by signing and dating this letter and returning it to Wolfe & Wyman. A copy of this Agreement is provided for you to retain for your records.

If at any time you have questions or concerns regarding our services or charges, please feel free to bring such matters to our attention so that we may discuss and resolve them at once.

We look forward to working with you toward an efficient resolution of this matter.

Very truly yours,

WOLFE & WYMAN LLP

By: _____
SAMUEL A. WYMAN

THE FOREGOING IS ACCEPTED AND AGREED.

Somerset Academy of Nevada authorized
Representative

Dated: _____

Name: _____

Title: _____

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 5 – Interview of Board Member Candidates.
Number of Enclosures: 3

SUBJECT: Interview of Board Member Candidates.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action: N/A

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 10-20 minutes

Background: With the resignation of Board member Scott Hammond, there is a need to seek out Board member candidates to fill this open seat. At the Board's direction, Academica conducted a search and narrowed the group down to three candidates for Board interviews.

Submitted By: Staff

JOHN D. BENTHAM

7946 Lookout Rock Circle - Las Vegas, NV 89129

702-752-7000

john@ivorystar.com

Community Involvement

Goodwill of Southern Nevada	Board of Directors	2015 – Present
Speedway Children’s Charities	Board of Directors	2014 – Present
Children’s Heart Foundation of Nevada	Board of Directors	2012 – Present
United Blood Services of Nevada	Major Donor	2007 – Present
Boy Scouts of America – Las Vegas	Major Donor	2013 – Present
Catholic Charities	Major Donor	2007 – Present

Awards and Recognition

Distinguished Small Business “Don’t Forget to Share”	Finalist - Nevada Business Magazine	2015
Valued Community Partner	Goodwill of Southern Nevada	2015, 2014, 2013
Distinguished Theatrical Partner “The Mickey”	Disney Theatrical - <i>The Lion King</i>	2013
Distinguished Alumni Award	Austin College	2007

Professional Experience

Owner/CEO	IvoryStar Productions	March, 2003 – Present
	<ul style="list-style-type: none">• Full service theatrical production company that manages and produces major Las Vegas headlining performances: Defending the Caveman, Marriage Can Be Murder, The Lion King Las Vegas, Gordie Brown and Forbidden Vegas.• Orchestrate all aspects of theatrical production including public relations, advertising, marketing, human resources, graphic design, creative direction, technical direction, casino relations and new business.• Negotiate contracts and transactions with MGM/Mirage, Caesars Entertainment, the D Las Vegas, Golden Nugget, The Westin and other well-known venues worldwide.• Consulte privately for major theatrical performers/venues. Expert knowledge in revenue generating strategies.• Facilitate performances and productions of international super stars including The Eagles’ Glenn Frey and Joe Walsh, Huey Lewis and the News, Earth, Wind and Fire and Bill Gaither Vocal Band.• Produce large-scale community events including Glittering Lights at Las Vegas Motor Speedway and Southern Highlands Black Tie Gala.	
Associate Producer	David Copperfield’s Disappearing, Inc.	July, 1999 – March, 2003
President	Backstage Employment & Referral, Inc.	January, 2000 – February, 2003
	<ul style="list-style-type: none">• Coordinate all aspects of the worldwide tour operation for The Magic of David Copperfield to include: advertising, press, box office sales, settlements, front-of-house duties, carnets, visas, trucking, patron relations special projects, international translators, human resources and private matters of Mr. Copperfield.• Accountable for all areas of cast and crew human resource needs including: recruitment, contract negotiations and renegotiations, hiring, termination, administration of health and workman’s compensation benefits.• Facilitate all aspect of casino engagements: travel, advertising, ticket sales, accounting and settlement of the date.• Supervise and review financials for DCDI to include domestic and foreign tours; examine settlements for accuracy, ensure personal charges are billed to the appropriate party and reconcile accounts.• Direct air, ground transportation and hotel accommodations for cast and crew including Mr. Copperfield.	

- Responsible for accurate accounting of six figure petty cash expenditures for both domestic and foreign tours to include multiple currencies and reconciling accounts to numerous corporate entities.
- Examine all David Copperfield personal expenditures; examine for accuracy and research low cost alternative.

Owner IvoryStar Promotions July, 1990 – Present

- Founder, owner of a successful advertising specialty business with two offices: Dallas and Las Vegas.
- Manage all aspects of business including client development, sales, marketing and graphic design.
- Create branding initiatives, from inception to completed concept, for business and non-profit organizations.
- Supervise and manage staff and vendor relations, including accurate bidding and billing from subcontractors.
- Champion merchandising unit of David Copperfield’s Disappearing Inc. Coordinate the development of the product line from inception to completion. Developed and managed a successful e-commerce site.

Owner Artemis Foods Unlimited, Inc. January, 1995 – June, 1999

- Developed business plan and strategic vision for company. Supervised all aspects of a seven figure business.
- Managed all aspects of human relations including recruitment, hiring, disciplinary actions, and termination. Briefed all levels of staff regarding policy, operations and menu development.
- Negotiated with all vendors and supervised purchasing.
- Introduced and implemented programs to increase sales and decrease food/paper cost.
- Directed all marketing campaigns including in-store promotions, radio/newspaper advertisements and direct mail.
- Reorganized restaurant and oversaw transition from a franchise-based company (Boxies Café Park Cities) to an independently run operation (The Plaza Café & Grille).

Producer/Reporter KXII Television (CBS) May, 1993 – March, 1995

- Created on-air show rundowns. Developed story ideas and contacts.
- Supervised on-air broadcast and resolved timing issues with the local affiliate and the network.
- Detected factual errors and inaccuracies before they went on-air.
- Worked independently to report on news events – honored twice by the Society of Professional Journalists.
- Compiled, wrote and edited all aspects of 30-minute news broadcasts.

Education

Austin College, May, 1993

Bachelor of Arts Communication Arts
 Business Administration
 Phi Gamma Mu (Honors)

Gary S. McClain
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Las Vegas, NV 89131
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Objective:

I am seeking an opportunity to serve as a member on the Board of Directors of Somerset Academy of Las Vegas and share my expertise while directly participating in my children's education. I bring to the table qualities of integrity, credibility, and a passion for progress. Somerset Academy is a wonderful organization and I am proud that my two children are able to attend. I would like the chance to bring some well-planned ideas to benefit and mold our future generation of winners.

Summary of Skills:

- Experienced in overseeing operating and reserve budgets
- Experienced in long term maintenance of pavement, landscaping, and playground assets
- Experienced in bid proposals and contract management
- Ability to plan and manage projects
- Setting goals and objectives for individuals and teams
- Superior leadership qualities and team player
- Skilled at problem prevention and problem solving

Professional Experience:

Director of Operations/Assistant Community Manager

Mountain's Edge Master Association Las Vegas, NV

2014 - present

- Assists Community Manager in developing operating budget
- Create budget variance and management reports monthly as well as monitoring all expenditures
- Oversees all community contractors & maintenance crews ensuring that work is performed to contract specifications
- Carrying out staff evaluations and managing performance
- Handles employee complaints and disciplinary needs in coordination with Community Manager
- Responsible for managing onsite community patrol
- Attends Board of Director meetings, takes minutes and is responsible for meeting recordings
- Acts as Community Manager in Community Manager's absence

Facilities Director

Mountain's Edge Master Association Las Vegas, NV

2013 - 2014

- Assisted Community Manager in developing operating budget for facilities maintenance section and monitored expenditures
- Met with insurance adjusters, obtained bids for repairs, inspected property damage providing photos and reports
- Communicated with residents and park patrons in person and in writing about concerns with the property and common elements
- Served as liaison to Clark County and Parks Facilitation
- Exercised discretion and independent judgment with respect to matters of significance particularly in emergency situations

Education:

Associate of Applied Science in Business Management

College of Southern Nevada, Las Vegas, NV

2005

Provisional Community Association Manager Certification

Department of Business and Industry Real Estate Division, Las Vegas, NV

2014

References:

Available upon request

Travis Mizer

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Las Vegas, NV 89166
Mobile Phone: 702-622-7220
E-mail: mizer_512@yahoo.com

WORK EXPERIENCE:

MGM Resorts International - Bellagio/Monte Carlo Hotel and Casino

April 2014 to Present
Las Vegas, Nevada

Director of Risk Management

I currently oversee all Risk Management operations of 2 Las Vegas Casinos. I am directly responsible for identifying trends to reduce frequency and severity of incidents on property which includes all departments within the casino industry.

I also review all contracts to ensure they are in compliance with the certificates of insurance provided by vendors.

Nevada General Insurance

January 2013 to April 2014
Las Vegas, Nevada

Corporate Claims Manager

I managed the Corporate Claims Office in Las Vegas, Nevada overseeing all staff operations in New Mexico, Arizona and Las Vegas. I was directly responsible for the results and expectations set by senior executives as well as prepare monthly reports and identify trends that directly impact our bottom line. I was also responsible for the implementation of projects to achieve overall results. Responsibilities also included file reviews, reporting, staffing, disciplinary action, budgeting and training.

Infinity Insurance

December 2011 to January 2013
Sarasota, Florida
Regional Claims Manager

I was responsible for managing the Sarasota, Florida claims office in which I oversaw eight bodily injury adjusters. I assisted the adjusters in settling highly complex injury and litigated files in accordance with the Florida Department of Insurance. Monthly responsibilities included generating reports for upper management showing office numbers such as closing ratio, average claims pay out, and severity claims pay out.

Farmers Insurance

January 2007 - January 2013
Las Vegas, Nevada / Olathe, Kansas
Liability Claims Manager

I supervised six to eight adjusters while conducting case reviews and evaluations of the claims representative's performance by way of continuous review of claims statistics, open and closed file evaluations, reinspection, and observation of activities in the field and office. I reviewed the settlement activity of the Field Claims Office and Claims Service Center to ensure sound systems, service, and security. I set and adjusted claim reserves within authority. I was responsible for complying with the companies published procedures.

Nationwide Insurance

October 2002 - January 2007

Las Vegas, Nevada

Positions Held:

1. Casualty Claims Representative
2. Bodily Injury Adjuster
3. Senior Bodily Injury Adjuster
4. Claims Quality/Training Specialist
5. Claims Manager

I began my career at Nationwide Insurance with an entry level position and was rapidly promoted with increasing responsibility to a management position. I was given experience working low to severe bodily injury claims as well as litigated files. I supervised anywhere between seven to eleven adjusters. I became well versed in training and developing internal employees with an emphasis on promoting within the company. My responsibilities included performance management, salary planning, administration, workflow planning, hiring, placement and disciplinary actions.

Education

Bachelor's Degree Business Marketing

August 1998 - May 2002

Walsh University | Canton, Ohio

Additional Credentials

10 hour OSHA Certified

CPCU enrollment

Member of RIMS (Risk Management Chapter in Nevada)

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 6 – Nomination and Election of Board Member.
Number of Enclosures: 0

SUBJECT: Nomination and Election of Board Member.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

NOMINATION OF BOARD MEMBERS

“The Chair will now take nominations from the floor for the vacant Board of Directors position.”

Nominations need not be seconded.

The chair should inquire if there are any further nominations. If none, announce “Nominations are closed.”

Proceed with vote, by either vocal vote or raise of hands, and announce the result, “_____ has been elected to the Board of Directors for Somerset Academy of Las Vegas.”

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: After interviews have taken place with the Board member candidates, a candidate will need to be nominated for the seat on the Board of Directors and then elected to that position.

Submitted By: Staff

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 7 – Review of Schools Financial Performance.
Number of Enclosures:

SUBJECT: Review of Schools Financial Performance.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Carlos Segrera

Recommendation:

Proposed wording for motion/action: N/A

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: Review of Financial Review Summary, Balance Sheet and Profit and Loss Statements.

Submitted By: Staff

Somerset Academy

Financial Summary as of 5-31-15

Prepared by: Carlos Segrera
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702-431-6260

Financial News, Notes, and Updates

1. Somerset Academy was awarded \$440,740.08 in SPED Part B Funds and \$193,349.08 in SPED Discretionary Units.
2. DSA per pupil funding dropped from 6,522 per student to 6506.
3. 2015-2016 PERS Rates will increase from 25.75% to 28% for 100% PERS.
4. 2015-2016 PERS Rates will increase from 13.25% to 14% for 50/50 PERS.

	Actual P/L as of 5/31/15	Budgeted P/L for 5/31/15	Variance
Sky Pointe	\$ 445,327.58	\$ 191,036.95	\$ 254,290.63
North Las Vegas	\$ 383,211.42	\$ 109,166.74	\$ 274,044.68
Losee	\$ 962,960.98	\$ 446,013.62	\$ 516,947.36
Stephanie	\$ 133,836.02	\$ (5,584.73)	\$ 139,420.75
All Campuses	\$ 1,925,336.00	\$ 740,632.58	\$ 1,184,703.42

Somerset Academy Surplus Breakdown	
+ Number = Surplus/ Under Budget - Number = Over Budget	
Category	Amount
Funding for Achieving Full Enrollment	\$ 1,226,285.52
Operating Under Budget	
Debt Services -New FFE Payments began in December, budgeted 12 months.	\$ 103,574.96
Insurance - Budgeted over 12 months but began payments in September	\$ 21,483.60
SPED Contracted Services	\$ 14,810.15
Lease - Began Stephanie/Losee increase in Sept. Budgeted 12 months	\$ 294,736.02
Payroll Services	\$ 43,471.13
All Other Categories	\$ 16,086.07
Operating Over Budget	
Accrued Benefits Adjustment	\$ (98,806.90)
Copier (Overages)	\$ (54,421.25)
Computer Purchases	\$ (306,164.00)
Maintenance/ Janitorial Supplies	\$ (57,902.87)
LED Light Project - NLV	\$ (18,449.01)
Total	\$ 1,184,703.42

Somerset Academy of Las Vegas - All Campuses
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1300 - Tuition				
1310 - Kinder Tuition	380,983.80	348,070.50	32,913.30	109.5%
1300 - Tuition - Other	0.00	0.00	0.00	0.0%
Total 1300 - Tuition	380,983.80	348,070.50	32,913.30	109.5%
1900 - Other Revenue from Local Source				
1901 - NSB Cash Back Savings	700.00			
Total 1900 - Other Revenue from Local Source	700.00			
2000 - Revenue - Intermediate Sources				
2200(R) - Restricted Grants In Aid	10,750.00			
Total 2000 - Revenue - Intermediate Sources	10,750.00			
3000 - Revenue from State Sources				
3110 - DSA Revenue	25,863,514.38	24,559,422.95	1,304,091.43	105.3%
3115a - SPED - Discretionary Unit	177,236.62	177,236.73	-0.11	100.0%
3115b - SPED Part B Funding	404,011.85	404,011.74	0.11	100.0%
Total 3000 - Revenue from State Sources	26,444,762.85	25,140,671.42	1,304,091.43	105.2%
Total Income	26,837,196.65	25,488,741.92	1,348,454.73	105.3%
Gross Profit	26,837,196.65	25,488,741.92	1,348,454.73	105.3%
Expense				
1000 - Instruction				
111.100 - Licensed Teachers Salaries	7,926,109.00	7,967,629.45	-41,520.45	99.5%
113.100 - Licensed Substitute Teachers	355,111.96	201,249.97	153,861.99	176.5%
123.100 - Long Term Subs	124,317.00	0.00	124,317.00	100.0%
221.100 - FICA - Licensed Teachers	49,386.22	22,916.67	26,469.55	215.5%
231.100 - PERS Instruction Personnel	1,382,676.60	1,521,555.86	-138,879.26	90.9%
241.100 - MC Teachers	115,889.84	110,103.95	5,785.89	105.3%
251.100 - Tuition Reimb. for Teachers	16,451.00	8,250.00	8,201.00	199.4%
261.100 - Other (FUTA) - Teachers	24,794.66	13,454.83	11,339.83	184.3%
261.101 - SUI Teachers	281,324.17	257,908.97	23,415.20	109.1%
271.100 - WC Teachers	61,282.44	45,414.71	15,867.73	134.9%
281.100 - Health Teachers	696,639.99	839,081.43	-142,441.44	83.0%
331.100 - Training & Dev. - Teachers	14,289.92	15,124.92	-835.00	94.5%
443.100 - Copier	201,087.77	146,666.52	54,421.25	137.1%
610.100 - General Supplies				
610.101 - Classroom Supplies/Consumables	62,034.54	99,662.75	-37,628.21	62.2%
610.102 - Teacher Reimbursements	27,197.04	5,677.00	21,520.04	479.1%
610.103 - Copier & Printing Supplies	32,036.64	40,058.37	-8,021.73	80.0%
610.104 - Assessment & Testing Materials	11,426.78	10,125.00	1,301.78	112.9%
Total 610.100 - General Supplies	132,695.00	155,523.12	-22,828.12	85.3%
610.2 - Classroom Supp Teacher Purchase	194.41			
612.100 - Furniture - Fixtures	71,819.53	8,000.00	63,819.53	897.7%
641.100 - Curriculum - Textbooks	80,741.36	169,000.00	-88,258.64	47.8%
650.100 - Supplies-Inf. Tech. Related				
651.99 - Technology Software	2,604.58			
650.100 - Supplies-Inf. Tech. Related - Other	0.00	0.00	0.00	0.0%
Total 650.100 - Supplies-Inf. Tech. Related	2,604.58	0.00	2,604.58	100.0%
651.100 - Tech. Software (Educational)	91,113.96	45,000.00	46,113.96	202.5%
652.100 - Supplies/Equip. (IT Hardware)	13,415.40	2,000.00	11,415.40	670.8%
652.101 - Classroom Computers & Equipment	313,794.46	4,000.00	309,794.46	7,844.9%
653.100 - Web Based (Website)	20,630.67	14,416.74	6,213.93	143.1%
893.100 - Indirect Costs- Incentives	31,045.89	70,770.52	-39,724.63	43.9%
Total 1000 - Instruction	12,007,415.83	11,618,067.66	389,348.17	103.4%
200-SP - SPED				

**Somerset Academy of Las Vegas - All Campuses
Profit & Loss Budget vs. Actual
July 2014 through May 2015**

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
111.SP · SPED - Licenced Teacher	234,231.62	337,506.29	-103,274.67	69.4%
117.SP · SPED Instruction Support	1,239.36			
221.SP · SPED - FICA Teacher	705.31	5,500.00	-4,794.69	12.8%
231.SP · SPED - PERS	42,130.96	122,942.16	-80,811.20	34.3%
241.SP · SPED - MC Teachers	2,676.47	7,994.58	-5,318.11	33.5%
261.SP · SPED - SUI Teachers	6,317.31	16,108.18	-9,790.87	39.2%
261.SP2 · SPED - FUTA	48.39	481.25	-432.86	10.1%
262.SP2 · SPED aides FUTA	80.52			
271.SP · SPED - WC Teachers	1,870.73	2,489.52	-618.79	75.1%
281.SP · SPED - Health Teachers	20,130.68	30,263.75	-10,133.07	66.5%
291.SP · SPED - Other Teachers	186.73			
320.SP · SPED - Contracted Services	612,689.85	627,500.00	-14,810.15	97.6%
610.SP1 · SPED -General Supplies-Teachers	17,294.40	12,237.43	5,056.97	141.3%
610.SP2 · SPED -Special Ed Supp-Students	10,207.53	11,091.63	-884.10	92.0%
651.SP · Software- SPED	0.00	0.00	0.00	0.0%
Total 200-SP · SPED	949,809.86	1,174,114.79	-224,304.93	80.9%
200.00 · Special Education	1,944.99			
2100 · Support Services - Student	4.30			
2130 · Health Services				
610.213 · Nursing Supplies	5,836.74	8,800.01	-2,963.27	66.3%
Total 2130 · Health Services	5,836.74	8,800.01	-2,963.27	66.3%
2200 · Support Services - Instruction				
115.220 · Non-Licensed Support Staff	506,883.36	475,000.00	31,883.36	106.7%
225.220 · FICA - Ins. Support Staff	18,142.15	26,000.00	-7,857.85	69.8%
231.220 · PERS - Support Services	33,009.76			
245.220 · MC - Inst. Support Staff	6,390.79	6,766.63	-375.84	94.4%
260.220 · Unemployment Comp.				
265.22 · SUI - Inst. Support Staff	17,904.63	16,316.67	1,587.96	109.7%
265.22B · FUTA - Inst. Support Staff	9,970.04	5,951.37	4,018.67	167.5%
Total 260.220 · Unemployment Comp.	27,874.67	22,268.04	5,606.63	125.2%
275.220 · WC - Inst. Support Staff	3,759.72	2,380.00	1,379.72	158.0%
285.220 · Health - Support Staff	6,141.86	10,350.00	-4,208.14	59.3%
Total 2200 · Support Services - Instruction	602,202.31	542,764.67	59,437.64	111.0%
2290 · Other Support Service- Inst.				
581.229 · Staff Travel- Teachers	13,931.51	34,099.96	-20,168.45	40.9%
Total 2290 · Other Support Service- Inst.	13,931.51	34,099.96	-20,168.45	40.9%
2300 · Support - General Admin				
115.230 · Gen Admin Salaries	672,420.57	618,373.25	54,047.32	108.7%
225.230 · FICA - Gen Admin	5,815.03	12,378.70	-6,563.67	47.0%
235.230 · PERS - Gen Admin	106,538.62	134,834.70	-28,296.08	79.0%
245.230 · MC - Gen Admin	9,467.28	7,695.82	1,771.46	123.0%
265.230 · SUI - Gen Admin	21,603.99	21,289.62	314.37	101.5%
265.23b · FUTA - Gen Admin	2,069.74	693.00	1,376.74	298.7%
275.230 · WC - Gen Admin	5,435.98	2,706.88	2,729.10	200.8%
285.230 · Health - Gen Admin	44,398.82	43,169.57	1,229.25	102.8%
340.230 · Other Professional Services				
340.23a · Audit	15,000.00	22,000.00	-7,000.00	68.2%
340.23b · Professional Fees	23,875.53			
340.23c · Background/Drug Tests	8,562.00	8,708.33	-146.33	98.3%
340.23d · Payroll Service Fee's	64,294.72	84,333.30	-20,038.58	76.2%
340.23e · Payroll Services - support	52,650.75	76,083.30	-23,432.55	69.2%
Total 340.230 · Other Professional Services	164,383.00	191,124.93	-26,741.93	86.0%
345.230 · Marketing Services	6,802.17			
531.230 · Postage/Shipping	4,260.85	5,729.13	-1,468.28	74.4%
533.230 · Telephone/Internet	30,648.53	28,416.74	2,231.79	107.9%
610.230 · General Office Supplies	22,207.96	31,395.80	-9,187.84	70.7%
733.230 · Office Furniture & Equipment	1,519.09			

Somerset Academy of Las Vegas - All Campuses Profit & Loss Budget vs. Actual July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
2300 · Support - General Admin - Other	1,647.77			
Total 2300 · Support - General Admin	1,099,219.40	1,097,808.14	1,411.26	100.1%
2318 · Legal Services				
340.231 · Legal	25,138.94	20,166.52	4,972.42	124.7%
2318 · Legal Services - Other	-14,524.65			
Total 2318 · Legal Services	10,614.29	20,166.52	-9,552.23	52.6%
2400 · School Administration				
114.240 · Admin - Licensed	937,480.95	840,423.76	97,057.19	111.5%
115.240 · Admin - Non- Licensed	0.00			
225.240 · FICA- Lic. Admin	6,126.08	11,641.66	-5,515.58	52.6%
234.240 · PERS - Admin Licensed	179,719.11	268,480.08	-88,760.97	66.9%
240.240 · Medicare Payments	74.08	3,881.13	-3,807.05	1.9%
244.240 · MC - Admin Licensed	12,365.28	12,032.02	333.26	102.8%
260.240 · Unemployment Compensation				
264.24a · SUI - Admin Licensed	20,126.39	36,216.29	-16,089.90	55.6%
264.24b · FUTA- Lic Administration	2,672.37	346.50	2,325.87	771.2%
264.999 · FUTA- Licensed Admin	0.00			
Total 260.240 · Unemployment Compensation	22,798.76	36,562.79	-13,764.03	62.4%
274.240 · WC - Admin Licensed	6,953.95	5,597.13	1,356.82	124.2%
284.240 · Health - Admin Licensed	52,954.94	75,742.70	-22,787.76	69.9%
Total 2400 · School Administration	1,218,473.15	1,254,361.27	-35,888.12	97.1%
2500 · Central Services				
310.250 · Management Fee	1,788,847.50	1,788,022.50	825.00	100.0%
320.250 · Affiliation Fee	264,581.48	256,647.83	7,933.65	103.1%
Total 2500 · Central Services	2,053,428.98	2,044,670.33	8,758.65	100.4%
2610 · Operation of Building				
352.261 · IT - Technical Services	210,768.39	236,499.89	-25,731.50	89.1%
410.261 · Utility Services				
411.26a · Water	72,684.03	71,499.89	1,184.14	101.7%
411.26b · Sewer	49,787.50	44,916.63	4,870.87	110.8%
Total 410.261 · Utility Services	122,471.53	116,416.52	6,055.01	105.2%
421.261 · Trash	53,738.00	50,600.00	3,138.00	106.2%
422.261 · Janitorial Service (Contracted)	274,946.14	267,666.63	7,279.51	102.7%
440.261 · Rentals				
441.26a · Lease	3,681,451.58	3,976,187.60	-294,736.02	92.6%
441.26b · Portable lease	21,723.69			
Total 440.261 · Rentals	3,703,175.27	3,976,187.60	-273,012.33	93.1%
520.261 · Insurance				
521.261 · Property Insurance	104,978.82	74,708.30	30,270.52	140.5%
522.261 · Liability Insurance	12,538.83	55,000.11	-42,461.28	22.8%
523.26a · D & O Insurance	4,423.16	17,875.00	-13,451.84	24.7%
523.26b · Other Insurance	14,659.00	10,500.00	4,159.00	139.6%
Total 520.261 · Insurance	136,599.81	158,083.41	-21,483.60	86.4%
590.261 · Other Purchased Services				
590.20a · DSA Sponsor Fee	387,952.62	387,780.14	172.48	100.0%
590.20b · Power School	0.00	38,041.63	-38,041.63	0.0%
Total 590.261 · Other Purchased Services	387,952.62	425,821.77	-37,869.15	91.1%
621.261 · Natural Gas	1,577.44	2,750.00	-1,172.56	57.4%
622.261 · Electricity	271,570.45	318,358.37	-46,787.92	85.3%
Total 2610 · Operation of Building	5,162,799.65	5,552,384.19	-389,584.54	93.0%
2620 · Maintenance of Building				
117.262 · Custodial Wages	135,952.83	138,875.00	-2,922.17	97.9%
227.262 · Custodial- FICA	5,461.20	9,526.88	-4,065.68	57.3%

Somerset Academy of Las Vegas - All Campuses
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
234.262 · PERS- Custodial	8,490.96			
247.262 · Custodial-MC	1,555.54	2,655.40	-1,099.86	58.6%
267.262 · Custodial- FUTA & MBT	1,838.40	337.37	1,501.03	544.9%
267.262 · Custodial-SUI	5,956.23	5,499.67	456.56	108.3%
277.262 · Custodial- WC	2,459.59	1,624.92	834.67	151.4%
281.262 · Health - Custodial	211.96			
430.262 · Misc Maint & Facilities Costs				
431.26a · A/C Maintenance Expense	50,968.81	32,083.33	18,885.48	158.9%
431.26b · Facility Maint	132,037.33	99,000.00	33,037.33	133.4%
431.26c · Summer Maintenance	3,905.36	9,741.66	-5,836.30	40.1%
431.26d · Maint. Reserves	46.25			
431.26f · Lawn Care	33,925.00	45,833.37	-11,908.37	74.0%
430.262 · Misc Maint & Facilities Costs - Other	233.32			
Total 430.262 · Misc Maint & Facilities Costs	221,116.07	186,658.36	34,457.71	118.5%
432.1 · Technology & Maint Repair	482.21			
610.262 · Gen Maint & Janitorial Supplies	73,861.79	50,416.63	23,445.16	146.5%
Total 2620 · Maintenance of Building	457,386.78	395,594.23	61,792.55	115.6%
2660 · Security				
490.266 · Alarm Security System	11,303.27	14,666.74	-3,363.47	77.1%
Total 2660 · Security	11,303.27	14,666.74	-3,363.47	77.1%
2670 · Safety				
490.267 · Security & Fire Services	21,714.23	18,225.13	3,489.10	119.1%
Total 2670 · Safety	21,714.23	18,225.13	3,489.10	119.1%
2900 · Other Support Services	181.56			
3100 · Food Service Operations				
570.31 · Food Services	336.61	16,041.70	-15,705.09	2.1%
3100 · Food Service Operations - Other	0.00	0.00	0.00	0.0%
Total 3100 · Food Service Operations	336.61	16,041.70	-15,705.09	2.1%
5000 · Debt Service				
810.500 · Dues & Fees	89,276.95	28,691.71	60,585.24	311.2%
830.500 · Debt-Related Expenditures				
832.50a · Debt Services - AcademicaNV	0.00	0.00	0.00	0.0%
832.50b · Debt Serv -Loan	775,437.35	879,012.31	-103,574.96	88.2%
832.50c · Interest Expense	8,151.05			
Total 830.500 · Debt-Related Expenditures	783,588.40	879,012.31	-95,423.91	89.1%
890.500 · Misc. Expenditures				
892.50a · Bank Charges	652.84	2,750.00	-2,097.16	23.7%
892.50b · E-Funds Fee's	66.00	2,291.74	-2,225.74	2.9%
Total 890.500 · Misc. Expenditures	718.84	5,041.74	-4,322.90	14.3%
5000 · Debt Service - Other	0.00	3,391.67	-3,391.67	0.0%
Total 5000 · Debt Service	873,584.19	916,137.43	-42,553.24	95.4%
66000 · Payroll Expenses	410,026.79			
900 · Co-Curricular/ Extra-Curricular				
920 · Athletics	11,646.21	11,458.34	187.87	101.6%
Total 900 · Co-Curricular/ Extra-Curricular	11,646.21	11,458.34	187.87	101.6%
Total Expense	24,911,860.65	24,719,361.11	192,499.54	100.8%
Net Ordinary Income	1,925,336.00	769,380.81	1,155,955.19	250.2%
Net Income	1,925,336.00	769,380.81	1,155,955.19	250.2%

North Las Vegas Campus Profit & Loss Budget vs. Actual July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1300 · Tuition				
1310 · Kinder Tuition	77,970.00	73,743.75	4,226.25	105.7%
Total 1300 · Tuition	77,970.00	73,743.75	4,226.25	105.7%
1900 · Other Revenue from Local Source				
1901 · NSB Cash Back Savings	152.00			
Total 1900 · Other Revenue from Local Source	152.00			
2000 · Revenue - Intermediate Sources				
2200(R) · Restricted Grants In Aid	2,640.00			
Total 2000 · Revenue - Intermediate Sources	2,640.00			
3000 · Revenue from State Sources				
3110 · DSA Revenue	6,633,991.43	6,300,193.53	333,797.90	105.3%
3115a · SPED - Discretionary Unit	41,013.28	41,013.28	0.00	100.0%
3115b · SPED Part B Funding	93,490.32	93,490.32	0.00	100.0%
Total 3000 · Revenue from State Sources	6,768,495.03	6,434,697.13	333,797.90	105.2%
Total Income	6,849,257.03	6,508,440.88	340,816.15	105.2%
Gross Profit	6,849,257.03	6,508,440.88	340,816.15	105.2%
Expense				
1000 · Instruction				
111.100 · Licensed Teachers Salaries	2,015,151.32	1,938,873.64	76,277.68	103.9%
113.100 · Licensed Substitute Teachers	107,543.10	55,500.00	52,043.10	193.8%
123.100 · Long Term Subs	46,747.32	0.00	46,747.32	100.0%
221.100 · FICA - Licensed Teachers	11,324.91	8,250.00	3,074.91	137.3%
231.100 · PERS Instruction Personnel	363,664.11	439,714.00	-76,049.89	82.7%
241.100 · MC Teachers	29,155.77	27,367.56	1,788.21	106.5%
251.100 · Tuition Reimb. for Teachers	1,350.00	8,250.00	-6,900.00	16.4%
261.100 · Other (FUTA) - Teachers	5,924.67	2,175.25	3,749.42	272.4%
261.101 · SUI Teachers	69,954.01	62,284.75	7,669.26	112.3%
271.100 · WC Teachers	15,610.26	9,625.88	5,984.38	162.2%
281.100 · Health Teachers	187,643.63	179,354.01	8,289.62	104.6%
331.100 · Training & Dev. - Teachers	697.18	3,666.63	-2,969.45	19.0%
443.100 · Copier	31,458.06	36,666.63	-5,208.57	85.8%
610.100 · General Supplies				
610.101 · Classroom Supplies/Consumables	15,985.31	26,125.00	-10,139.69	61.2%
610.102 · Teacher Reimbursements	6,580.44			
610.103 · Copier & Printing Supplies	2,503.22	8,708.37	-6,205.15	28.7%
610.104 · Assessment & Testing Materials	2,300.12	0.00	2,300.12	100.0%
Total 610.100 · General Supplies	27,369.09	34,833.37	-7,464.28	78.6%
610.2 · Classroom Supp Teacher Purchase	64.20			
612.100 · Furniture - Fixtures	9,194.25	8,000.00	1,194.25	114.9%
641.100 · Curriculum - Textbooks	36,755.70	22,500.00	14,255.70	163.4%
650.100 · Supplies-Inf. Tech. Related	0.00	0.00	0.00	0.0%
651.100 · Tech. Software (Educational)	46,015.72	45,000.00	1,015.72	102.3%
652.100 · Supplies/Equip. (IT Hardware)	2,054.26	2,000.00	54.26	102.7%
652.101 · Classroom Computers & Equipment	50,252.24	4,000.00	46,252.24	1,256.3%
653.100 · Web Based (Website)	4,483.68	4,000.00	483.68	112.1%
893.100 · Indirect Costs- Incentives	7,976.57	9,991.67	-2,015.10	79.8%
Total 1000 · Instruction	3,070,390.05	2,902,053.39	168,336.66	105.8%
200-SP · SPED				
111.SP · SPED - Licenced Teacher	7,000.28	100,833.37	-93,833.09	6.9%
221.SP · SPED - FICA Teacher	0.07	3,666.67	-3,666.60	0.0%
231.SP · SPED - PERS	1,802.56	22,297.88	-20,495.32	8.1%
241.SP · SPED - MC Teachers	79.02	1,462.12	-1,383.10	5.4%
261.SP · SPED - SUI Teachers	256.96	3,327.50	-3,070.54	7.7%

North Las Vegas Campus Profit & Loss Budget vs. Actual July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
261.SP2 · SPED - FUTA	0.00	96.25	-96.25	0.0%
271.SP · SPED - WC Teachers	44.84	514.25	-469.41	8.7%
281.SP · SPED - Health Teachers	1,034.48	6,251.63	-5,217.15	16.5%
320.SP · SPED - Contracted Services	134,398.48	165,000.00	-30,601.52	81.5%
610.SP1 · SPED -General Supplies-Teachers	789.83	916.63	-126.80	86.2%
610.SP2 · SPED -Special Ed Supp-Students	2,799.00	2,291.63	507.37	122.1%
651.SP · Software- SPED	0.00	0.00	0.00	0.0%
Total 200-SP · SPED	148,205.52	306,657.93	-158,452.41	48.3%
200.00 · Special Education	4.31			
2130 · Health Services				
610.213 · Nursing Supplies	806.52	1,833.37	-1,026.85	44.0%
Total 2130 · Health Services	806.52	1,833.37	-1,026.85	44.0%
2200 · Support Services - Instruction				
115.220 · Non-Licensed Support Staff	102,212.35	125,000.00	-22,787.65	81.8%
225.220 · FICA - Ins. Support Staff	3,863.65	7,750.00	-3,886.35	49.9%
231.220 · PERS - Support Services	5,838.76			
245.220 · MC - Inst. Support Staff	1,221.68	1,812.50	-590.82	67.4%
260.220 · Unemployment Comp.				
265.22 · SUI - Inst. Support Staff	3,110.05	4,125.00	-1,014.95	75.4%
265.22B · FUTA - Inst. Support Staff	2,520.01	378.00	2,142.01	666.7%
Total 260.220 · Unemployment Comp.	5,630.06	4,503.00	1,127.06	125.0%
275.220 · WC - Inst. Support Staff	810.74	637.50	173.24	127.2%
285.220 · Health - Support Staff	410.04			
Total 2200 · Support Services - Instruction	119,987.28	139,703.00	-19,715.72	85.9%
2290 · Other Support Service- Inst.				
581.229 · Staff Travel- Teachers	368.00	9,166.63	-8,798.63	4.0%
Total 2290 · Other Support Service- Inst.	368.00	9,166.63	-8,798.63	4.0%
2300 · Support - General Admin				
115.230 · Gen Admin Salaries	303,032.41	248,785.46	54,246.95	121.8%
225.230 · FICA - Gen Admin	1,072.04	2,475.00	-1,402.96	43.3%
235.230 · PERS - Gen Admin	59,302.40	33,517.88	25,784.52	176.9%
245.230 · MC - Gen Admin	4,445.94	1,887.38	2,558.56	235.6%
265.230 · SUI - Gen Admin	9,187.36	4,295.50	4,891.86	213.9%
265.23b · FUTA - Gen Admin	579.84	154.00	425.84	376.5%
275.230 · WC - Gen Admin	2,284.71	663.85	1,620.86	344.2%
285.230 · Health - Gen Admin	15,382.47	8,070.37	7,312.10	190.6%
340.230 · Other Professional Services				
340.23a · Audit	5,400.00	5,500.00	-100.00	98.2%
340.23b · Professional Fees	10,235.63			
340.23c · Background/Drug Tests	2,094.00	2,291.63	-197.63	91.4%
340.23d · Payroll Service Fee's	15,541.00	23,833.37	-8,292.37	65.2%
340.23e · Payroll Services - support	10,855.75	22,000.00	-11,144.25	49.3%
Total 340.230 · Other Professional Services	44,126.38	53,625.00	-9,498.62	82.3%
345.230 · Marketing Services	1,108.36			
531.230 · Postage/Shipping	1,541.55	1,375.00	166.55	112.1%
533.230 · Telephone/Internet	7,440.65	7,333.37	107.28	101.5%
610.230 · General Office Supplies	6,977.34	7,791.63	-814.29	89.5%
733.230 · Office Furniture & Equipment	225.52			
2300 · Support - General Admin - Other	4.43			
Total 2300 · Support - General Admin	456,711.40	369,974.44	86,736.96	123.4%
2318 · Legal Services				
340.231 · Legal	9,659.66	5,041.63	4,618.03	191.6%
2318 · Legal Services - Other	-7,262.33			
Total 2318 · Legal Services	2,397.33	5,041.63	-2,644.30	47.6%
2400 · School Administration				

North Las Vegas Campus Profit & Loss Budget vs. Actual July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
114.240 · Admin - Licensed	159,289.78	149,047.91	10,241.87	106.9%
115.240 · Admin - Non- Licensed	0.00			
225.240 · FICA- Lic. Admin	371.54	2,475.00	-2,103.46	15.0%
234.240 · PERS - Admin Licensed	21,680.67	63,974.13	-42,293.46	33.9%
240.240 · Medicare Payments	60.42	3,881.13	-3,820.71	1.6%
244.240 · MC - Admin Licensed	1,365.07			
260.240 · Unemployment Compensation				
264.24a · SUI - Admin Licensed	1,971.81	8,833.00	-6,861.19	22.3%
264.24b · FUTA- Lic Administration	233.41	77.00	156.41	303.1%
264.999 · FUTA- Licensed Admin	0.00			
Total 260.240 · Unemployment Compensation	2,205.22	8,910.00	-6,704.78	24.7%
274.240 · WC - Admin Licensed	1,024.22	1,365.10	-340.88	75.0%
284.240 · Health - Admin Licensed	7,364.66	16,595.37	-9,230.71	44.4%
Total 2400 · School Administration	193,361.58	246,248.64	-52,887.06	78.5%
2500 · Central Services				
310.250 · Management Fee	448,212.90	458,700.00	-10,487.10	97.7%
320.250 · Affiliation Fee	73,764.85	66,317.83	7,447.02	111.2%
Total 2500 · Central Services	521,977.75	525,017.83	-3,040.08	99.4%
2610 · Operation of Building				
352.261 · IT - Technical Services	47,730.21	64,166.63	-16,436.42	74.4%
410.261 · Utility Services				
411.26a · Water	17,581.99	22,000.00	-4,418.01	79.9%
411.26b · Sewer	1,381.12	0.00	1,381.12	100.0%
Total 410.261 · Utility Services	18,963.11	22,000.00	-3,036.89	86.2%
421.261 · Trash	10,685.03	11,916.63	-1,231.60	89.7%
422.261 · Janitorial Service (Contracted)	59,400.17	55,000.00	4,400.17	108.0%
440.261 · Rentals				
441.26a · Lease	1,120,447.77	1,124,750.00	-4,302.23	99.6%
Total 440.261 · Rentals	1,120,447.77	1,124,750.00	-4,302.23	99.6%
520.261 · Insurance				
521.261 · Property Insurance	18,004.48	9,166.67	8,837.81	196.4%
522.261 · Liability Insurance	3,089.01	18,333.37	-15,244.36	16.8%
523.26a · D & O Insurance	1,105.79	5,500.00	-4,394.21	20.1%
523.26b · Other Insurance	3,664.75	5,000.00	-1,335.25	73.3%
Total 520.261 · Insurance	25,864.03	38,000.04	-12,136.01	68.1%
590.261 · Other Purchased Services				
590.20a · DSA Sponsor Fee	99,509.85	99,476.74	33.11	100.0%
590.20b · Power School	0.00	9,625.00	-9,625.00	0.0%
Total 590.261 · Other Purchased Services	99,509.85	109,101.74	-9,591.89	91.2%
621.261 · Natural Gas	1,546.83	2,750.00	-1,203.17	56.2%
622.261 · Electricity	90,872.27	100,833.37	-9,961.10	90.1%
Total 2610 · Operation of Building	1,475,019.27	1,528,518.41	-53,499.14	96.5%
2620 · Maintenance of Building				
117.262 · Custodial Wages	45,500.93	37,125.00	8,375.93	122.6%
227.262 · Custodial- FICA	1,913.76	2,301.75	-387.99	83.1%
234.262 · PERS- Custodial	2,919.55			
247.262 · Custodial-MC	451.41	538.34	-86.93	83.9%
267.262 · Custodial- FUTA & MBT	601.40	38.50	562.90	1,562.1%
267.262 · Custodial-SUI	1,894.98	1,225.18	669.80	154.7%
277.262 · Custodial- WC	784.72	189.31	595.41	414.5%
281.262 · Health - Custodial	78.34			
430.262 · Misc Maint & Facilities Costs				
431.26a · A/C Maintenance Expense	26,638.52	11,000.00	15,638.52	242.2%
431.26b · Facility Maint	43,967.10	30,708.33	13,258.77	143.2%
431.26c · Summer Maintenance	1,653.19	2,500.00	-846.81	66.1%

**North Las Vegas Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015**

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
431.26d · Maint. Reserves	46.25			
431.26f · Lawn Care	8,250.00	13,750.00	-5,500.00	60.0%
430.262 · Misc Maint & Facilities Costs - Other	110.50			
Total 430.262 · Misc Maint & Facilities Costs	80,665.56	57,958.33	22,707.23	139.2%
432.1 · Technology & Maint Repair	72.88			
610.262 · Gen Maint & Janitorial Supplies	15,747.39	13,750.00	1,997.39	114.5%
Total 2620 · Maintenance of Building	150,630.92	113,126.41	37,504.51	133.2%
2660 · Security				
490.266 · Alarm Security System	2,689.00	4,583.37	-1,894.37	58.7%
Total 2660 · Security	2,689.00	4,583.37	-1,894.37	58.7%
2670 · Safety				
490.267 · Security & Fire Services	5,912.00	6,416.63	-504.63	92.1%
Total 2670 · Safety	5,912.00	6,416.63	-504.63	92.1%
3100 · Food Service Operations				
570.31 · Food Services	0.00	4,583.37	-4,583.37	0.0%
3100 · Food Service Operations - Other	0.00	0.00	0.00	0.0%
Total 3100 · Food Service Operations	0.00	4,583.37	-4,583.37	0.0%
5000 · Debt Service				
810.500 · Dues & Fees	30,099.48	8,250.00	21,849.48	364.8%
830.500 · Debt-Related Expenditures				
832.50a · Debt Services - AcademicaNV	0.00	0.00	0.00	0.0%
832.50b · Debt Serv -Loan	245,687.02	209,845.68	35,841.34	117.1%
832.50c · Interest Expense	8,151.05			
Total 830.500 · Debt-Related Expenditures	253,838.07	209,845.68	43,992.39	121.0%
890.500 · Misc. Expenditures				
892.50a · Bank Charges	146.24	458.37	-312.13	31.9%
892.50b · E-Funds Fee's	16.50	458.37	-441.87	3.6%
Total 890.500 · Misc. Expenditures	162.74	916.74	-754.00	17.8%
Total 5000 · Debt Service	284,100.29	219,012.42	65,087.87	129.7%
66000 · Payroll Expenses	33,484.39			
Total Expense	6,466,045.61	6,381,937.47	84,108.14	101.3%
Net Ordinary Income	383,211.42	126,503.41	256,708.01	302.9%
Net Income	383,211.42	126,503.41	256,708.01	302.9%

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 Accrual Basis

Losee Campus
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1300 · Tuition				
1310 · Kinder Tuition	75,641.25	67,844.25	7,797.00	111.5%
Total 1300 · Tuition	75,641.25	67,844.25	7,797.00	111.5%
1900 · Other Revenue from Local Source				
1901 · NSB Cash Back Savings	154.00			
Total 1900 · Other Revenue from Local Source	154.00			
2000 · Revenue - Intermediate Sources				
2200(R) · Restricted Grants In Aid	1,760.00			
Total 2000 · Revenue - Intermediate Sources	1,760.00			
3000 · Revenue from State Sources				
3110 · DSA Revenue	6,579,678.05	6,248,069.63	331,608.42	105.3%
3115a · SPED - Discretionary Unit	48,826.03	48,826.03	0.00	100.0%
3115b · SPED Part B Funding	111,298.00	111,298.00	0.00	100.0%
Total 3000 · Revenue from State Sources	6,739,802.08	6,408,193.66	331,608.42	105.2%
Total Income	6,817,357.33	6,476,037.91	341,319.42	105.3%
Gross Profit	6,817,357.33	6,476,037.91	341,319.42	105.3%
Expense				
1000 · Instruction				
111.100 · Licensed Teachers Salaries	1,826,947.98	2,026,172.28	-199,224.30	90.2%
113.100 · Licensed Substitute Teachers	125,312.28	49,958.33	75,353.95	250.8%
123.100 · Long Term Subs	11,679.76			
221.100 · FICA - Licensed Teachers	13,394.51	11,000.00	2,394.51	121.8%
231.100 · PERS Instruction Personnel	281,565.19	354,007.06	-72,441.87	79.5%
241.100 · MC Teachers	26,527.38	28,729.03	-2,201.65	92.3%
251.100 · Tuition Reimb. for Teachers	3,851.00			
261.100 · Other (FUTA) - Teachers	7,936.19	7,333.33	602.86	108.2%
261.101 · SUI Teachers	72,227.14	64,877.56	7,349.58	111.3%
271.100 · WC Teachers	14,169.69	14,043.15	126.54	100.9%
281.100 · Health Teachers	148,311.84	184,020.65	-35,708.81	80.6%
331.100 · Training & Dev. - Teachers	1,959.81	3,208.33	-1,248.52	61.1%
443.100 · Copier	79,318.67	36,666.63	42,652.04	216.3%
610.100 · General Supplies				
610.101 · Classroom Supplies/Consumables	18,388.08	32,450.00	-14,061.92	56.7%
610.102 · Teacher Reimbursements	5,320.24			
610.103 · Copier & Printing Supplies	7,285.37	11,000.00	-3,714.63	66.2%
610.104 · Assessment & Testing Materials	1,932.87	2,750.00	-817.13	70.3%
Total 610.100 · General Supplies	32,926.56	46,200.00	-13,273.44	71.3%
612.100 · Furniture - Fixtures	19,327.50			
641.100 · Curriculum - Textbooks	1,930.71			
650.100 · Supplies-Inf. Tech. Related				
651.99 · Technology Software	813.00			
Total 650.100 · Supplies-Inf. Tech. Related	813.00			
651.100 · Tech. Software (Educational)	2,696.40			
652.100 · Supplies/Equip. (IT Hardware)	3,170.71			
652.101 · Classroom Computers & Equipment	126,295.42			

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Accrual Basis

Losee Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
653.100 · Web Based (Website)	4,508.19	3,208.37	1,299.82	140.5%
893.100 · Indirect Costs- Incentives	6,786.62	32,813.33	-26,026.71	20.7%
Total 1000 · Instruction	2,811,656.55	2,862,238.05	-50,581.50	98.2%
200-SP · SPED				
111.SP · SPED - Licenced Teacher	46,197.35	38,781.16	7,416.19	119.1%
117.SP · SPED Instruction Support	1,239.36			
231.SP · SPED - PERS	6,233.02	28,124.47	-21,891.45	22.2%
241.SP · SPED - MC Teachers	671.41	2,345.53	-1,674.12	28.6%
261.SP · SPED - SUI Teachers	1,278.02	3,251.93	-1,973.91	39.3%
261.SP2 · SPED - FUTA	47.17	96.25	-49.08	49.0%
271.SP · SPED - WC Teachers	359.13	502.59	-143.46	71.5%
281.SP · SPED - Health Teachers	3,901.92	6,109.62	-2,207.70	63.9%
291.SP · SPED - Other Teachers	186.73			
320.SP · SPED - Contracted Services	194,916.80	151,250.00	43,666.80	128.9%
610.SP1 · SPED -General Supplies-Teachers	964.77	916.67	48.10	105.2%
610.SP2 · SPED -Special Ed Supp-Students	2,488.07	2,750.00	-261.93	90.5%
Total 200-SP · SPED	258,483.75	234,128.22	24,355.53	110.4%
200.00 · Special Education	1,940.68			
2130 · Health Services				
610.213 · Nursing Supplies	1,042.37	2,291.67	-1,249.30	45.5%
Total 2130 · Health Services	1,042.37	2,291.67	-1,249.30	45.5%
2200 · Support Services - Instruction				
115.220 · Non-Licensed Support Staff	111,766.46	125,000.00	-13,233.54	89.4%
225.220 · FICA - Ins. Support Staff	3,736.36	7,750.00	-4,013.64	48.2%
231.220 · PERS - Support Services	6,082.23			
245.220 · MC - Inst. Support Staff	1,688.32	1,812.50	-124.18	93.1%
260.220 · Unemployment Comp.				
265.22 · SUI - Inst. Support Staff	4,309.86	4,125.00	184.86	104.5%
265.22B · FUTA - Inst. Support Staff	1,444.62	1,981.70	-537.08	72.9%
Total 260.220 · Unemployment Comp.	5,754.48	6,106.70	-352.22	94.2%
275.220 · WC - Inst. Support Staff	858.54	637.50	221.04	134.7%
285.220 · Health - Support Staff	885.55			
Total 2200 · Support Services - Instruction	130,771.94	141,306.70	-10,534.76	92.5%
2290 · Other Support Service- Inst.				
581.229 · Staff Travel- Teachers	1,593.41	9,166.67	-7,573.26	17.4%
Total 2290 · Other Support Service- Inst.	1,593.41	9,166.67	-7,573.26	17.4%
2300 · Support - General Admin				
115.230 · Gen Admin Salaries	106,974.46	99,171.16	7,803.30	107.9%
225.230 · FICA - Gen Admin	1,725.69	8,070.37	-6,344.68	21.4%
235.230 · PERS - Gen Admin	11,409.34	33,517.88	-22,108.54	34.0%
245.230 · MC - Gen Admin	958.64	1,887.38	-928.74	50.8%
265.230 · SUI - Gen Admin	3,725.42	8,070.37	-4,344.95	46.2%
265.23b · FUTA - Gen Admin	545.43	154.00	391.43	354.2%
275.230 · WC - Gen Admin	829.58	663.85	165.73	125.0%
285.230 · Health - Gen Admin	3,956.82	18,333.33	-14,376.51	21.6%
340.230 · Other Professional Services				
340.23a · Audit	1,500.00	5,500.00	-4,000.00	27.3%
340.23b · Professional Fees	380.25			
340.23c · Background/Drug Tests	1,785.00	1,833.33	-48.33	97.4%

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 Accrual Basis

Losee Campus
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
340.23d · Payroll Service Fee's	14,714.28	25,666.63	-10,952.35	57.3%
340.23e · Payroll Services - support	15,251.00	20,166.63	-4,915.63	75.6%
Total 340.230 · Other Professional Services	33,630.53	53,166.59	-19,536.06	63.3%
345.230 · Marketing Services	1,539.25			
531.230 · Postage/Shipping	426.95	1,375.00	-948.05	31.1%
533.230 · Telephone/Internet	8,284.71	7,333.37	951.34	113.0%
610.230 · General Office Supplies	6,808.04	7,791.67	-983.63	87.4%
733.230 · Office Furniture & Equipment	99.99			
Total 2300 · Support - General Admin	180,914.85	239,534.97	-58,620.12	75.5%
2318 · Legal Services				
340.231 · Legal	3,611.34	5,041.63	-1,430.29	71.6%
Total 2318 · Legal Services	3,611.34	5,041.63	-1,430.29	71.6%
2400 · School Administration				
114.240 · Admin - Licensed	317,338.68	230,665.05	86,673.63	137.6%
225.240 · FICA- Lic. Admin	5,320.08	7,333.33	-2,013.25	72.5%
234.240 · PERS - Admin Licensed	51,401.45	63,479.13	-12,077.68	81.0%
244.240 · MC - Admin Licensed	4,605.92	3,987.50	618.42	115.5%
260.240 · Unemployment Compensation				
264.24a · SUI - Admin Licensed	9,843.22	9,075.00	768.22	108.5%
264.24b · FUTA- Lic Administration	2,061.49	77.00	1,984.49	2,677.3%
Total 260.240 · Unemployment Compensation	11,904.71	9,152.00	2,752.71	130.1%
274.240 · WC - Admin Licensed	2,507.58	1,402.50	1,105.08	178.8%
284.240 · Health - Admin Licensed	16,904.31	24,750.00	-7,845.69	68.3%
Total 2400 · School Administration	409,982.73	340,769.51	69,213.22	120.3%
2500 · Central Services				
310.250 · Management Fee	463,117.05	454,905.00	8,212.05	101.8%
320.250 · Affiliation Fee	60,217.41	63,896.72	-3,679.31	94.2%
Total 2500 · Central Services	523,334.46	518,801.72	4,532.74	100.9%
2610 · Operation of Building				
352.261 · IT - Technical Services	60,876.23	66,916.63	-6,040.40	91.0%
410.261 · Utility Services				
411.26a · Water	21,199.87	20,166.63	1,033.24	105.1%
411.26b · Sewer	12,775.50	20,166.63	-7,391.13	63.3%
Total 410.261 · Utility Services	33,975.37	40,333.26	-6,357.89	84.2%
421.261 · Trash	13,912.94	17,600.00	-3,687.06	79.1%
422.261 · Janitorial Service (Contracted)	68,497.21	77,916.63	-9,419.42	87.9%
440.261 · Rentals				
441.26a · Lease	692,875.00	855,000.00	-162,125.00	81.0%
Total 440.261 · Rentals	692,875.00	855,000.00	-162,125.00	81.0%
520.261 · Insurance				
521.261 · Property Insurance	37,150.32	25,666.63	11,483.69	144.7%
522.261 · Liability Insurance	3,304.03	8,250.00	-4,945.97	40.0%
523.26a · D & O Insurance	1,150.06	3,208.37	-2,058.31	35.8%
523.26b · Other Insurance	3,811.34			
Total 520.261 · Insurance	45,415.75	37,125.00	8,290.75	122.3%
590.261 · Other Purchased Services				

**Losee Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015**

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget	
590.20a · DSA Sponsor Fee	98,695.19	98,653.50	41.69	100.0%	
590.20b · Power School	0.00	9,625.00	-9,625.00	0.0%	
Total 590.261 · Other Purchased Services	98,695.19	108,278.50	-9,583.31	91.1%	
622.261 · Electricity	76,714.56	74,983.37	1,731.19	102.3%	
Total 2610 · Operation of Building	1,090,962.25	1,278,153.39	-187,191.14	85.4%	
2620 · Maintenance of Building					
117.262 · Custodial Wages	27,929.86	37,125.00	-9,195.14	75.2%	
227.262 · Custodial- FICA	1,131.69	2,301.75	-1,170.06	49.2%	
234.262 · PERS- Custodial	1,476.31				
247.262 · Custodial-MC	296.91	538.34	-241.43	55.2%	
267-262 · Custodial- FUTA & MBT	350.52	38.50	312.02	910.4%	
267.262 · Custodial-SUI	1,139.00	1,225.18	-86.18	93.0%	
277.262 · Custodial- WC	878.40	189.31	689.09	464.0%	
430.262 · Misc Maint & Facilities Costs					
431.26a · A/C Maintenance Expense	5,731.14	5,500.00	231.14	104.2%	
431.26b · Facility Maint	11,635.25	25,666.67	-14,031.42	45.3%	
431.26c · Summer Maintenance	0.00	4,845.83	-4,845.83	0.0%	
431.26f · Lawn Care	6,135.00	13,750.00	-7,615.00	44.6%	
Total 430.262 · Misc Maint & Facilities Costs	23,501.39	49,762.50	-26,261.11	47.2%	
610.262 · Gen Maint & Janitorial Supplies	21,043.91	13,750.00	7,293.91	153.0%	
Total 2620 · Maintenance of Building	77,747.99	104,930.58	-27,182.59	74.1%	
2660 · Security					
490.266 · Alarm Security System	4,480.00	5,500.00	-1,020.00	81.5%	
Total 2660 · Security	4,480.00	5,500.00	-1,020.00	81.5%	
2670 · Safety					
490.267 · Security & Fire Services	3,636.00	5,391.87	-1,755.87	67.4%	
Total 2670 · Safety	3,636.00	5,391.87	-1,755.87	67.4%	
3100 · Food Service Operations					
570.31 · Food Services	336.61	4,583.33	-4,246.72	7.3%	
Total 3100 · Food Service Operations	336.61	4,583.33	-4,246.72	7.3%	
5000 · Debt Service					
810.500 · Dues & Fees	3,010.98	5,775.00	-2,764.02	52.1%	
830.500 · Debt-Related Expenditures					
832.50b · Debt Serv -Loan	170,545.69	241,083.37	-70,537.68	70.7%	
Total 830.500 · Debt-Related Expenditures	170,545.69	241,083.37	-70,537.68	70.7%	
890.500 · Misc. Expenditures					
892.50a · Bank Charges	129.99	916.63	-786.64	14.2%	
892.50b · E-Funds Fee's	17.16	458.37	-441.21	3.7%	
Total 890.500 · Misc. Expenditures	147.15	1,375.00	-1,227.85	10.7%	
5000 · Debt Service - Other	0.00	3,391.67	-3,391.67	0.0%	
Total 5000 · Debt Service	173,703.82	251,625.04	-77,921.22	69.0%	
66000 · Payroll Expenses	180,197.60				
Total Expense	5,854,396.35	6,003,463.35	-149,067.00	97.5%	

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Accrual Basis

Losee Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Net Ordinary Income	962,960.98	472,574.56	490,386.42	203.8%
Net Income	962,960.98	472,574.56	490,386.42	203.8%

Stephanie Campus
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1300 · Tuition				
1310 · Kinder Tuition	149,842.50	141,588.00	8,254.50	105.8%
1300 · Tuition - Other	0.00	0.00	0.00	0.0%
Total 1300 · Tuition	149,842.50	141,588.00	8,254.50	105.8%
1900 · Other Revenue from Local Source				
1901 · NSB Cash Back Savings	102.00			
Total 1900 · Other Revenue from Local Source	102.00			
2000 · Revenue - Intermediate Sources				
2200(R) · Restricted Grants In Aid	6,160.00			
Total 2000 · Revenue - Intermediate Sources	6,160.00			
3000 · Revenue from State Sources				
3110 · DSA Revenue	4,295,929.77	4,078,128.87	217,800.90	105.3%
3115a · SPED - Discretionary Unit	24,900.92	24,900.92	0.00	100.0%
3115b · SPED Part B Funding	56,762.09	56,761.98	0.11	100.0%
Total 3000 · Revenue from State Sources	4,377,592.78	4,159,791.77	217,801.01	105.2%
Total Income	4,533,697.28	4,301,379.77	232,317.51	105.4%
Gross Profit	4,533,697.28	4,301,379.77	232,317.51	105.4%
Expense				
1000 · Instruction				
111.100 · Licensed Teachers Salaries	1,435,361.23	1,374,643.16	60,718.07	104.4%
113.100 · Licensed Substitute Teachers	48,022.20	34,375.00	13,647.20	139.7%
123.100 · Long Term Subs	55.65			
221.100 · FICA - Licensed Teachers	3,881.95	3,666.67	215.28	105.9%
231.100 · PERS Instruction Personnel	287,354.42	264,839.96	22,514.46	108.5%
241.100 · MC Teachers	21,275.35	19,216.45	2,058.90	110.7%
251.100 · Tuition Reimb. for Teachers	2,100.00			
261.100 · Other (FUTA) - Teachers	3,075.03	1,443.75	1,631.28	213.0%
261.101 · SUI Teachers	45,382.76	43,733.91	1,648.85	103.8%
271.100 · WC Teachers	10,834.25	6,758.84	4,075.41	160.3%
281.100 · Health Teachers	141,259.18	163,998.45	-22,739.27	86.1%
331.100 · Training & Dev. - Teachers	7,971.66	5,041.63	2,930.03	158.1%
443.100 · Copier	51,250.29	36,666.63	14,583.66	139.8%
610.100 · General Supplies				
610.101 · Classroom Supplies/Consumables	5,177.14	12,212.75	-7,035.61	42.4%
610.102 · Teacher Reimbursements	6,021.98	5,677.00	344.98	106.1%
610.103 · Copier & Printing Supplies	7,693.10	7,975.00	-281.90	96.5%
610.104 · Assessment & Testing Materials	1,201.30	3,000.00	-1,798.70	40.0%
Total 610.100 · General Supplies	20,093.52	28,864.75	-8,771.23	69.6%
610.2 · Classroom Supp Teacher Purchase	130.21			
612.100 · Furniture - Fixtures	32,527.56			
641.100 · Curriculum - Textbooks	5,660.17	54,600.00	-48,939.83	10.4%
650.100 · Supplies-Inf. Tech. Related				
651.99 · Technology Software	1,211.58			
Total 650.100 · Supplies-Inf. Tech. Related	1,211.58			
651.100 · Tech. Software (Educational)	24,323.81			

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Accrual Basis

Stephanie Campus Profit & Loss Budget vs. Actual July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
652.100 · Supplies/Equip. (IT Hardware)	3,992.89			
652.101 · Classroom Computers & Equipment	27,377.98			
653.100 · Web Based (Website)	3,676.89	3,208.37	468.52	114.6%
893.100 · Indirect Costs- Incentives	5,731.34	0.00	5,731.34	100.0%
Total 1000 · Instruction	2,182,549.92	2,041,057.57	141,492.35	106.9%
200-SP · SPED				
111.SP · SPED - Licenced Teacher	72,769.78	96,250.00	-23,480.22	75.6%
221.SP · SPED - FICA Teacher	3.34	1,833.33	-1,829.99	0.2%
231.SP · SPED - PERS	18,619.10	22,951.06	-4,331.96	81.1%
241.SP · SPED - MC Teachers	1,021.98	1,395.68	-373.70	73.2%
261.SP · SPED - SUI Teachers	2,314.21	3,176.25	-862.04	72.9%
261.SP2 · SPED - FUTA	0.18	96.25	-96.07	0.2%
262.SP2 · SPED aides FUTA	80.52			
271.SP · SPED - WC Teachers	646.54	490.93	155.61	131.7%
281.SP · SPED - Health Teachers	7,176.66	5,967.50	1,209.16	120.3%
320.SP · SPED - Contracted Services	95,879.63	105,000.00	-9,120.37	91.3%
610.SP1 · SPED -General Supplies-Teachers	2,180.73	779.13	1,401.60	279.9%
610.SP2 · SPED -Special Ed Supp-Students	1,964.13	1,466.63	497.50	133.9%
Total 200-SP · SPED	202,656.80	239,406.76	-36,749.96	84.6%
2130 · Health Services				
610.213 · Nursing Supplies	1,044.55	1,466.63	-422.08	71.2%
Total 2130 · Health Services	1,044.55	1,466.63	-422.08	71.2%
2200 · Support Services - Instruction				
115.220 · Non-Licensed Support Staff	123,617.84	100,000.00	23,617.84	123.6%
225.220 · FICA - Ins. Support Staff	5,093.77	2,750.00	2,343.77	185.2%
231.220 · PERS - Support Services	7,741.24			
245.220 · MC - Inst. Support Staff	977.75	1,329.13	-351.38	73.6%
260.220 · Unemployment Comp.				
265.22 · SUI - Inst. Support Staff	5,076.92	3,941.67	1,135.25	128.8%
265.22B · FUTA - Inst. Support Staff	1,568.14	1,191.67	376.47	131.6%
Total 260.220 · Unemployment Comp.	6,645.06	5,133.34	1,511.72	129.4%
275.220 · WC - Inst. Support Staff	842.40	467.50	374.90	180.2%
285.220 · Health - Support Staff	2,197.20	9,350.00	-7,152.80	23.5%
Total 2200 · Support Services - Instruction	147,115.26	119,029.97	28,085.29	123.6%
2290 · Other Support Service- Inst.				
581.229 · Staff Travel- Teachers	7,507.53	6,600.00	907.53	113.8%
Total 2290 · Other Support Service- Inst.	7,507.53	6,600.00	907.53	113.8%
2300 · Support - General Admin				
115.230 · Gen Admin Salaries	100,325.36	105,416.63	-5,091.27	95.2%
225.230 · FICA - Gen Admin	789.16	1,833.33	-1,044.17	43.0%
235.230 · PERS - Gen Admin	12,525.59	25,311.44	-12,785.85	49.5%
245.230 · MC - Gen Admin	1,740.77	1,528.56	212.21	113.9%
265.230 · SUI - Gen Admin	3,264.58	3,478.75	-214.17	93.8%
265.23b · FUTA - Gen Admin	192.86	154.00	38.86	125.2%
275.230 · WC - Gen Admin	794.43	537.68	256.75	147.8%
285.230 · Health - Gen Admin	11,751.87	6,535.87	5,216.00	179.8%
340.230 · Other Professional Services				
340.23a · Audit	2,700.00	5,500.00	-2,800.00	49.1%
340.23b · Professional Fees	422.67			

Stephanie Campus
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
340.23c · Background/Drug Tests	1,992.00	1,833.37	158.63	108.7%
340.23d · Payroll Service Fee's	11,804.85	11,916.63	-111.78	99.1%
340.23e · Payroll Services - support	8,428.00	11,000.00	-2,572.00	76.6%
Total 340.230 · Other Professional Services	25,347.52	30,250.00	-4,902.48	83.8%
345.230 · Marketing Services	2,534.18			
531.230 · Postage/Shipping	73.30	916.63	-843.33	8.0%
533.230 · Telephone/Internet	5,695.45	6,416.63	-721.18	88.8%
610.230 · General Office Supplies	2,355.37	7,562.50	-5,207.13	31.1%
733.230 · Office Furniture & Equipment	1,193.58			
2300 · Support - General Admin - Other	1,643.34			
Total 2300 · Support - General Admin	170,227.36	189,942.02	-19,714.66	89.6%
2318 · Legal Services				
340.231 · Legal	2,208.28	5,041.63	-2,833.35	43.8%
Total 2318 · Legal Services	2,208.28	5,041.63	-2,833.35	43.8%
2400 · School Administration				
114.240 · Admin - Licensed	167,616.15	187,213.62	-19,597.47	89.5%
225.240 · FICA- Lic. Admin	224.03	1,833.33	-1,609.30	12.2%
234.240 · PERS - Admin Licensed	32,584.72	46,374.13	-13,789.41	70.3%
240.240 · Medicare Payments	13.66			
244.240 · MC - Admin Licensed	2,272.66	2,714.58	-441.92	83.7%
260.240 · Unemployment Compensation				
264.24a · SUI - Admin Licensed	3,111.56	6,178.04	-3,066.48	50.4%
264.24b · FUTA- Lic Administration	192.51	77.00	115.51	250.0%
Total 260.240 · Unemployment Compensation	3,304.07	6,255.04	-2,950.97	52.8%
274.240 · WC - Admin Licensed	1,210.40	954.80	255.60	126.8%
284.240 · Health - Admin Licensed	14,162.67	11,607.20	2,555.47	122.0%
Total 2400 · School Administration	221,388.36	256,952.70	-35,564.34	86.2%
2500 · Central Services				
310.250 · Management Fee	303,367.95	296,917.50	6,450.45	102.2%
320.250 · Affiliation Fee	39,376.25	42,927.67	-3,551.42	91.7%
Total 2500 · Central Services	342,744.20	339,845.17	2,899.03	100.9%
2610 · Operation of Building				
352.261 · IT - Technical Services	33,279.24	36,666.63	-3,387.39	90.8%
410.261 · Utility Services				
411.26a · Water	4,749.95	9,166.63	-4,416.68	51.8%
411.26b · Sewer	3,361.64	4,583.37	-1,221.73	73.3%
Total 410.261 · Utility Services	8,111.59	13,750.00	-5,638.41	59.0%
421.261 · Trash	14,490.60	8,250.00	6,240.60	175.6%
422.261 · Janitorial Service (Contracted)	52,633.67	47,666.63	4,967.04	110.4%
440.261 · Rentals				
441.26a · Lease	501,691.21	630,000.00	-128,308.79	79.6%
441.26b · Portable lease	21,723.69			
Total 440.261 · Rentals	523,414.90	630,000.00	-106,585.10	83.1%
520.261 · Insurance				
521.261 · Property Insurance	20,065.76	27,500.00	-7,434.24	73.0%
522.261 · Liability Insurance	2,191.99	10,083.37	-7,891.38	21.7%
523.26a · D & O Insurance	751.83	3,666.63	-2,914.80	20.5%

Stephanie Campus Profit & Loss Budget vs. Actual

July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
523.26b · Other Insurance	2,492.03			
Total 520.261 · Insurance	25,501.61	41,250.00	-15,748.39	61.8%
590.261 · Other Purchased Services				
590.20a · DSA Sponsor Fee	64,438.88	64,391.51	47.37	100.1%
590.20b · Power School	0.00	9,166.63	-9,166.63	0.0%
Total 590.261 · Other Purchased Services	64,438.88	73,558.14	-9,119.26	87.6%
621.261 · Natural Gas	30.61			
622.261 · Electricity	56,856.95	47,666.63	9,190.32	119.3%
Total 2610 · Operation of Building	778,758.05	898,808.03	-120,049.98	86.6%
2620 · Maintenance of Building				
117.262 · Custodial Wages	17,526.75	27,500.00	-9,973.25	63.7%
227.262 · Custodial- FICA	765.63	1,705.00	-939.37	44.9%
234.262 · PERS- Custodial	227.13			
247.262 · Custodial-MC	152.89	398.75	-245.86	38.3%
267.262 · Custodial- FUTA & MBT	220.79	38.50	182.29	573.5%
267.262 · Custodial-SUI	916.14	907.50	8.64	101.0%
277.262 · Custodial- WC	132.02	140.25	-8.23	94.1%
281.262 · Health - Custodial	3.00			
430.262 · Misc Maint & Facilities Costs				
431.26a · A/C Maintenance Expense	3,000.00	4,583.33	-1,583.33	65.5%
431.26b · Facility Maint	14,724.70	13,750.00	974.70	107.1%
431.26c · Summer Maintenance	2,252.17	0.00	2,252.17	100.0%
431.26f · Lawn Care	3,985.00	4,583.37	-598.37	86.9%
430.262 · Misc Maint & Facilities Costs - Other	122.82			
Total 430.262 · Misc Maint & Facilities Costs	24,084.69	22,916.70	1,167.99	105.1%
432.1 · Technology & Maint Repair	66.84			
610.262 · Gen Maint & Janitorial Supplies	13,031.59	9,166.63	3,864.96	142.2%
Total 2620 · Maintenance of Building	57,127.47	62,773.33	-5,645.86	91.0%
2660 · Security				
490.266 · Alarm Security System	1,829.27	1,833.37	-4.10	99.8%
Total 2660 · Security	1,829.27	1,833.37	-4.10	99.8%
2670 · Safety				
490.267 · Security & Fire Services	3,633.00	916.63	2,716.37	396.3%
Total 2670 · Safety	3,633.00	916.63	2,716.37	396.3%
3100 · Food Service Operations				
570.31 · Food Services	0.00	4,583.37	-4,583.37	0.0%
Total 3100 · Food Service Operations	0.00	4,583.37	-4,583.37	0.0%
5000 · Debt Service				
810.500 · Dues & Fees	3,762.07	4,583.37	-821.30	82.1%
830.500 · Debt-Related Expenditures				
832.50b · Debt Serv -Loan	126,003.11	143,916.63	-17,913.52	87.6%
Total 830.500 · Debt-Related Expenditures	126,003.11	143,916.63	-17,913.52	87.6%
890.500 · Misc. Expenditures				
892.50a · Bank Charges	86.86	916.63	-829.77	9.5%
892.50b · E-Funds Fee's	11.21	458.37	-447.16	2.4%

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Accrual Basis

Stephanie Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Total 890.500 · Misc. Expenditures	98.07	1,375.00	-1,276.93	7.1%
Total 5000 · Debt Service	129,863.25	149,875.00	-20,011.75	86.6%
66000 · Payroll Expenses	151,207.96			
Total Expense	4,399,861.26	4,318,132.18	81,729.08	101.9%
Net Ordinary Income	133,836.02	-16,752.41	150,588.43	-798.9%
Net Income	133,836.02	-16,752.41	150,588.43	-798.9%

**Sky Pointe Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015**

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
1300 · Tuition				
1310 · Kinder Tuition	77,530.05	64,894.50	12,635.55	119.5%
Total 1300 · Tuition	77,530.05	64,894.50	12,635.55	119.5%
1900 · Other Revenue from Local Source				
1901 · NSB Cash Back Savings	292.00			
Total 1900 · Other Revenue from Local Source	292.00			
2000 · Revenue - Intermediate Sources				
2200(R) · Restricted Grants In Aid	190.00			
Total 2000 · Revenue - Intermediate Sources	190.00			
3000 · Revenue from State Sources				
3110 · DSA Revenue	8,353,915.13	7,933,030.92	420,884.21	105.3%
3115a · SPED - Discretionary Unit	62,496.39	62,496.50	-0.11	100.0%
3115b · SPED Part B Funding	142,461.44	142,461.44	0.00	100.0%
Total 3000 · Revenue from State Sources	8,558,872.96	8,137,988.86	420,884.10	105.2%
Total Income	8,636,885.01	8,202,883.36	434,001.65	105.3%
Gross Profit	8,636,885.01	8,202,883.36	434,001.65	105.3%
Expense				
1000 · Instruction				
111.100 · Licensed Teachers Salaries	2,648,648.47	2,627,940.37	20,708.10	100.8%
113.100 · Licensed Substitute Teachers	74,234.38	61,416.64	12,817.74	120.9%
123.100 · Long Term Subs	65,834.27			
221.100 · FICA - Licensed Teachers	20,784.85	0.00	20,784.85	100.0%
231.100 · PERS Instruction Personnel	450,092.88	462,994.84	-12,901.96	97.2%
241.100 · MC Teachers	38,931.34	34,790.91	4,140.43	111.9%
251.100 · Tuition Reimb. for Teachers	9,150.00			
261.100 · Other (FUTA) - Teachers	7,858.77	2,502.50	5,356.27	314.0%
261.101 · SUI Teachers	93,760.26	87,012.75	6,747.51	107.8%
271.100 · WC Teachers	20,668.24	14,986.84	5,681.40	137.9%
281.100 · Health Teachers	219,425.34	311,708.32	-92,282.98	70.4%
331.100 · Training & Dev. - Teachers	3,661.27	3,208.33	452.94	114.1%
443.100 · Copier	39,060.75	36,666.63	2,394.12	106.5%
610.100 · General Supplies				
610.101 · Classroom Supplies/Consumables	22,484.01	28,875.00	-6,390.99	77.9%
610.102 · Teacher Reimbursements	9,274.38			
610.103 · Copier & Printing Supplies	14,554.95	12,375.00	2,179.95	117.6%
610.104 · Assessment & Testing Materials	5,992.49	4,375.00	1,617.49	137.0%
Total 610.100 · General Supplies	52,305.83	45,625.00	6,680.83	114.6%
612.100 · Furniture - Fixtures	10,770.22			
641.100 · Curriculum - Textbooks	36,394.78	91,900.00	-55,505.22	39.6%
650.100 · Supplies-Inf. Tech. Related				
651.99 · Technology Software	580.00			
Total 650.100 · Supplies-Inf. Tech. Related	580.00			
651.100 · Tech. Software (Educational)	18,078.03			
652.100 · Supplies/Equip. (IT Hardware)	4,197.54			
652.101 · Classroom Computers & Equipment	109,868.82			

Sky Pointe Campus
Profit & Loss Budget vs. Actual
 July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget	
653.100 · Web Based (Website)	7,961.91	4,000.00	3,961.91	199.0%	
893.100 · Indirect Costs- Incentives	10,551.36	27,965.52	-17,414.16	37.7%	
Total 1000 · Instruction	3,942,819.31	3,812,718.65	130,100.66		103.4%
200-SP · SPED					
111.SP · SPED - Licenced Teacher	108,264.21	101,641.76	6,622.45	106.5%	
221.SP · SPED - FICA Teacher	701.90				
231.SP · SPED - PERS	15,476.28	49,568.75	-34,092.47	31.2%	
241.SP · SPED - MC Teachers	904.06	2,791.25	-1,887.19	32.4%	
261.SP · SPED - SUI Teachers	2,468.12	6,352.50	-3,884.38	38.9%	
261.SP2 · SPED - FUTA	1.04	192.50	-191.46	0.5%	
271.SP · SPED - WC Teachers	820.22	981.75	-161.53	83.5%	
281.SP · SPED - Health Teachers	8,017.62	11,935.00	-3,917.38	67.2%	
320.SP · SPED - Contracted Services	187,494.94	206,250.00	-18,755.06	90.9%	
610.SP1 · SPED -General Supplies-Teachers	13,359.07	9,625.00	3,734.07	138.8%	
610.SP2 · SPED -Special Ed Supp-Students	2,956.33	4,583.37	-1,627.04	64.5%	
651.SP · Software- SPED	0.00	0.00	0.00	0.0%	
Total 200-SP · SPED	340,463.79	393,921.88	-53,458.09		86.4%
2100 · Support Services - Student	4.30				
2130 · Health Services					
610.213 · Nursing Supplies	2,943.30	3,208.34	-265.04	91.7%	
Total 2130 · Health Services	2,943.30	3,208.34	-265.04		91.7%
2200 · Support Services - Instruction					
115.220 · Non-Licensed Support Staff	169,286.71	125,000.00	44,286.71	135.4%	
225.220 · FICA - Ins. Support Staff	5,448.37	7,750.00	-2,301.63	70.3%	
231.220 · PERS - Support Services	13,347.53				
245.220 · MC - Inst. Support Staff	2,503.04	1,812.50	690.54	138.1%	
260.220 · Unemployment Comp.					
265.22 · SUI - Inst. Support Staff	5,407.80	4,125.00	1,282.80	131.1%	
265.22B · FUTA - Inst. Support Staff	4,437.27	2,400.00	2,037.27	184.9%	
Total 260.220 · Unemployment Comp.	9,845.07	6,525.00	3,320.07		150.9%
275.220 · WC - Inst. Support Staff	1,248.04	637.50	610.54	195.8%	
285.220 · Health - Support Staff	2,649.07	1,000.00	1,649.07	264.9%	
Total 2200 · Support Services - Instruction	204,327.83	142,725.00	61,602.83		143.2%
2290 · Other Support Service- Inst.					
581.229 · Staff Travel- Teachers	4,462.57	9,166.66	-4,704.09	48.7%	
Total 2290 · Other Support Service- Inst.	4,462.57	9,166.66	-4,704.09		48.7%
2300 · Support - General Admin					
115.230 · Gen Admin Salaries	162,088.34	165,000.00	-2,911.66	98.2%	
225.230 · FICA - Gen Admin	2,228.14				
235.230 · PERS - Gen Admin	23,301.29	42,487.50	-19,186.21	54.8%	
245.230 · MC - Gen Admin	2,321.93	2,392.50	-70.57	97.1%	
265.230 · SUI - Gen Admin	5,426.63	5,445.00	-18.37	99.7%	
265.23b · FUTA - Gen Admin	751.61	231.00	520.61	325.4%	
275.230 · WC - Gen Admin	1,527.26	841.50	685.76	181.5%	
285.230 · Health - Gen Admin	13,307.66	10,230.00	3,077.66	130.1%	
340.230 · Other Professional Services					
340.23a · Audit	5,400.00	5,500.00	-100.00	98.2%	
340.23b · Professional Fees	12,836.98				
340.23c · Background/Drug Tests	2,691.00	2,750.00	-59.00	97.9%	

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Accrual Basis

Sky Pointe Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
340.23d · Payroll Service Fee's	22,234.59	22,916.67	-682.08	97.0%
340.23e · Payroll Services - support	18,116.00	22,916.67	-4,800.67	79.1%
Total 340.230 · Other Professional Services	61,278.57	54,083.34	7,195.23	113.3%
345.230 · Marketing Services	1,620.38			
531.230 · Postage/Shipping	2,219.05	2,062.50	156.55	107.6%
533.230 · Telephone/Internet	9,227.72	7,333.37	1,894.35	125.8%
610.230 · General Office Supplies	6,067.21	8,250.00	-2,182.79	73.5%
Total 2300 · Support - General Admin	291,365.79	298,356.71	-6,990.92	97.7%
2318 · Legal Services				
340.231 · Legal	9,659.66	5,041.63	4,618.03	191.6%
2318 · Legal Services - Other	-7,262.32			
Total 2318 · Legal Services	2,397.34	5,041.63	-2,644.29	47.6%
2400 · School Administration				
114.240 · Admin - Licensed	293,236.34	273,497.18	19,739.16	107.2%
225.240 · FICA- Lic. Admin	210.43			
234.240 · PERS - Admin Licensed	74,052.27	94,652.69	-20,600.42	78.2%
240.240 · Medicare Payments	0.00	0.00	0.00	0.0%
244.240 · MC - Admin Licensed	4,121.63	5,329.94	-1,208.31	77.3%
260.240 · Unemployment Compensation				
264.24a · SUI - Admin Licensed	5,199.80	12,130.25	-6,930.45	42.9%
264.24b · FUTA- Lic Administration	184.96	115.50	69.46	160.1%
Total 260.240 · Unemployment Compensation	5,384.76	12,245.75	-6,860.99	44.0%
274.240 · WC - Admin Licensed	2,211.75	1,874.73	337.02	118.0%
284.240 · Health - Admin Licensed	14,523.30	22,790.13	-8,266.83	63.7%
Total 2400 · School Administration	393,740.48	410,390.42	-16,649.94	95.9%
2500 · Central Services				
310.250 · Management Fee	574,149.60	577,500.00	-3,350.40	99.4%
320.250 · Affiliation Fee	91,222.97	83,505.61	7,717.36	109.2%
Total 2500 · Central Services	665,372.57	661,005.61	4,366.96	100.7%
2610 · Operation of Building				
352.261 · IT - Technical Services	68,882.71	68,750.00	132.71	100.2%
410.261 · Utility Services				
411.26a · Water	29,152.22	20,166.63	8,985.59	144.6%
411.26b · Sewer	32,269.24	20,166.63	12,102.61	160.0%
Total 410.261 · Utility Services	61,421.46	40,333.26	21,088.20	152.3%
421.261 · Trash	14,649.43	12,833.37	1,816.06	114.2%
422.261 · Janitorial Service (Contracted)	94,415.09	87,083.37	7,331.72	108.4%
440.261 · Rentals				
441.26a · Lease	1,366,437.60	1,366,437.60	0.00	100.0%
Total 440.261 · Rentals	1,366,437.60	1,366,437.60	0.00	100.0%
520.261 · Insurance				
521.261 · Property Insurance	29,758.26	12,375.00	17,383.26	240.5%
522.261 · Liability Insurance	3,953.80	18,333.37	-14,379.57	21.6%
523.26a · D & O Insurance	1,415.48	5,500.00	-4,084.52	25.7%
523.26b · Other Insurance	4,690.88	5,500.00	-809.12	85.3%
Total 520.261 · Insurance	39,818.42	41,708.37	-1,889.95	95.5%

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Accrual Basis

Sky Pointe Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
590.261 · Other Purchased Services				
590.20a · DSA Sponsor Fee	125,308.70	125,258.39	50.31	100.0%
590.20b · Power School	0.00	9,625.00	-9,625.00	0.0%
Total 590.261 · Other Purchased Services	125,308.70	134,883.39	-9,574.69	92.9%
622.261 · Electricity	47,126.67	94,875.00	-47,748.33	49.7%
Total 2610 · Operation of Building	1,818,060.08	1,846,904.36	-28,844.28	98.4%
2620 · Maintenance of Building				
117.262 · Custodial Wages	44,995.29	37,125.00	7,870.29	121.2%
227.262 · Custodial- FICA	1,650.12	3,218.38	-1,568.26	51.3%
234.262 · PERS- Custodial	3,867.97			
247.262 · Custodial-MC	654.33	1,179.97	-525.64	55.5%
267.262 · Custodial- FUTA & MBT	665.69	221.87	443.82	300.0%
267.262 · Custodial-SUI	2,006.11	2,141.81	-135.70	93.7%
277.262 · Custodial- WC	664.45	1,106.05	-441.60	60.1%
281.262 · Health - Custodial	130.62			
430.262 · Misc Maint & Facilities Costs				
431.26a · A/C Maintenance Expense	15,599.15	11,000.00	4,599.15	141.8%
431.26b · Facility Maint	61,710.28	28,875.00	32,835.28	213.7%
431.26c · Summer Maintenance	0.00	2,395.83	-2,395.83	0.0%
431.26f · Lawn Care	15,555.00	13,750.00	1,805.00	113.1%
Total 430.262 · Misc Maint & Facilities Costs	92,864.43	56,020.83	36,843.60	165.8%
432.1 · Technology & Maint Repair	342.49			
610.262 · Gen Maint & Janitorial Supplies	24,038.90	13,750.00	10,288.90	174.8%
Total 2620 · Maintenance of Building	171,880.40	114,763.91	57,116.49	149.8%
2660 · Security				
490.266 · Alarm Security System	2,305.00	2,750.00	-445.00	83.8%
Total 2660 · Security	2,305.00	2,750.00	-445.00	83.8%
2670 · Safety				
490.267 · Security & Fire Services	8,533.23	5,500.00	3,033.23	155.1%
Total 2670 · Safety	8,533.23	5,500.00	3,033.23	155.1%
2900 · Other Support Services	181.56			
3100 · Food Service Operations				
570.31 · Food Services	0.00	2,291.63	-2,291.63	0.0%
Total 3100 · Food Service Operations	0.00	2,291.63	-2,291.63	0.0%
5000 · Debt Service				
810.500 · Dues & Fees	52,404.42	10,083.34	42,321.08	519.7%
830.500 · Debt-Related Expenditures				
832.50b · Debt Serv -Loan	233,201.53	284,166.63	-50,965.10	82.1%
Total 830.500 · Debt-Related Expenditures	233,201.53	284,166.63	-50,965.10	82.1%
890.500 · Misc. Expenditures				
892.50a · Bank Charges	289.75	458.37	-168.62	63.2%
892.50b · E-Funds Fee's	21.13	916.63	-895.50	2.3%
Total 890.500 · Misc. Expenditures	310.88	1,375.00	-1,064.12	22.6%
Total 5000 · Debt Service	285,916.83	295,624.97	-9,708.14	96.7%
66000 · Payroll Expenses	45,136.84			

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Accrual Basis

Sky Pointe Campus
Profit & Loss Budget vs. Actual
July 2014 through May 2015

	Jul '14 - May 15	Budget	\$ Over Budget	% of Budget
900 · Co-Curricular/ Extra-Curricular 920 · Athletics	11,646.21	11,458.34	187.87	101.6%
Total 900 · Co-Curricular/ Extra-Curricular	11,646.21	11,458.34	187.87	101.6%
Total Expense	8,191,557.43	8,015,828.11	175,729.32	102.2%
Net Ordinary Income	445,327.58	187,055.25	258,272.33	238.1%
Net Income	445,327.58	187,055.25	258,272.33	238.1%

Somerset Academy of Las Vegas
Balance Sheet
As of May 31, 2015

May 31, 15

ASSETS		
Current Assets		
Checking/Savings		
101 · Cash in Bank		
101.a · NSB - Operating Account-8726	859,406.55	
101.d · SGF STE Account	70,011.76	
101.e · SGF LOS Account	138,874.80	
101.f · SGF NLV Account	186,749.64	
101.g · SGF SKY Account	138,269.39	
101.s · Non Bond Fin. Custody Acct.	5,893.58	
101.l · Bond-Obligated Revenue Fund	29,492.49	
101.o · Bond Obligated Exp Fund.	2,200.76	
101.p · Bond Obligated R&R Fund	12,500.00	
101.h · Bond-Obligated Operating Fund	3,149,232.75	
Total 101 · Cash in Bank	4,592,631.72	
Total Checking/Savings	4,592,631.72	
Accounts Receivable		
153.1 · Accounts Receivable	64,622.33	
Total Accounts Receivable	64,622.33	
Other Current Assets		
Prepaid Debt Card		
Prepaid Sky Pointe	97.82	
Total Prepaid Debt Card	97.82	
153.11 · Due from Pinecrest	400.00	
153.2 · DSA Receivable	2,480,882.80	
153.3 · Undeposited Funds	21,875.00	
153.4 · Due from State Tax Dept.	1,490.32	
153.5 · Due from Aftercare Programs	33,737.23	
181 · Prepaid Expenses	55,965.06	
191 · Security Deposits	21,005.15	
Total Other Current Assets	2,615,453.38	
Total Current Assets	7,272,707.43	
Other Assets		
231 · Building & Building Improvement		
231.2 · Building & Improvements Capital		
231.1 · Centennial Playground Expansion	180,000.00	
Total 231.2 · Building & Improvements Capital	180,000.00	
232 · Accumulated Dep. Build. Imp.	-6,016.44	
Total 231 · Building & Building Improvement	173,983.56	
Total Other Assets	173,983.56	
TOTAL ASSETS	7,446,690.99	
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
421 · Accounts Payable		
Accounts Payable - Transfers	1,946.90	
421 · Accounts Payable - Other	761,204.57	
Total 421 · Accounts Payable	763,151.47	
Total Accounts Payable	763,151.47	
Credit Cards		
451 · Credit Cards		
451.2 · Home Depot	168.85	
451.3 · NSB Credit Card	-619.77	

Somerset Academy of Las Vegas
Balance Sheet
 As of May 31, 2015

	May 31, 15
451.5 · Staff Reimbursable Charges	1,190.87
Total 451 · Credit Cards	739.95
Total Credit Cards	739.95
Other Current Liabilities	
461 · Accrued Salaries	
461.2 · Accrued Payroll Liability	773,999.58
461.3 · Salaried Payroll Liabilities	600,145.18
Total 461 · Accrued Salaries	1,374,144.76
499 · Other Current Liabilities	
499.7 · State-Aid Grants.	61,442.70
499.1 · Clearing Account	13,992.76
Total 499 · Other Current Liabilities	75,435.46
521.1b · Note Payable	14,734.97
Total Other Current Liabilities	1,464,315.19
Total Current Liabilities	2,228,206.61
Long Term Liabilities	
521 · Loans Payable	
521.1 · Centennial Playground Expansion	104,959.05
521.2 · Zion FFE Loan	
Zion FFE (Computer) 2013-2014	-445,800.17
Zion FFE (Furniture) 2013-2014	-357,318.07
Zion FFE (Supplies) 2013-2014	-5,133.90
Zion FFE (Textbooks) 2013-2014	-291,667.40
521.2a · Zion FFE (Computer)	-146,711.63
521.2b · Zion FFE (Furniture)	-253,939.21
521.2c · Zion FFE (Supplies)	-2,048.06
521.2d · Zion FFE (Textbooks)	-319,967.71
521.2 · Zion FFE Loan - Other	1,822,586.15
Total 521.2 · Zion FFE Loan	0.00
Total 521 · Loans Payable	104,959.05
Total Long Term Liabilities	104,959.05
Total Liabilities	2,333,165.66
Equity	
8000 · Ending Fund Balance	2,685,864.57
Net Income	2,427,665.76
Total Equity	5,113,530.33
TOTAL LIABILITIES & EQUITY	7,446,695.99

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015

Agenda Item: 8 – Approval of Auditor for the 2014/2015 Annual Audit.

Number of Enclosures: 6

SUBJECT: Approval of Auditor for the 2014/2015 Annual Audit.

Action

Appointments

Approval

Consent Agenda

Information

Public Hearing

Regular Adoption

Presenter (s): Carlos Segrera / Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Motion to Approve the hiring of _____, as the auditing firm for the 2014/2015 annual audit.

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: With the ending of the 2014/2015 school year, an annual audit will need to be performed for Somerset Academy. As such, the Board will need to approve the hiring of the company to be used to conduct this audit.

Submitted By: Staff



P B T K
**PIERCY BOWLER
TAYLOR & KERN**
Certified Public Accountants
Business Advisors

PROPOSAL PREPARED FOR:



ACADEMICA NEVADA

June 24, 2015

CONTACT:
Ryan C. Whitman

(702) 384-1120
rwhitman@pbt.com

6100 Elton Avenue
Suite 1000
Las Vegas, Nevada 89107

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June 24, 2015

Trevor Goodsell, Chief Financial Officer
Academica Nevada
1378 Paseo Verde Pkwy, Suite 200
Henderson, NV 89012

Dear Mr. Goodsell,

Thank you for the opportunity to submit our proposal to provide annual financial and compliance audit services for Academica and its charter school boards. Our annual services would include a financial statement audit, including reporting on internal controls and compliance over financial reporting in accordance with Government Auditing Standards. We hereby positively commit to perform and complete the financial statement in a timely manner, such that our preliminary draft of our audit report would be provided to the Chief Financial Officer on or before October 15 and our final audit report would be presented to the Board no later than October 31st.

In order to realize the lowest audit fee and best use of funds for each charter school, we strongly suggest using one firm for all four school audits. PBTK can lower the audit cost per school by bundling our services and offering them to Somerset, Doral, Mater and Pinecrest at a package price. This proposal outlines **how we can save Academica and its charter schools more than 15 percent on their audit fees.**

PBTK is the best choice for audit services because we maintain technical resources at the level of the large national firms while providing superior professional service that only a less bureaucratic firm can achieve.

For example, we recently received a “no findings” report from the PCAOB related to our SEC audit practice and quality control systems. Similarly, an inspection in 2013 of PBTK's non-SEC accounting and auditing engagements and quality control systems resulted in the highest possible quality rating from peer reviewers. All of PBTK's clients benefit from our commitment to technical excellence at the highest levels.

As one of the foremost firms in Nevada, PBTK performs audits and special operational studies for local non-profits and government agencies, including The Meadows School, Goodwill of Southern Nevada and Lincoln County Schools. This proposal will demonstrate:

- We have the technical abilities and other resources required for an engagement of this magnitude, and we will be efficient and effective in completing the engagement because of our extensive experience in providing professional auditing services to other government entities throughout Nevada;
- We are committed to provide Academica with technical excellence and superior service with the highest level of professionalism, which we anticipate will exceed the expectations of management and those charged with governance;

- In a very real sense, we wrote the book on risk-based auditing;

We hope that as you read our proposal, you will agree that we are the best choice to provide the requested services. Thank you in advance for your consideration.

Regards,



Ryan C. Whitman

Audit Approach

Risk-based Audit Approach.

Risk-based Audit Approach - For the entire 20 plus-year history of the Firm (decades ahead of the pack), we have utilized a rather sophisticated, risk-based auditing methodology grounded in statistical sampling theory. Howard B. Levy, our Director of Technical Services, is one of the original co-authors of the related commercially-marketed audit manuals used by the Firm and others domestically and internationally. Our highly customized proprietary practice aids incorporate this methodology. We have always integrated control testing when efficiencies could be achieved or effectiveness could be improved, while most other firms were simply “beating up” the balance sheet.

Effective Communication - The most important factor in a successful audit is the interaction between the audit team and the client. A good working relationship provides the auditor with a sound understanding of the clients’ operations, especially during the planning stages of the audit, which prevents surprises or problems during fieldwork. A good relationship also benefits the client through coordination of client staffing, additional services and timely reporting.

Effective communication among management, our engagement team and the audit committee through all stages of the engagement is critical to performing a risk-based audit effectively and efficiently. To be effective, communication must be open, non-adversarial, and timely. There should be no surprises, especially near a deadline.

Unlike many of our competitors that attempt to push most work to lower level staff, we believe that our clients pay for the expertise of our principals and managers. Accordingly, our principals and managers are actively involved throughout the engagement and frequently onsite. We have found that engagement performance decisions, including necessary adjustments to the nature and scope of procedures, are made timely, efficiently, and effectively when our principals and managers are onsite with our senior associates and associates during critical stages of the assignment. This process has the added benefit of improving communication with client management and those charged with governance. It is also one of the keys to how we deliver on our motto, a variation of which is ***“there is no substitute for technical excellence and superior service.”***

Throughout the audit process, we would hold progress conferences with key finance department personnel to discuss the progress of the audit and any matters that might require additional audit procedures. Once our fieldwork is complete, however, we would arrange a formal conference at which we would review with your personnel draft financial statements, notes thereto and our accountants' report. In addition, we would have available a draft of our required communications letter, which would discuss suggested improvements to your internal control, recommendations to help improve operational efficiency and other comments. We would review the letter with your personnel and seek their input prior to finalizing our comments.

“Now in our 30th year of existence, Piercy Bowler Taylor & Kern has been our auditor since the beginning. They partnered with us when the school was just a dream and continue to provide audit and tax services every year. Throughout the schools inception and creation, PBTK has been an integral part of all of the different business technological changes that have gone on in the non-profit world, and there have been several. They are always contacting us to make sure we are making changes to our business model prior to having any issues that might arise. They are always looking out for us.”

— Bernetta Stebritz, The Meadows School

We would also be present to answer any questions during the presentation of the CAFR or the Single Audit Report to any District oversight bodies.

We anticipate no significant audit problems during in this engagement. If significant issues arise during the audit, it would be necessary for us to consult with the District finance department to possibly redefine the scope of the engagement and potentially adjust the fees subject to the terms of our agreement.

In addition, due to the nature of an audit, healthy discussions of technical accounting or other reporting matters between management and the audit team are not unusual and, frankly, are encouraged. Our approach to engagement communication typically prevents “discussions” from becoming “disagreements.” However, if a potential disagreement between management and the audit team is encountered that cannot be resolved reasonably timely, following appropriate internal and sometimes external consultations; such matter would be reported to the audit committee (or equivalent oversight body) of the District. If the matter still cannot be resolved to our satisfaction, a consultation by management with the GASB staff, in which we would participate, would ordinarily be requested. As a last resort, if no satisfactory resolution can be reached, withdrawal from the engagement may be necessary.

However, we have never experienced, disagreements between management and the audit team that are not resolved amicably and timely.



Engagement Planning.

In the planning phase of the engagement, we gain a comprehensive understanding of the client’s organization, management style and abilities, business activities, and industry influences. Inquires of management and financial statement variance analysis are used to assess risks and to identify areas requiring attention in developing audit scope details, including the determination of the right combination of tests of controls and primary and corroborative substantive procedures needed to gather sufficient evidence to enable us to express positive assurance that the financial statements are not materially misstated.

In the planning phase, we also evaluate significant management estimates that are identified in the client’s financial statements and “deconstruct” the financial statements generally into up to eight operating cycles (revenue, conversion, expenditure, payroll, accruals / prepaid expenses, financial management (both treasury and fund balance / net asset functions), productive assets, and presentation and disclosure).

For cycles that we deem to be significant (as defined by the professional literature), we develop a client specific audit plan outline organized into six testing categories: (1) control tests, (2) tests of non-industry or client-specific matters, (3) tests involving the use of statistical sampling, (4) tests using third party confirmations, (5) other custom designed tests of details, and (6) substantive

analytics. We also develop a list of “focus” procedures for cycles we deem to be less significant.

Our planning process also includes an entity-level control evaluation, including identification and documentation of “tone at the top,” the financial reporting process, information system general controls, and related risks associated with the control environment, management activities and segregation of duties, information processes, and monitoring processes.

We also evaluate overall inherent risk factors, including fraud risks possibly arising from incentives / pressures, opportunities associated with the nature of the business or industry, and attitudes / rationalizations. We hold a pre-audit brainstorming conference to discuss potential fraud and other inherent risks to arrive at an overall tolerable audit risk conclusion.

A critical aspect of the planning phase of an audit is determining quantitative materiality thresholds based on the perceived needs of the expected financial statements users.

Line Item Testing.

For each opinion unit, every financial statement line item and related disclosures are tested, including in relation to other cycle accounts, based on perceived risk of material misstatement (the combination of Inherent Risk (IR) and Control Risk (CR)) and materiality by assertion. This phase of our audit process can be described simply as (1) determine what assertions are implicit in the financial statement amounts and disclosures and (2) gather sufficient evidence to conclude whether or not the assertions taken as a whole are fairly stated in all material respects.

We classify assertions into four major categories: (1) Existence, (2) Completeness, (3) Valuation, and (4) Disclosure and Presentation. There may be more than one assertion associated with any particularly financial statement line item that might warrant detailed testing. For example, implicit in the accounts receivable line item is that the amount represents valid claims against customers (Existence) and that the amount, net of allowances, is collectible (Valuation). As another example, implicit in and particularly significant to the casino revenue line item is that all revenues have been recorded (Completeness) and that cash incentives paid to customers have been appropriately netted against such amount (Presentation and Disclosure).

We use several different types of tests to gather evidence about the assertions, but first we make an overall inherent risk assessment by line item and assertion. In other words, based on the nature of the line item, its balance, volume and type of transactions, we evaluate the likelihood of material misstatement. For those where the inherent risk of misstatement is significant, we design and perform control testing, except if the controls are known to be unreliable or when we elect for efficiency purposes to take an all substantive approach. Our control tests first identify the key controls that are in place and, if operating effectively, would detect or prevent the misstatements. Then through document testing, inquiry of the client’s personnel, and direct observation of the functioning controls, we test the operating effectiveness of such key controls. The nature and extent of

“We are very pleased with the level of attention, high quality advice and timeliness of service from a thoroughly great team of professionals at Piercy, Bowler, Taylor & Kern (PBTK). They continually demonstrate a high level of expertise in our very specialized field, which is one of the reasons we have remained clients for the last seven years. I would recommend PBTK to anyone seeking an accounting firm with consistently strong qualities of communication, professionalism and personal commitment to their clients.”

— Rana Lacer, Senior Vice President of Finance, Las Vegas Convention and Visitors Authority

additional tests of details are influenced by the outcome of the control tests. We never rely entirely on control tests alone when perceived inherent risk is significant. Some testing of details and / or primary predictive analytics will be performed. The balance between control testing and substantive procedures, and the particulars of each may vary from year to year so that our audit procedures are “non-predictive” by the client’s personnel.



Sample size and the extent to which statistical sampling is to be used in the engagement.

Audit testing, either interim or final, would be performed using techniques deemed appropriate depending on our judgment as to the optimum balance of effectiveness and efficiency and the nature of the balances or transactions to be tested, as discussed in the following paragraphs. Statistical sampling would be used where it is determined to be efficient, and substantive analytical procedures would be applied, sometimes to support and corroborate sampling applications, and sometimes as primary tests.

Materiality thresholds would be determined and used, among other factors, to determine sample sizes and in evaluating the results of tests of details and analytical procedures. Sample sizes would be determined based upon auditor’s judgment considering many factors, including risk assessment and the perceived effectiveness of planned corroborative procedures. Our sample sizes in similar engagements have ordinarily been approximately 50 to 100 items. Other factors that affect sample sizes include certain characteristics of the population to be sampled and the efficiency of design of the sampling plan.

Type and extent of analytical procedures to be used in the engagement.

We use analytical procedures in the planning stages to identify risk areas in order to determine our approach and scope of procedures to be performed. To perform an effective substantive analytical procedure, based on the identified relationships, we obtain or develop reasonable expectations against which account balances or results for the period are compared. The reliability of data used to develop the expectation becomes more or less critical depending on the degree of reliance being placed on the procedure as a substantive test (whether it is primary or corroborative) and the combined assessed levels of inherent and control risk for the financial statement assertion being tested. Budgets, trial balances, non-financial ratios, and client-supplied data are the major sources of information used in developing expectations for analytical procedures in planning and as substantive audit tests.

Designing and performing effective and efficient analytical procedures requires knowledge of the client’s operating characteristics, internal and external factors and the ability to identify and evaluate the plausibility and predictability of relationships among data. For these reasons, analytical procedures ordinarily are approved by, and performed under close direction of experienced personnel. Once we have identified plausible and significant relationships we expect to occur

relative to the financial statement assertions, we then identify the data we can use in analytical procedures.

To perform an effective analytical procedure, based on the identified relationships, we obtain or develop reasonable expectations against which account balances or results for the period are compared. The reliability of data used to develop the expectation becomes more or less critical depending on the degree of reliance being placed on the procedure.

Approach to be taken in drawing audit samples for purposes of tests of compliance.

Compliance audit testing, either interim or final, would be performed using techniques deemed appropriate depending on our judgment as to the optimum balance of effectiveness and efficiency and the nature of the compliance requirement to be tested. Attribute sampling techniques are typically used in compliance audits, and sample sizes would be determined based upon auditor judgment considering many factors, including the perceived risk of noncompliance and the planned reliance on tests of controls over compliance. Our sample sizes in similar engagements have ordinarily been approximately 20 to 60 items. Other factors that affect sample sizes include certain characteristics of the population to be sampled and the efficiency of design of the sampling plan.

"Piercy Bowler Taylor & Kern's main strengths are that they stay current on reporting requirements, plus they are very pleasant to work with, both of which help make my job easier."

**- Marc Traasdahl, Regional
Transportation Commission**

Use of Technology

Within the last decade, a considerable number of institutions, both large and small, have come to rely on advanced computer technology as a means for processing large volumes of accounting transactions on a daily basis. Because of this impact and the need to comply with applicable auditing standards, which require that the data processing system must be considered in the course of an audit whenever accounting applications are significant, an analysis of the automated accounting systems will be integrated into our audit plan and programs.

We use technology to make our audit process more effective and efficient and to protect the confidentiality of our clients' information. Some of the ways we use technology follows:



Remote access - The Firm utilizes remote access technology (Citrix) to maximize efficiency during fieldwork. This technology affords us the opportunity to access the full resources of the Firm's servers (including email) while conducting on-site audit work. To fully utilize our remote access system, we require at least one high-speed internet connection in the area designated as the "audit room." From this connection, the engagement team members will connect wirelessly to the remote access system via a PBTk-supplied router.

"Paperless" audit software - The Firm has been using highly customized Caseware audit documentation software for approximately 12 years. Because of our "paperless" audit approach, we request that all audit documentation be provided in an electronic format to the extent possible. Although the on-site engagement team personnel are equipped with portable scanning equipment, it is generally more efficient to receive documents electronically.

Computer assisted audit techniques / statistical sampling software - The Firm currently utilizes IDEA Data Analysis Software, which allows us to receive, process and manipulate for audit purposes (data mining) extremely large amounts of data efficiently. The same software suite has a powerful statistical sampling module that allows us to easily pull samples as circumstances may dictate.

Online accounting / auditing research tools - The Firm subscribes to various online accounting and auditing research tools, most notably RIA's *Checkpoint*® and CCH's *Accounting Research Manager*®. These online research tools afford access to our engagement teams on-site during audit work so that potentially complex accounting issues can be contemporaneously researched.

Information protection - PBTK is committed to protecting your information systems and the related confidential and proprietary information. In this regard, the following are specific data protection protocols employed by the Firm.

Access to the Firm's client information in our engagement documentation files is subject to the confidentiality provisions of applicable laws, regulations and professional standards. We educate our employees about information protection and confidentiality of client information through orientation by both the administrative and IT staff upon being hired. Continual employee education is given based on the policy changes thereto by our IT department. In addition, the Firm's *Personnel Manual*, which is provided to each employee during the orientation process, is periodically updated to provide additional specific guidance to employees on client confidentiality and engagement documentation security (both hard and soft copies) when working both within and outside of the office.

Our employees and others under our supervision, if any, are bound by the applicable AICPA professional standards and well informed that the breach of a client's confidence is grounds for termination, as is stated in the Firm's *Personnel Manual*.

Our approach for securing information that could be transmitted to us electronically is as follows:

E-mail. Emails received are for the intended recipients only and are not accessible by any member of the Firm. It should be noted that the IT department monitors incoming emails for potentially malicious file attachments, and may occasionally access potentially hazardous emails before allowing them to reach the intended recipient.

Flash drive, diskette, magnetic tape, other electronic media and File Transfer Protocol. Generally, all information received via these media is immediately downloaded onto a laptop and transferred to the designated client folder. The diskette and / or magnetic tape are then given back to management. We discourage the transmission of information via these media, since the attachment of files via email is more efficient and provides better control over the access and tracking of the information being transmitted.

Less than ten (10) of the Firm's employees will have access to the information provided by the District once it is incorporated into our audit software. Please note that the estimate of PBTK employee involvement also contemplates periodic access by the IT department (for administrative purposes only).

Logical access to information related to this engagement will be restricted via the use of user group profiles. The user group for this engagement will consist of engagement team personnel, the quality control technical reviewer and the IT department (for administrative purposes only), and each member of the user group will have unlimited access and rights (*i.e.*, read, write, execute, *etc.*). The user group is subject to modification based on the evolving circumstances and the needs of the engagement.

We currently utilize the intrusion detection software that is built into both our email and remote access systems. In addition, the IT department monitors access logs to verify that only the authorized users are granted access to our system.

"Before I engaged PBTK after a 15-year professional relationship with my prior CPA, I never could have imagined the difference in the quality of service I would receive and the value that PBTK has added to my company. PBTK has put dollars in my pocket - Thank you!"

-Jeff W. Davis, President, Sierra Ready Mix

Continuous operating effectiveness of IT security controls is assured through monitoring by our IT department. Our director of IT has been with the Firm since 1997, and has been heavily involved in the design and implementation of our current audit software (Caseware), as well as our remote access system (Citrix). He attends continuing education courses and security conferences to maintain current knowledge of new computer threats and increased security measures. He also has completed and maintains the following certifications:

Certified Novell Administration (CNA) Certified Novell Engineer (CNE)
Microsoft Certified Systems Engineer Certified Comp TIA A+ Technician
(MCSE)



Engagement Staffing / Key Personnel



Ryan C. Whitman, CPA (Engagement Principal)

Mr. Whitman has been with Piercy Bowler Taylor & Kern since January 2005. He has been extensively involved in all areas of the Firm's accounting and auditing practice, specializing in government auditing, government single audit engagements, as well as audit engagements for not-for-profit organizations and various gaming and publicly-traded companies.

Mr. Whitman's experience includes government and single audits in accordance with *Government Auditing Standards* and compliance with OMB Circulars relative to federal awards. His experience also includes internal control consulting and financial statement preparation for a variety of government organizations, not-for-profits, and publicly-traded companies.

Mr. Whitman is a member of the American Institute of Certified Public Accountants (AICPA), the Nevada and California Societies of Certified Public Accountants and is a certified public accountant licensed to practice in the states of Nevada and California.

Mr. Whitman is a graduate of the Mendoza College of Business at the University of Notre Dame, with a BS in Business Administration. He has also been a guest lecturer on accounting and auditing topics for the Institute of Management Accountants and Horwath International.

Mr. Whitman has served in a lead audit role on the following audit engagements, (partial listing):

- Catholic Charities of Southern Nevada*
- Workforce Connections*
- Clark County Water Reclamation District
- Goodwill Industries of Southern Nevada*
- Regional Transportation District of Southern Nevada*

*Entities including audits of federal awards



Richard H. Bowler, CPA (Engagement Quality Reviewer)

Mr. Bowler is one of the Firms founding Principals. Richard is a Certified Public Accountant with over 45 years of experience, and is the Firm's practice leader for serving governmental and not-for-profit clients. Mr. Bowler will serve as the quality review principal.

Mr. Bowler is one of the foremost experts in serving Governments. He was the Government practice leader for the predecessor national firm in the Las Vegas office. He has served the largest governments in Southern Nevada for over 40 years.

His extensive volunteer service over many years has included membership on the board of directors and the executive board of Citizens for Responsible Government, Big Brothers and Big Sisters, and the Nevada Opera Theatre. Mr. Bowler is on the Advisory Board of the Boulder Dam Area Council, Boy Scouts of America, and has served as its treasurer. He currently serves as a member of the Clark County School District's Bond Oversight Committee and, as such, is familiar with those parts of the Nevada Revised Statutes relating to the operations of school districts.

Professionally, Mr. Bowler is a member of the Government Finance Officers Association, the Association of Government Accountants, and the American Institute of Certified Public Accountants. He is a member, and former President, of the Nevada Society of Certified Public Accountants, has served as a member of the Local Government Advisory Committee to the Nevada State Department of Taxation and taught "Governmental Accounting" at the University of Nevada, Las Vegas. He is a graduate of Brigham Young University and holds an MBA from the University of Nevada, Las Vegas.

Mr. Bowler has been involved with the following government entities, (partial listing):

Sandy City, UT*	Park City, UT*
Clark County Department of Aviation*	City of Boulder City, Nevada*
Colorado River Commission*	Clark County, NV*
Las Vegas – Clark County Library District*	Southern Nevada Water Authority*
City of North Las Vegas, Nevada*	Clark County School District*
City of Henderson, Nevada*	Nevada Society of Certified Public Accountants

*Recipient of the GFOA's Certificate of Achievement for Excellence in Financial Reporting.



James A. Andrus, CPA (Consulting Principal). Mr. Andrus is an audit Principal and has been in public accounting for over 20 years serving clients in Utah and Nevada. As such, he is a certified public accountant in both Utah and Nevada, and has extensive experience providing accounting and auditing services for many different government and not-for-profit clients.

His experience includes single audits in accordance with *Government Auditing Standards* and compliance with OMB Circulars relative to federal awards. Mr. Andrus' experience includes preparation of the Comprehensive Annual Financial Report (CAFR), including compiling data for presentation in the statistical section thereof.

Mr. Andrus graduated from Southern Utah University with a BA in Accounting. Mr. Andrus has also been a guest lecturer on accounting and auditing topics for Lorman Institute. He is also a member of the American Institute of Certified Public Accountants (AICPA) and the Nevada and Utah Societies of Certified Public Accountants.

Mr. Andrus has been involved with following government entities (partial listing):

Park City Municipal Corporation, UT*
City of Orem, UT*
Sandy City, UT*
Unified Fire Authority, UT
Granger Hunter Improvement District
Salt Lake Valley Fire Service Area
Metro Water District

City of North Las Vegas, NV*
Clark County, NV*
Las Vegas Convention and Visitors Authority*
Colorado River Commission*
Clark County Flood Control District
McCarran International Airport
Clark County School District*

*Recipient of the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Detailed Fee

Economies of Scale.

In order to realize the lowest audit fee and best use of funds for Academica and its charter schools, we strongly suggest using one firm for all four school audits. PBTK can lower the cost per school by bundling our services and offering them to Somerset, Doral, Mater and Pinecrest at once.

For example our audit team can design one audit test procedure that could be replicated at multiple schools, instead of having separate firms recreate the same test four times. If Academica hires PBTK, it will take advantage of the potential economies of scale available, thus saving almost 15% on the overall audit budget.

Another benefit to having each school work with PBTK is that Academica will experience an efficient relationship with the auditors. When all four schools work with one auditor, communication is streamlined and more efficient. Thus, the demands on the finance team and their time are significantly reduced. Less time spent with multiple audit teams means more time for other important school matters.

The following is a summary of our estimated fees for auditing all four charter schools together, which will result in more than 15% savings overall:

Services Provided	Total Fee with Bundled Savings
Financial Statement Audits	
Somerset	\$29,700
Doral	\$23,600
Mater	\$23,600
Pinecrest	\$23,600
Total	\$100,500

As a second option, we have included the cost for each school if the audits were to be done as separate jobs:

Services Provided	Total Fee – Separate Audits
Financial Statement Audits	
Somerset	\$35,000
Doral	\$27,750
Mater	\$27,750
Pinecrest	\$27,750
Total	\$118,250

Out-of-pocket costs.

Additional out-of-pocket costs are not expected to be \$200 per school.

References

Company name:	Catholic Charities of Southern Nevada
Contact person:	Marcus Valerio, VP of Finance
Phone:	702-387-2292
E-mail address:	mvalerio@catholiccharities.com
Description of service provided:	Financial statement and single audit

Company name:	The Meadows School
Contact person:	Melanie Orton, Business Office Manager
Phone:	702-797-5910
E-mail address:	Morton@themeadowsschool.org
Description of service provided:	Financial statement and single audit

Company name:	Goodwill of Southern Nevada
Contact person:	Sherry Ramsey, Chief Financial and Mission Officer
Phone:	702-214-2035
E-mail address:	sherry@sngoodwill.org
Description of service provided:	Financial statement and single audit

Company name:	Workforce Connections
Contact person:	Jim Kostecki, Finance Manager
Phone:	702-636-2335
E-mail address:	jkostecki@nvworkforceconnections.org
Description of service provided:	Financial statement and single audit

Peer Review



DEMETRIUS BERKOWER LLC
Certified Public Accountants and Advisors

System Review Report

To the Principals of
Piercy Bowler Taylor & Kern CPAs and Business Advisors and the National
Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Piercy Bowler Taylor & Kern CPAs and Business Advisors (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; and audits of employee benefit plans.

In our opinion the system of quality control for the accounting and auditing practice of Piercy Bowler Taylor & Kern CPAs and Business Advisors applicable to non-SEC issuers in effect for the year ended June 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Piercy Bowler Taylor & Kern CPAs and Business Advisors has received a peer review rating of *pass*.

A handwritten signature in black ink that reads 'Demetrius Berkower LLC'.

Demetrius Berkower LLC

Wayne, New Jersey

November 22, 2013

Wayne Plaza II, 155 Route 46, Wayne, NJ 07470-6831 • P (973) 812-0100 • F (973) 812-0750
517 Route One, Iselin, NJ 08830 • P (732) 855-9600 • F (732) 855-9559
www.demetriusberkower.com

A PCAOB REGISTERED FIRM

New Jersey • California • Cayman Islands



	<u>Somerset</u>
WSRP	36,000
PBTK	35,000
PBTK (a)	29,700
McGladrey	33,000
BDO (b)	21,250
LL Bradford	17,000

Tickmark Legend:

(a) PBTK had a reduced price for Somerset if it were to audit all the schools managed by Academica Nevada

(b) BDO had a step up pricing method based on the number of schools it audited that are managed by Academica Nevada. The price shown is if they are going to audit all 4 Charters.



A PROPOSAL FOR: SOMERSET ACADEMY OF NEVADA

BDO USA, LLP
6671 S. Las Vegas blvd. Suite 200
Las Vegas, Nevada 89119
Tel: 702-784-0000
Fax: 702-784-0161
www.bdo.com



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6671 S. Las Vegas Blvd. Suite 200
Las Vegas, Nevada 89119

July 2, 2015

Board of Directors
Somerset Academy of Nevada
1378 Paseo Verde Parkway
Henderson, Nevada 89012

To The Board of Directors :

On behalf of BDO USA, LLP, I would like to thank you for the opportunity to present our proposal to provide audit services to the Somerset Academy of Nevada (the "School"). We are committed to bringing to the School the world-class audit services that we provide to our clients, particularly those within the education arena.

The message we want to convey is very clear. We want to serve the School, and a key element of that service is making sure we provide value added contributions to the School as you build upon an impressive history and move forward into the future. Our commitment is built on our Firm's over 100 years of history within the education and nonprofit arenas, and will include bringing you some of the best resources you will find within the industry. Resources that understand the execution of an effective, yet efficient audit when working in a multi-entity environment. Additionally, we bring to the School a strong communication approach that is constant and consistent with management, something that we know is critically important to your personnel, as you consider your service needs and the ability to avoid "surprises".

As you will see on the following pages, BDO is one of the leaders in providing audit, tax and other services to the education and nonprofit industry. It is our knowledge and experience from these institutions with significant complexity that we serve within the industries that will allow us to be the best prepared to serve you as you continue to grow and transform over the coming years.

We are truly excited about the opportunity to provide independent audit services to the School. We believe we can not only meet the needs of the School, but actually exceed the expectations you have of your audit service firm. Should you need any further information about the content of this document, or if you have any further questions, please do not hesitate to contact Kevin Karo, Engagement Partner, at (702) 726-3255.

We look forward to discussing how BDO can be the best team for the School.
Sincerely,

A handwritten signature in blue ink that reads "BDO USA, LLP".

BDO USA, LLP

Kevin Karo
Assurance Partner

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

BDO IS THE RIGHT FIRM FOR THE SCHOOL

We are delighted to present our proposal for the provision of audit services to the School.

Based on our meeting with you and our experience working with similar governmental entities to the School, we believe that the key requirements you have of your selected advisers are:

- ▶ High level of involvement by partners and senior members of the team.
- ▶ A proactive team that you feel comfortable working with and that can provide timely and relevant technical advice.
- ▶ Responsiveness in addressing issues as they arise.
- ▶ A team that is eager to work with you throughout the year to develop pragmatic services in response to industry issues.
- ▶ A team that has the strong technical skills and significant service knowledge to enable them to deal with all technical matters, without the need to defer all decisions and advice to others.
- ▶ Provide guidance and advice to the management and Audit Committee of the School
- ▶ Value in excess of fees
- ▶ A responsible corporate citizen active in the local non-profit community

We believe we can exceed those requirements and outline the main reasons why you should appoint BDO as the School's auditors below:

- ▶ the School will be a valued client to us and as such we will ensure that you are provided with a high level of client service and team continuity.
- ▶ Given our strong industry experience and knowledge working with not-for-profit companies, we know that we are the right firm to advise the School.
- ▶ Our people are critical to our success – we have staff in numerous disciplines whose knowledge and experience can be brought to the School whenever and wherever required.
- ▶ You will always deal with the decision maker: our decisions rest with our partners, supported by input from our technical resources nationwide.
- ▶ The team we have chosen has substantial experience working with not-for-profit companies and has a deep understanding of your service requirements.

We commit to providing an excellent level of client service to you, together with the necessary balance of challenge, support and personal relationships to assist the School in meeting its business objectives.

EXECUTIVE SUMMARY

BDO IS THE RIGHT FIRM FOR THE SCHOOL

A network you know can deliver

- BDO has 100 years of experience delivering assurance, tax, financial advisory and consulting services to companies similar to the School.
- We know your business and how you operate and are poised to address your immediate and long-term service needs domestically and internationally.

Proven not-for-profit industry experience

- Providing services to the Not for Profit industry is a national focus with BDO. All engagement team members are experienced in the audits of Not-for-Profit and education-based entities.
- With more than 2,000 clients in the not-for-profit sector, BDO’s team of professionals offers the hands-on experience and technical skill to serve the distinctive needs of our not-for-profit clients—and help them fulfill their missions. We supplement our technical approach by analyzing and advising our clients on the many elements of running a successful not-for-profit organization.

Innovative services

- Flexible approach and methodology to manage the engagement efficiently.
- Ideas for business improvements throughout the engagement.

A commitment to communication, issue identification and resolution.

- We encourage regular meetings in the form of frequent conference calls and regular planning sessions to ensure that we contribute meaningful ideas to the School’s business and financial challenges. Such substantive and frequent contact also makes it possible to define and prioritize goals, determine timetables and designate responsibility to appropriate individuals. Through constant involvement with the School, we will address issues early in the process before they develop into “surprises” to management. Communication is valued, respected and continual with our clients...and the School will experience the same.

Value for fees to suit your needs

- Openness and transparency in pricing our work, no surprises.
- Specifically designed audit methodology to provide your engagement team with the necessary tools to perform a high quality, cost-effective audit.

ABOUT BDO



BDO'S LOCAL STRENGTHS

BDO combines senior level attention with an array of value-added assurance, tax and consulting services in Nevada and across the globe.



The School's engagement will be staffed from our Las Vegas office. The BDO Las Vegas office currently includes approximately 50 personnel. We provide audit, tax and advisory services to companies in a range of industries and sizes. BDO Las Vegas practice professionals assigned to the School's engagement are active with BDO's Not-For-Profit and Education Industry Group.

Our decentralized, flat organizational structure allows BDO to be extremely nimble and dynamic as we adapt to meet the needs of our diverse client base. Our proactive approach, rather than reactive, means we address issues before they become problems. We believe in open and honest communication throughout the year so there are no surprises for either of us.

Many of BDO's professionals serve in leadership roles in the accounting profession as senior advisors and active members of the American Institute of Certified Public Accountants and state CPA societies. Additionally, many of our professionals speak frequently before business associations and author works on key issues in professional journals and business or financial publications.

BDO'S NATIONAL PRESENCE

58 BDO USA offices with more than 400 independent Alliance firm locations nationwide



For more than 100 years, BDO USA has been recognized as a premier accounting, tax and consulting organization for our exceptional client service; experienced, accessible service teams; focus on quality and efficiency; and our ability to adapt to, and navigate successfully in, a changing marketplace.

Founded as Seidman & Seidman in New York City in 1910, the firm has grown to serve clients through 58 offices and more than 400 independent alliance firm locations nationwide. Today, BDO USA, LLP, a Delaware limited liability partnership, is the U.S. Member of BDO International Limited, a UK company limited by guarantee, which forms part of the international BDO network of independent member firms, the world's 5th largest accountancy network.

BDO USA, LLP

\$833 million Revenues

58% Accounting & Auditing **32%** Tax **10%** Consulting, Corp. Fin., Other

4,047 Total Personnel **346** Partners **58** Offices

4,047 Total Personnel **2,968** Professional Personnel

400+ Independent Alliance firm locations nationwide

Financial highlights are as of and for the year ended 6-30-14; location statistics as of 1-1-15.

BDO'S NOT-FOR-PROFIT & EDUCATION EXPERIENCE





BDO'S NONPROFIT & EDUCATION INDUSTRY PRACTICE

Navigating a challenging financial and regulatory environment.

Today's communities need the help and services provided by nonprofits and educational institutions - yet these same organizations are facing their own struggles. With limited financial resources, nonprofits are forced to find new and innovative strategies to raise and spend money.

BDO presents innovative solutions to nonprofits organizations, helping clients position their organizations to obtain proper funding in an intensely competitive environment. We work year round with management and board of directors in developing sound strategies to help them adapt to a landscape altered by changes in regulations and funding models.

BDO ADVISES ON WIDE RANGE OF ISSUES, INCLUDING:

- ▶ Proper organizational structures for new revenue streams
- ▶ Financial modeling in a changing funding environment
- ▶ Complex compliance issues impacting organizations
- ▶ Updates on the impacts of Federal grant funding and audit results
- ▶ Fiduciary responsibilities of nonprofit boards
- ▶ Proper governance practices
- ▶ [Form 990 - A public window into your nonprofit](#)
- ▶ [Comprehensive nonprofit tax services](#)
- ▶ Compensation and benefits strategies

BDO's Nonprofit & Education Industry practice leaders are frequent contributors and commentators across the social media landscape addressing changes and challenges facing nonprofits. Extending our thought leadership to social media is driven by our years of experience serving nonprofits and our commitment to providing timely and valuable information to our clients and contacts.

The recently launched, BDO Nonprofit Standard Blog, offers vital information around regulation, reporting requirements, fraud, and accounting matters unique to the nonprofit community. Recent topics include:

- ▶ Audit Pitfalls: Avoid Surprises Related to Post-Retirement Benefit Plans
- ▶ Fiduciary Responsibilities of the Nonprofit Board of Directors
- ▶ Disaster Relief organizations: Assistance Through Charitable Giving

The blog boasts an average open rate of 44% and click-through rate of 26%, far exceeding industry averages. With over 250 subscribers, the blog's dedicated readership leaves frequent comments for BDO's bloggers and drove over 3,000 page views in the blog's first month of activity.

Our practice leaders also provide timely updates at www.twitter.com/bdononprofit, with followers that include reporters from *The Wall Street Journal* and *The NonProfit Times* and executives from major nonprofit organizations. In addition, our practice leaders interact with the nonprofit industry communities through LinkedIn, YouTube and other social media tools.

Please visit us at www.nonprofitblog.bdo.com.

“...it is definitely time for organizations to self-assess their payroll tax situation. This is doubly true if there are significant independent contractors or non-U.S. personas being paid by the organization.”

Michael Sorrells,
National Director Nonprofit Tax Services
Nonprofit Standard December 2011

BDO'S NONPROFIT & EDUCATION INDUSTRY LEADERSHIP

As one of the only national accounting firms with a strategic commitment to the nonprofit sector, BDO is at the forefront of the nonprofit conversation. Research and insights from our professionals firm wide appear regularly in more than 125 news outlets.

Whether they are working in the field with clients, authoring articles on the latest regulations, leading webinars, or commenting on breaking news, our industry professionals bring perspective on trends, opportunities and issues that affect nonprofit organizations. As a “go-to” sources on topics of interest to the industry, BDO professionals are regularly invited to speak at various conferences including State Society of CPA events and AICPA nonprofit conferences.

PUBLICATIONS AND TECHNICAL UPDATES

We share our knowledge through a variety of thought leadership, keeping you abreast of relevant news and hot topics that go beyond balance sheets and financial statements.

- ▶ *Nonprofit Standard*, a newsletter and an online blog offering thought leadership on the accounting, tax and management challenges faced by nonprofit organizations;
- ▶ *Effective Audit Committees for Nonprofit Organizations*, a comprehensive online guide on the common functions and responsibilities of an Audit Committee;

- ▶ *Nonprofit Webinars*, examples of BDO Nonprofit & Education industry webinars include, *International NGO Hot Topics*, *Strategic Planning - Test Your Long-Term Strategic Plan*, and *Are You Ready for the Supercircular?*;
- ▶ *BDO Knows*, a series of newsletters, flash reports and conference calls addressing significant financial reporting developments affecting both public and privately held companies;
- ▶ *Significant Accounting & Reporting Matters*, a quarterly guide on the latest corporate governance and financial reporting developments;
- ▶ *Client Advisories*, concise and timely commentary, analysis and insights on events and trends.



The Nonprofit Standard Blog boasts an average open rate of 44% and click-through rate of 26%, far exceeding the industry averages, and generated over 3,000 page views in its first month of activity. With over 250 subscribers, the blog's dedicated readers leave frequent comments for BDO's bloggers, sparking lively conversation on important nonprofit topics.

Brought to you by
BDO's Nonprofit & Education practice.

NONPROFIT **STANDARD**
BLOG

News, information and
resources for the nonprofit
community.

[LEARN MORE](#)

BDO'S NONPROFIT & EDUCATION INDUSTRY LEADERSHIP

ACROSS THE SOCIAL MEDIA LANDSCAPE

Our practice leaders provide timely updates at www.twitter.com/bdononprofit, with followers that include reporters from *The Wall Street Journal* and *The NonProfit Times* and executives from major nonprofit organizations. In addition, our practice leaders interact with the nonprofit industry communities through LinkedIn, YouTube and other social media tools.

THE **BLOG** OF THE BDO NONPROFIT & EDUCATION PRACTICE

NONPROFIT **STANDARD**

BDO's Nonprofit Standard Blog

(<http://nonprofitblog.bdo.com/>) offers vital information on regulation, reporting requirements, fraud, and accounting matters unique to the nonprofit community. Recent topics include:

- ▶ Audit Pitfalls: Avoid Surprises Related to Post-Retirement Benefit Plans
- ▶ Fiduciary Responsibilities of the Nonprofit Board of Directors
- ▶ Disaster Relief organizations: Assistance Through Charitable Giving

Our blog also houses the on-line guide *Effective Audit Committees for Nonprofit Organizations*, which provides a comprehensive overview of the functions and responsibilities of a nonprofit audit committee, along with best practices, tools and downloadable worksheets that will help organizations build or improve their audit committees.

INDUSTRY SPONSORSHIPS AND KEY RELATIONSHIPS

- ▶ [AICPA Not-for-Profit Industry Conference](#), BDO holds a Gold sponsorship at the annual conference. Each year we host/ sponsor a kickoff networking reception the first night of the event and have multiple speaking spots featuring our nonprofit industry leaders. The conference brings together top industry experts and thought leaders to offer perspectives on the most crucial issues facing not-for-profits and those who serve them;
- ▶ [United Way Worldwide CFO Conference \(Financial & Talent Management Forum\)](#), The purpose of this meeting is for United Way Chapter CFOs throughout the country to gather for a time of learning, inspiration and professional growth. The forum will support the sharing of knowledge, experience and expertise as we work together to implement change in our communities;
- ▶ [InsideNGO Conference](#), The mission of InsideNGO is to strengthen the operational and management capacity of organizations in the global NGO community through effective collaboration, practical solutions, professional development, and advocacy. As a sponsor, BDO industry leads have presented to attendees on hot topics while we also host an exhibit space for networking with clients and prospects;
- ▶ Exponent Philanthropy National Conference, attendee
- ▶ United Way Worldwide CFO Conference, sponsor, attendee and exhibitor
- ▶ Association of Public Television Stations (APTS) Public Media Summit, exhibitor
- ▶ University of Texas Higher Education Conference, sponsor and speaker



BDO'S NONPROFIT & EDUCATION INDUSTRY PRACTICE

BDO has provided services to the nonprofit community since the founding of our firm in 1910. Through years of working in this sector, we have developed a significant capability and fluency in the general business issues faced by nonprofit organizations.

BDO has a well-established National Nonprofit and Higher Education Practice with a commitment to serving this industry that is evidenced by the fact that we serve more than 2,000 nonprofit and higher education clients - from start-up organizations to large, multi-entity international organizations.

Our clients include organizations with asset sizes ranging from \$500,000 to approximately \$10,000,000,000. Examples of nonprofit groups we serve include:

- ▶ Schools/ Charter Schools
- ▶ Chambers of commerce and trade associations
- ▶ Charitable organizations
- ▶ Colleges, universities and vocational schools
- ▶ For-profit subsidiaries
- ▶ Foundations
- ▶ Fraternal organizations and private clubs
- ▶ Government entities
- ▶ Healthcare organizations
- ▶ National and local public charities
- ▶ Professional societies
- ▶ Research organizations
- ▶ Religious organizations
- ▶ Social welfare
- ▶ Unions

FOLLOWING IS A SELECT LIST OF OUR PAST & PRESENT CLIENT EXPERIENCE:

American College of Obstetricians and Gynecologists
 American College of Radiology
 America's Charter School Finance Corp.
 Amnesty Intl USA, Inc.
 Berry College Inc
 Birmingham-Southern College
 Blue Cross & Blue Shield Association
 Campbell University Inc.
 Chapin Hall at the University of Chicago
 Charter School Growth Fund
 Charter School Incubator Initiative
 Corporation for Public Broadcasting
 Embry-Riddle Aeronautical University
 Florida Breast Cancer Foundation
 Government Finance Officers Association
 Helen Keller National Center
 Human Rights Watch, Inc.
 HYDE Leadership Charter School
 International Code Council
 Joyce Foundation
 Learning Tree International, Inc.
 Michigan Farm Bureau
 Muscular Dystrophy Association
 National 4-H Council
 National Council of La Raza
 National Rural Electric Cooperative Association
 National Wildlife Federation
 Neighborworks
 Neumann Association
 Paralyzed Veterans of America
 Public Broadcasting Service
 Public Welfare Foundation
 Queens University
 Schreiner University
 Success Academy Charter School, Inc.
 Texas Wesleyan University
 The Adelson Educational Campus
 The Education Fund
 The New York Foundling Hospital
 The Shaw University, Inc.
 United Negro College Fund, Inc.
 United States Golf Association
 United States Soccer Federation
 United States Tennis Association Inc
 United Way of Broward County, Inc.
 United Way of Greater Philadelphia & Southern New Jersey
 University of New Mexico Foundation
 World Wildlife Fund

BDO'S NOT-FOR-PROFIT INDUSTRY CREDENTIALS

Since its inception, BDO has provided services to the not-for-profit community. Through years of working in this sector, we have developed a significant capability and fluency in the general business issues that may face these organizations.

With more than 2,000 clients in the not-for-profit sector, BDO's team of professionals offers the hands-on experience and technical skill to serve the distinctive needs of our not-for-profit clients—and the School to fulfill their missions. We supplement our technical approach by analyzing and advising our clients on the many elements of running a successful not-for-profit organization. Examples of not-for-profit groups we service include:

- ▶ Government entities
- ▶ Religious Organizations
- ▶ Voluntary Health and Welfare Organizations
- ▶ National trade associations
- ▶ Colleges, universities and vocational schools
- ▶ Professional societies
- ▶ Advocacy groups
- ▶ Healthcare organizations
- ▶ National and local public charities
- ▶ Research organizations
- ▶ For-profit subsidiaries
- ▶ Foundations
- ▶ Unions
- ▶ Fraternal organizations and private clubs
- ▶ Social service organizations

In addition, BDO's Institute for Nonprofit ExcellenceSM (The Institute) has the skills and knowledge to provide high-quality services and meet the needs of the nation's not-for-profit sector. The Institute supports and collaborates with BDO offices around the country to develop innovative and practical accounting and operational strategies for the tax-exempt organizations they serve. The Institute also serves as a resource, studying and disseminating information pertaining to not-for-profit accounting and business management.

NOT-FOR-PROFIT SERVICES

BDO understands the unique accounting, financial and consulting requirements that deserve experienced attention in the not-for-profit sector. Working in close cooperation with our clients, our knowledgeable partners and staff can help resolve issues for tax-exempt organizations and help design approaches to yield more productive operations while maintaining the commitment and values that drive these organizations.

BDO professionals are knowledgeable beyond consulting on accounting methods, financial reporting and taxes.

We also regularly advise our not-for-profit clients on issues relating to the following, among other matters:

- ▶ Governance
- ▶ Cost savings
- ▶ Unrelated business income tax matters
- ▶ Employee benefits
- ▶ Real estate
- ▶ Impairments
- ▶ Information technology systems
- ▶ Operational efficiencies
- ▶ Fraud
- ▶ Pensions
- ▶ Accounting software
- ▶ Grants management
- ▶ Budgeting

NOT-FOR-PROFIT TAX SERVICES

Our tax professionals have extensive experience in providing services to the nonprofit industry and, in addition to directly serving our clients, have published articles and given presentations on various aspects of nonprofit tax. We work closely with our clients and colleagues to communicate important tax-exempt issues as they develop. Our tax professionals keep in contact with our audit colleagues and clients throughout the year to keep them advised of important developments and assist with short and long term tax planning. Because of our extensive nonprofit experience, we are well-versed on tax issues the School may encounter.

Our tax experts are passionate about exclusively serving the nonprofit community. They take the lead in educating the community and our clients by consistently providing seminars, WebEx presentations, newsletters, and journal articles. As a result, we are available to keep you up to date on recent cases and breaking issues both from a technical and practical viewpoint. BDO offers a unique level of assurance on tax matters and we are well recognized for our expertise. We have represented clients before the Internal Revenue Service (IRS) and are available to provide guidance on many other issues.

Nonprofit organizations are required for purposes of their financial statements to disclose material uncertain tax positions in accordance with FIN 48. We will work with you in determining whether there are any uncertain tax positions and how issues can be resolved.

BDO'S NOT-FOR-PROFIT INDUSTRY CREDENTIALS

NOT-FOR-PROFIT TAX SERVICES (CONT.)

Further, we can provide you with expertise in many other tax areas, including:

- ▶ Overall tax “check-up”
- ▶ Research client questions
- ▶ Unrelated business income tax planning
- ▶ Intermediate sanctions review
- ▶ Compensation studies
- ▶ Review of contracts
- ▶ Respond to tax notices
- ▶ Representation before IRS and state examiners
- ▶ Exemption applications (all taxes state and federal)
- ▶ Federal group exemption application
- ▶ Chapter/group exemption check-up
- ▶ Benefits plan determination application
- ▶ Benefits consulting
- ▶ Charitable registration compliance
- ▶ Charitable giving reporting consultation
- ▶ Charitable trust returns
- ▶ Sales and use tax consultation
- ▶ Federal and state nonprofit tax and information filings
- ▶ Tax compliance for PACs, joint ventures, benefit plans, for-profit subsidiaries
- ▶ Review of client prepared returns
- ▶ Payroll compliance review
- ▶ Transaction planning / use of entities in structuring transactions
- ▶ Acquisition and disposition of a business
- ▶ Retirement plan tax filings/planning
- ▶ Corporate returns and tax planning

KEY INDUSTRY EVENTS

- ▶ AICPA Governmental & Not-for-profit Conference
- ▶ FMA Rehab Conference
- ▶ NYSACRA Conference
- ▶ Cerebral Palsy of New York State Annual Conference

KEY INDUSTRY PUBLICATIONS

Our focus and experience is demonstrated both in our relevant client work and our thought leadership. From proprietary research to timely reports and industry events, BDO is at the forefront of the not-for-profit conversation, publishing or offering a variety of knowledge resources including the following:

- ▶ The Tax Adviser
- ▶ Guide to Forming & Running an Effective Audit Committee for a Not-for-profit
- ▶ Effective Financial Communication for Nonprofit Organizations
- ▶ BDO also publishes *The Nonprofit Standard* newsletter.

ADDITIONAL SERVICES WE PROVIDE TO THE NOT-FOR-PROFIT SECTOR INCLUDE:

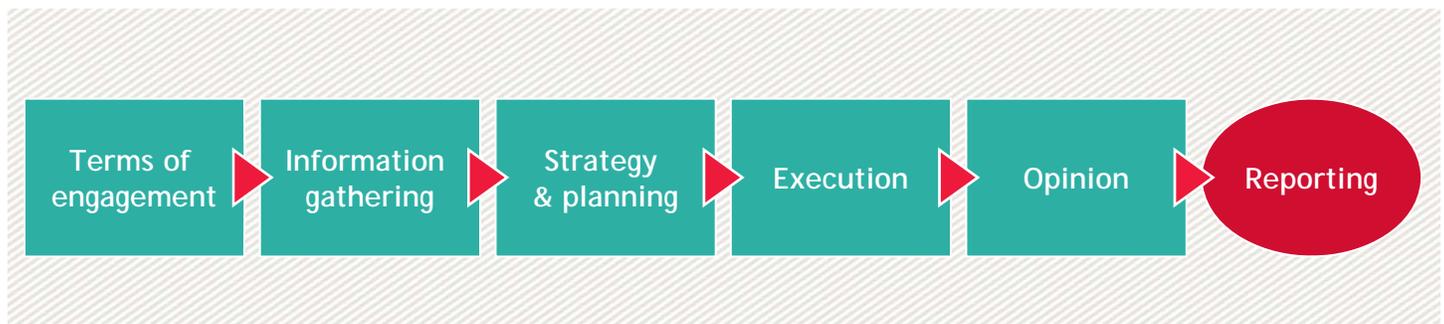
- ▶ Intermediate sanctions studies / compensation surveys
- ▶ Strategic planning and organizational development for not-for-profit organizations
- ▶ Structuring of complex multi-entity organizations
- ▶ Budget preparation and training of client staff in preparing budgets
- ▶ Computer installation and design of custom systems
- ▶ Development of accounting and compliance manuals
- ▶ Program, contract and financial compliance reviews and reporting to federal, state and city funding sources
- ▶ Compliance reviews of fundraising reporting and allocation procedures
- ▶ Preparation of exemption applications and change in status requests
- ▶ Charities’ registration and related forms
- ▶ Advice on lobbying, political activity, gift acknowledgements and other complex IRS rules for nonprofits
- ▶ Timely updates on issues affecting not-for-profit organizations
- ▶ Mock tax audits and other tax compliance reviews
- ▶ Tailored workshops and presentations



The Nonprofit Standard (formerly known as *Nonprofit Alert*) is published by BDO USA's Institute for Nonprofit Excellence and provides financial information for tax-exempt organizations.

BDO SERVICE DELIVERY





EFFECTIVE AUDIT APPROACH

HIGH QUALITY, RISK FOCUSED AUDIT

BDO employs a proprietary global audit methodology that will enable your BDO engagement team to conduct a high quality, risk-based audit with maximum efficiency and minimal disruption to your operations and people. While all financial statement audits are required to comply with applicable auditing standards, audit firms use different methodologies to meet those standards, and the methodology used can have a significant effect on the quality and efficiency of service provided.

COMMON GLOBAL METHODOLOGY

We have a consistent shared global audit methodology that manages our clients' and our own risk effectively. Because we use a common audit methodology around the world and share common software platforms, we are consistent and transparent in how we approach the work performed at every location. This allows members of our global audit engagement team to "speak the same language," which is critical to our ability to effectively coordinate the services we provide.

COORDINATED APPROACH

- ▶ We will place significant emphasis on close coordination with management to gain a meaningful understanding of management's own risk assessments and procedures in place to address those risks in order to make our own work as efficient and effective as possible.
- ▶ We will gather sufficient information on the market and key business/audit risks to enable us to design appropriate audit procedures, and conduct the audit in the most efficient manner and within the agreed time frame and budget. Information gathering will also include a "prepared by client" list with agreed timetable for provision of information and pre year end planning meetings.
- ▶ We will promote clear and timely communication of issues to avoid last minute surprises and to enable smooth and timely reporting.
- ▶ We also seek to provide feedback to management in ways that controls can be improved as early as possible, to the School's management in performing its responsibilities to maintain effective controls, and leverage any changes made by management early in our audit process.

EFFICIENT SERVICE METHODOLOGY

ROBUST AND INDEPENDENT

Designing an efficient and effective integrated audit is dependent on an early and accurate risk assessment. Our approach focuses on significant hands-on involvement of our most experienced professionals to promote a strong understanding of the relevant financial statement and control risks. Further, our methodology incorporates a unique risk-based framework to the School. Your engagement teams focus more audit effort in higher risk areas and less audit effort in the lower risk areas. In addition, BDO ensures full compliance with the PCAOB, AICPA, and international auditing standards and represents a robust, independent assessment of the financial statements.

BENEFITS TO YOU

The benefits from our methodology stem from our commitment to:

- ▶ **Process efficiencies without sacrificing audit quality.** We understand the importance of keeping the cost of our services affordable and our audit methodology has been specifically designed to provide your engagement team with the tools they need to perform a high quality audit in a cost effective manner.
- ▶ **Integrated and ongoing audit process with emphasis on internal controls.** Financial statement and internal control testing is performed by the same individuals and our methodology is specifically designed to the School plan and perform the integrated audit as a single audit, as opposed to separate and uncoordinated financial statement and internal control audits.

WHY BDO'S APPROACH IS DISTINCTIVE

- ▶ **Technologically advanced.** BDO commits substantial "R&D" resources each year to develop and improve our audit methodology to equip your BDO engagement team with the latest technology possible. For example, our audit methodology employs proprietary software and our audit work papers are fully networked and encrypted. This allows multi-location engagement teams to collaborate in real time while maintaining our high standards of security and confidentiality of your data.

- ▶ **Effective communications.** Effective listening and regular, proactive two-way communication throughout our audit process is an essential cornerstone of our audit quality and superior client service. This focus on communication allows your BDO audit team to gather information necessary to perform the audit and keep you up to date on the status of our services so you can provide timely input and evaluate whether our services meet your high expectations.
- ▶ **Scalable.** Every business we audit is unique, and obtaining a strong understanding of your business is essential to tailoring our services to your company's unique risks and business needs, and avoiding a "one size fits all" approach. Our audit methodology has been specifically designed to be flexible and scalable so that your engagement team can incorporate its understanding of your business into the audit approach to appropriately size our efforts to your operations.
- ▶ **Early and Continuous Partner Involvement.** Our professional staff to partner ratio is lower than our major competitors, enabling more time for partners to be actively involved in the audit. Your audit partner has considerable business and audit experience, and BDO believes the engagement partner should be actively involved throughout the audit process in hands-on manner. Our audit methodology has been specifically designed to facilitate this level of partner involvement.
- ▶ **Environmentally friendly.** Our networked electronic audit platform significantly reduces BDO's carbon footprint by reducing travel, work paper storage and transportation costs.

RESOLUTION OF TECHNICAL QUESTIONS & AUDIT TIMELINE

CONTINUING PROFESSIONAL EDUCATION

We have established one of the most comprehensive Continuing Professional Education (“CPE”) programs in the Public Accounting industry. We require all Assurance professionals to complete an average of 3 hours of monthly firm CPE given on a wide -range of accounting topics. In addition, we require that each Assurance professional completes at 36 hours of CPE in their practice concentration. Our National Not-for-Profit Services practice offers online Webex training courses for all interested clients about every two months. Topics have included the following:

1. Reasonable compensation
2. Intermediate Sanctions
3. Sarbanes-Oxley for NFP’s
4. Board Governance
5. FASB updates for NFP’s
6. Compliance with the new 990

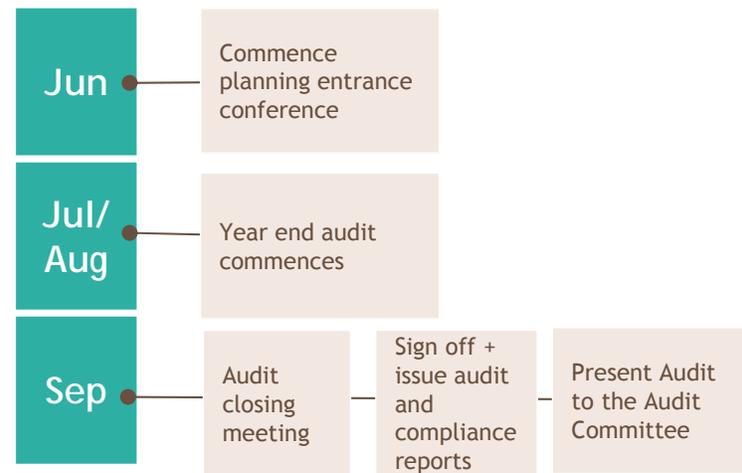
RESOLUTION OF TECHNICAL QUESTIONS

BDO remains committed to working closely with key client financial and accounting personnel in identifying and resolving any issues that arise in a timely manner. The lead audit partner, Kevin Karo, will utilize the knowledge and experience of the entire engagement team as well as other members of our practice as deemed necessary in rendering our opinion.

We have a variety of national and regional technical professionals to draw upon, including members of the FASB Emerging Issues Task Force, AICPA Accounting Standards Executive Committee (Chairman), AICPA Professional Ethics Executive Committee and a number of professional task forces and specialized industry committees.

Kevin Karo has the authority to make technical decisions at the local level without the requirement of having approval from the national office that so many national firms are required to do. Our goal is to reach a resolution of technical issues within a 48-hour timeframe. Our specialists’ accessibility to clients and the engagement team contributes to superior responsiveness to technical questions...a tangible value to the School when time is of the essence.

AUDIT TIMELINE



TRANSITION PLAN

MANAGING THE TRANSITION

We appreciate that, for many of our clients the transition to new advisors is not a regular occurrence and can give rise to concerns. The formalities of changing auditors advisors are straightforward, but the practicalities – unless properly managed – can be time consuming. At BDO, transition management is one of our core skills and we will lead the School through the process, ensuring efficient change with minimum disruption to your business and people.

KEY ELEMENTS OF THE TRANSITION PROCESS INCLUDE:

- ▶ Working with your outgoing audit advisors immediately, upon appointment.
- ▶ Organizing transition meetings immediately, upon appointment.
- ▶ Meeting with management in advance of the audit to develop and agree our audit strategy. Performing initial tax review to obtain the latest position.
- ▶ Providing timely feedback on any issues for resolution.
- ▶ Complete assessment of the School's internal controls and commence planning.

SAMPLING OF NEVADA NFP ORGANIZATIONS THAT TRANSITIONED FROM OTHER COMPANIES TO BDO IN THE PAST 5 YEARS

- ▶ St. Jude's Ranch for Children
- ▶ The Atomic Testing Museum
- ▶ The Dr. Miriam and Sheldon G. Adelson Educational Campus
- ▶ Las Vegas Monorail
- ▶ Easter Seals of Nevada
- ▶ Aid for Aids of Nevada

QUALITY ASSURANCE

The quality of our work is key to our success and we have made a number of investments to ensure our professional services are performed to a high level of quality in accordance with BDO's policies and applicable professional and regulatory standards.

INTERNAL QUALITY ASSURANCE PROCEDURES

In order to protect our position as a recognized and competent international accounting and consulting organization and to ensure all clients are well served, the BDO network abides by the standards established by the various technical committees of BDO. For the purpose of ensuring that there is compliance with these standards, an International Quality Assurance Review Program is in place.

The International Quality Assurance Review Program provides for an on-site inspection of the procedures, practices and audit files of Member Firms by inspection teams from other Member Firms. These inspections are performed on a cyclical basis ensuring that each Member Firm is inspected at least once every three years. Member Firms whose standards are considered by the inspecting partners to be in need of improvement will be reviewed more frequently, and are required to implement specific action steps to ensure their performance is raised to the necessary level.

BDO QUALITY ASSURANCE PROCEDURES

We have a number of mechanisms in place to ensure that our professional services are performed to a high level of quality in accordance with BDO's policies and applicable professional and regulatory standards. These mechanisms include:

- ▶ **Internal reviews** – all technical work is reviewed by a partner and/or a senior technical manager to ensure work is performed and delivered to standards consistent with all relevant professional standards, and complies fully with appropriate regulatory and legislative requirements.
- ▶ **Staff continuity planning** – we understand the benefits to be gained both for our client and for our internal staff, in maintaining stable project teams and to this end we build continuity planning into our general business planning and transition planning when necessary. This promotes continuity wherever possible and ensures seamless service.
- ▶ **Internal quality reviews** are conducted annually on certain assignments by experienced independent partners and managers to assess whether the services were performed to a high level of quality in accordance with BDO's policies and applicable professional and regulatory standards.
- ▶ **External reviews** – As a member of the American Institute of Certified Public Accountants (AICPA) we are required under Government Auditing Standards to be the subject of an AICPA Independent Peer Review. Additionally, we are subject to an annual PCAOB inspection

RECRUITMENT AND RETENTION OF THE BEST STAFF

We recruit high quality people who are strong in their field and provide them with excellent working experiences and comprehensive training.

In order to monitor all staff members' development and ensure that our high standards are maintained, we have an internal review process to ensure that each person receives regular feedback, coaching, and performance evaluations to ensure our professionals are developing the skills commensurate with their responsibilities.

PUBLICATIONS AND TECHNICAL UPDATES

- ▶ **BDO Knows Series** – Newsletters and conference calls that address significant financial reporting developments affecting both public and privately held companies.
- ▶ **Tax Alerts** – Emailed and posted on our website to inform clients and contacts on recent tax changes. These alerts provide guidance and information to keep our clients and contacts up-to-date.
- ▶ **Tax Publications** – Related to specialized areas of tax are issued throughout the year. These publications include, “Expatriate News,” “World Wide Tax News,” “Compensation and Benefits News,” “The Washington Tax Report” and the “Tax Letter.”

- ▶ **AcSense** – A training series designed to assist audit committee members and financial executives in keeping up-to-date on the latest corporate governance and financial reporting developments. The program is multi-faceted and consists of complimentary CPE webinars and self-study courses covering both broad and specific topics of interest, publications, and links to various BDO and external resources. Our webinar series is two-fold:

- (1) LunchBreakingNews Series – a short-form webinar series delivered in a panel setting to provide summaries and insights on “hot” topics of interest, such as “International Financial Reporting Standards – Business Combinations.”
- (2) Webinars – a longer format webinar series encompassing our “Annual Year-End Technical Updates” on financial accounting and reporting matters of interest along with additional special programs such as “Focus on Fraud: Best Practices for Strengthening Corporate Governance” and “Internal Control Reporting: Lessons Learned and Future Considerations.”

For additional information and links to upcoming and archived webinars and other valuable resources for financial executives and those charged with corporate governance, please visit www.bdo.com/acsense or www.bdo.com/publications.



COMMITMENT TO STAFF CONTINUITY

We believe there are significant benefits to BDO and to our clients in maintaining diversity and quality of staffing, and we do whatever we can to achieve that objective. Our historic turnover has been considerably lower than industry standards. Because of the benefits to both BDO and to our clients, we do not accept the theory that high turnover in our profession is inevitable. We believe that our turnover rates will continue to be lower than industry standards due to:

- Our focus on a better work-life balance for our professionals;
- Our lower staff to partner ratio, which facilitates greater personal interaction between staff and partners;
- Our high growth rate, which translates to greater career opportunities for our professionals;
- Our entrepreneurial culture, which allows us to be creative in tailoring career opportunities and compensation to individual needs; and
- Our distributed decision-making, which translates to empowering our professionals locally.

While some staff turnover is inherent in the public accounting profession due to normal attrition and promotions, our close partner and manager involvement minimizes the impact to our clients. The hallmark of BDO's client service remains the same – to provide active, personal, and high level partner involvement. Our partners and managers represent approximately 30 to 35 percent of the total time spent on your engagement.

This means that our partners and managers are more involved in serving you. We find that the partner review of our staff's work at our clients' offices minimizes the time spent in the review process, increases the supervision of our staff, results in fewer hours, increases the partners' understanding of the issues, and, most importantly, provides opportunity for increased partner-client interaction.

As a matter of policy, our BDO offices do not require systematic staff rotation, eliminating the concern about repeated learning curves. It is our goal, however, to foster career growth, encouraging staff members to take on increasing levels of professional responsibility within the scope of each engagement. As promotions occur, we try to maintain staff assignments within the engagement team in order to assure the client of continuity and consistency.



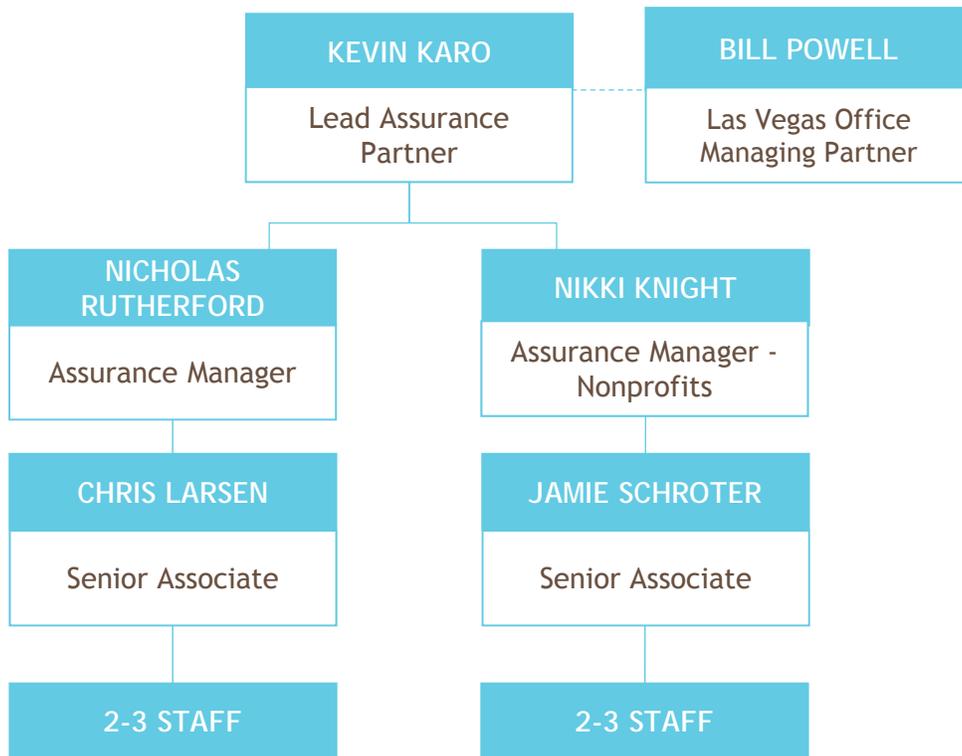
YOUR CLIENT SERVICE TEAM





BDO LEADERS SERVING THE SCHOOL

Coordinated Services



BDO LEADERS SERVING THE SCHOOL

Kevin Karo, CPA

Lead Engagement Partner



Tel: 702-726-3255
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Having more than 24 years of experience, Kevin has worked with a variety of closely-held and publicly-held companies providing external audit services, internal audit support, SEC reporting, and accounting services. Kevin has provided audit services to clients in a variety of industries which included—but were not limited to – nonprofit, education and governmental entities.

During Kevin’s career, he has spent time outside of public accounting where he held positions of Controller, Vice-President of Finance and Chief Financial Officer of a variety of companies. As a result of this experience Kevin brings the unique experience of both the operational and business understanding to your business.

Kevin’s clients rely on him not only for his accounting expertise but with his practical experience as a business advisor and a technical resource as well. He has worked with many quasi-governmental entities and has assisted his clients with annual, quarterly and monthly regulatory filings as required by Government Auditing Standards and OMB Circular A-133. Kevin maintains his Yellow Book certification.

EDUCATION

B.S., University of Southern California

PROFESSIONAL AFFILIATIONS

American Institute Certified Public Accountants
Nevada Society of Certified Public Accountants

Bill Powell, CPA

Las Vegas Office Managing Partner



Tel: 702-726-3250
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Bill has more than 27 years of experience providing accounting and auditing services to clients in various industries including the not-for-profit, quasi-governmental entities, real estate and financial services industries.

Bill’s industry expertise includes specific knowledge of hotels, restaurants, and casino gaming. He has also been involved the development and operations of entertainment facilities and show production companies. His entertainment experience include royalties, production companies, profit participation, and other joint ventures.

Bill regularly attends BDO’s Annual Not-for-Profit and Governmental Accounting Conference and the AICPA National Governmental and Not-for-Profit Conference. Bill maintains his Yellow Book certification.

EDUCATION

B.A., Economics, University of California at Los Angeles

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants
Nevada Society of Certified Public Accountants
California Society of Certified Public Accountants

BDO LEADERS SERVING THE SCHOOL

Nicholas Rutherford, CPA

Assurance Manager



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Nicholas has worked with a variety of publicly and closely-held companies providing auditing, SEC reporting, accounting and taxation services. Nicholas' previous experience includes more than eight years of public practice in Canada, where he provided services to clients in a variety of industries which included—but were not limited to—government entities, not-for-profit, healthcare, real estate, investment companies, automobile dealerships and manufacturing.

He has worked with both large multi national companies, small privately-owned companies and a varying size of not-for-profits funded by government and or through public contributions.

EDUCATION

Bachelor of Commerce, University of Manitoba

PROFESSIONAL AFFILIATIONS

Nevada Society of Certified Public Accountant

Nikki Knight, CPA

Assurance Manager - Nonprofit



Tel: 702-726-3261
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Email: nknight@bdo.com

Having significant experience in public accounting, Nikki has worked on a variety of engagements providing audit and accounting services, including not-for-profit and governmental entities.

Nikki serves as the lead Manager for BDO's Las Vegas Nonprofit Industry practice. Nikki is dedicated to providing the highest level of client service. Prior to joining BDO Nikki worked for the Internal Revenue Service as a Revenue Agent and for ADP Investor Communication Services as a Proxy Audit Manager. Nikki is licensed in the State of Nevada and maintains her Yellow Book certification.

EDUCATION

B.S., Accounting, D'Youville College

M.B.A, General Business, Dowling College

PROFESSIONAL AFFILIATIONS

American Society of Certified Public Accountants

Nevada Society of Certified Public Accountant

BDO LEADERS SERVING THE SCHOOL

Chris Larsen

Senior Associate



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Email: clarsen@bdo.com

Having more than 5 years of experience, Chris has worked with a variety of companies providing audit and accounting services, including not for profit entities.

Clients rely on Chris not only for his accounting expertise but, also as a business advisor and a technical resource. His clients include non-profit, emerging growth and middle market companies.

EDUCATION

B.S., Accounting, University of Nevada Las Vegas Lee Business School

Jamie Schroter

Senior Associate



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Having more than 8 years of experience, Jamie has been involved with a variety of companies providing audit and accounting services, including not for profit entities. She is well-versed in the issues facing the nonprofit sector.

Jamie is the lead Senior Associate for the audit of The Dr. Miriam and Sheldon G. Adelson Educational Campus as well as St. Jude's Ranch for Children. Jamie's clients rely on her not only for her accounting expertise but with her practical experience in the nonprofit sector, as a business advisor and a technical resource as well.

EDUCATION

B.S., University of Nevada, Las Vegas

Masters in Accounting and Financial Management, Devry's Keller Graduate School of Management

Masters in Business Administration, Devry's Keller Graduate School of Management

PROFESSIONAL FEES



PROFESSIONAL FEES

We understand that cost/benefit is a key consideration in selecting a professional services firm. We believe we can provide the quality service you desire at a reasonable cost.

Our fee proposal:

PROFESSIONAL SERVICES	2015	2015	2015	2015
Fees are tiered based on # of audits being performed and presented as a per school amount	4 schools	3 schools	2 schools	1 school
Annual audit for Somerset Academy of Nevada’s financial statements for the year-ended June 30	\$21,250	\$26,650	\$37,500	\$70,000

We can commit to future year fee increases of no more than 3%

FEE ASSUMPTIONS

Our fee estimate is based on the following assumptions:

- ▶ Key documents are provided on the dates agreed and there are no significant delays outside of our control.
- ▶ Your personnel will prepare schedules and analyses as requested and will be available to assist us as needed.
- ▶ Prior year work papers will be made available for our review.
- ▶ Financial statements and supporting schedules for all entities are prepared in-house by management.
- ▶ No significant changes occur in the internal accounting controls, accounting systems, key personnel or structure of the organization.
- ▶ There are no material acquisitions.
- ▶ Bills will be rendered on a monthly basis as the work commences. Full payment is expected at the time the reports are all issued.
- ▶ Should we encounter unforeseen issues which warrant additional time or expense, we will notify you of the situation and, if necessary, any added costs, which would always be subject to your approval.

WHAT WE ARE PROUD OF



WHAT WE ARE PROUD OF

BDO CULTURE AND VALUES

	
<p>Centennial Anniversary</p>	<p>Volunteerism</p>
<p>The BDO century has seen many world, economic, service, legislative, technological, and organizational changes but, consistently throughout our proud past our values have stood the test of time and our bold future will be characterized by unlimited possibilities orchestrated by our people and our culture that inspires them to do great things.</p>	<p>To celebrate our 2010 Centennial, BDO volunteers performed 100+ Good Deeds. By volunteering our time, talent and resources, we are able to positively impact our communities, while building a firmwide culture of giving back that strengthens our business and inspires our people. To honor the firm's commitment to its communities, the 100 Good Deeds initiative continues today simply known as BDO Counts Good Deeds. Ongoing involvement in our communities is an integral part of our culture.</p>

	
<p>BDO Knows Green</p>	<p>Best and Brightest Companies to Work For</p>
<p>BDO is committed to protecting the planet and establishing itself as an environmentally conscious firm. We currently incorporate green practices into various facets of our business including waste reduction and recycling activities. In addition, for the past two years, we achieved 100% participation in Earth Hour across our U.S. offices.</p>	<p>The National Association for Business Resources (NABR) named BDO as one of the 101 Best and Brightest Companies to Work For in the country. The winning companies were assessed by an independent research firm in a number of key measures including communication, compensation and benefits, diversity, employee development, employee engagement and work+life fit.</p>

WHAT WE ARE PROUD OF

BDO CULTURE AND VALUES

	
<p>Best Places to Work for Recent Grads</p>	<p>BDO Flex Strategy When Work Works Award</p>
<p>For five years in a row, BDO has been recognized by <i>Simplicity</i>, on a list of 20 top organizations from a wide range of industries for excellence in recruiting, hiring, training and retaining professionals.</p>	<p>The goal of BDO Flex is to help everyone at BDO achieve the optimal work+life “fit” to support the long-term development of BDO’s highly motivated, energized and dedicated employees.</p> <p>Our efforts have earned us the <i>When Work Works Award</i> multiple times distinguishing us as one of the top practitioners of workplace flexibility in the nation.</p>

	
<p>BDO Women’s Initiative ConnectIN Program</p>	<p>Working Mother 100 Best Companies</p>
<p>The Women’s initiative is designed to increase the recruitment, retention and advancement of women by fostering an environment rich with opportunities for personal and professional growth.</p> <p>In 2010, BDO was named one of the <i>2010 Best CPA Firms for Women</i> by the <i>American Society of Women Accountants</i> and the <i>American Woman’s Society of Certified Public Accountants</i>.</p>	<p>BDO has been recognized as a Working Mother magazine Best Company for four years in a row. In achieving this honor, BDO joins the ranks of some of the leading companies in the U.S., firmly establishing itself among the nation’s best workplaces.</p> <p>Julie Valpey (above), a partner in BDO’s New York office, was one of the first full-time remote workers at BDO through the Firm’s Flex Strategy. According to Julie, “it just goes to show that, when you do what feels right for you and your family, the rest falls into place.”</p>

WHAT WE ARE PROUD OF

BDO CULTURE AND VALUES

	
<p>Vault Accounting 50</p>	<p>Employee Benefit Plan Audit Quality Center Member</p>
<p>BDO has been named on the Vault Accounting 50 list for the second year in a row, listing the firm as one of the 50 best accounting employers to work for in North America. BDO was ranked sixth best firm to work for, as well as the seventh most prestigious and the sixth best in benefits.</p>	<p>BDO’s National Employee Benefit Plan Audit Practice Leader, Bob Lavenberg chairs the Executive Committee of the AICPA Audit Quality Center. In addition, BDO was one of twelve firms selected to help organize and provide direction to the AICPA staff regarding the formation of the Audit Quality Center. Membership in the Audit Quality Center requires Continuing Professional Education (“CPE”) for all individuals reviewing and or signing off on employee benefit plan audits as well as regular peer reviews.</p>
	
<p>NAFE Top Company for Executive Women</p>	<p>Alliance for Work-Life Progress (AWLP) Work-Life Seal of Distinction</p>
<p>The National Association for Female Executives (NAFE) has named BDO to their Top 50 list for 2013, recognizing businesses supporting the advancement of women. The award is based on the results of a rigorous survey, as well as access to and usage of programs and policies that promote the advancement of women and the training and accountability of managers in relation to the number of women who advance.</p>	<p>WorldatWork’s Alliance for Work-Life Progress awarded BDO it’s Work-Life Seal of Distinction for 2014 for providing a variety of workplace policies, programs and practices that support employees across all major aspects of work-life integration.</p>



BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, financial advisory and consulting services to a wide range of publicly traded and privately held companies. For 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through 40 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,082 offices in 119 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

www.bdo.com



To ensure compliance with Treasury Department regulations, we wish to inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your individual needs.

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Somerset Academy of Las Vegas

ENGAGEMENT LETTER FOR ACCOUNTING SERVICES



July 8, 2015

Mr. Eric Brady, Board Treasurer
Somerset Academy of Las Vegas
405 W. Centennial Parkway
North Las Vegas, Nevada 89031

Dear Mr. Brady,

We are pleased to confirm our understanding of the services we are to provide Somerset Academy of Las Vegas (also referred to as the “Academy”) for the years ended June 30, 2015, 2016 and 2017.

We will audit the Statement of net assets governmental activities, and the Statement of activities governmental activities of Somerset Academy of Las Vegas as of June 30, 2015, 2016 and 2017. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement Somerset Academy of Las Vegas’ basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to Somerset Academy of Las Vegas’ RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis
- 2) Budgetary Comparison Schedule

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Academy’s financial statements. Our report will be addressed to the board of directors of the Academy. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for helping to ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Academy from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Academy involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Academy received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Academy complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions

taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Academy is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Academy; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of LLB CPAs, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators, or its designee, for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of LLB CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jason Watkins is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$17,000 for each of the years ending June 30, 2015, 2016 and 2017. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above

fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Somerset Academy of Las Vegas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



LLB CPAs

Jason P. Watkins, CPA
Engagement Partner

RESPONSE:

This letter correctly sets forth the understanding of Somerset Academy of Las Vegas.

Officer signature: _____

Title: _____

Date: _____

July 17, 2015

Board of Directors
Somerset Academy of Las Vegas
1378 Paseo Verde Parkway
Suite 200
Henderson, Nevada 89012

Attention: Will Harty

Dear Mr. Harty:

We appreciate the time Trevor Goodsell spent providing an overview of your Charter School and sharing your strategic objectives. The following proposal reflects our understanding of your needs and illustrates the approach we will take in providing professional services for Somerset Academy of Las Vegas (Somerset).

Highlights of this approach include the following:

- **Relevant experience:** We have a strong practice dedicated to serving charter schools. We can consult with schools on internal controls, grants management, operational reviews, forensic audits (e.g., abuse of credit cards), complex debt arrangements (e.g., New Markets Tax Credit transactions), compliance with chartering authorities' requirements and OMB Circular A-133 compliance audits.
- **National firm:** In managing public funds and executing your expansion plans, Somerset needs to work with a respected national firm that you will not outgrow. In working with McGladrey, Somerset will not compete with the world's largest corporations for partner-level time and attention. And, as you continue on your mission of providing a quality education to Nevada's students, we have the size to support your expanding needs.
- **Proximity:** Somerset will be served by professionals based primarily in Las Vegas, NV and Irvine, CA, with additional support as needed. This proximity enables regular face-to-face communication to support your year-round planning and decision-making.
- **Client service commitment:** Your team members will coordinate all aspects of the services we perform for Somerset. They will actively share information, as appropriate, to streamline efforts and avoid unnecessary distractions for your personnel.
- **Added value:** As part of our commitment to the public sector industry and the clients we serve, we provide a variety of educational seminars, webcasts and newsletters designed to keep Somerset up-to-date on accounting, tax and other matters impacting the industry.

Board of Directors
Somerset Academy of Las Vegas
July 17, 2015
Page 2

Your McGladrey LLP (McGladrey) engagement team looks forward to building a long-term relationship with Somerset and delivering value for your company now and well into the future.

Once you have had the opportunity to review this response, we would be pleased to discuss your needs in greater detail or make a presentation to your team. In the meantime, please feel free to contact us with any questions.

Sincerely,



Victoria Umphress
Senior Manager, Assurance Service
702.759.4074



Kelly Telford
Senior Manager, Assurance Services
949.255.6564



Gary Lambrix,
Partner, Tax Services
702.759.4030



Proposal to provide Assurance Services

Somerset Academy of Las Vegas

July 17, 2015



Assurance ■ Tax ■ Consulting

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Executive summary

In recent conversations, you shared with us the qualities Somerset values in a professional services relationship. Based on our understanding of your expectations, we are confident that McGladrey has the right capabilities, qualifications and client-service culture to serve as your advisor.

To illustrate this alignment, we would like to highlight the following:

Experience

In serving independent and charter schools, McGladrey provides audit, tax and consulting services with an emphasis in areas such as complex debt transactions and their reporting, bond and debt covenants, compliance issues, accounting for endowments and investment pools and preparation of Form 990. Other areas where McGladrey can assist schools include pension consulting, fund raising and development and campaign consulting.

We have a strong practice dedicated to serving charter schools. We can consult with schools on internal controls, grants management, operational reviews, forensic audits (e.g., abuse of credit cards), complex debt arrangements (e.g., New Markets Tax Credit transactions), compliance with chartering authorities' requirements and OMB Circular A-133 compliance audits.

Positioned to serve Somerset

Somerset needs to entrust its audits to a firm with strong credentials and capabilities in serving the public sector. To facilitate clients receiving the benefit of our experience with similar organizations, we support practices focused on key industries and sectors. Among these, we include alternative energy, construction, consumer products, education, financial services, food and beverages, government entities, health care, life sciences, manufacturing and distribution, nonprofit, private equity, real estate and technology.

McGladrey serves more than 21,000 business clients. Of that total, government, education and nonprofit account for approximately 11 percent of our client base. We believe Somerset will benefit from the following:

- *Dedicated public sector practice.* McGladrey has a national practice focused solely on serving public sector organizations. This enables us to leverage our experience across multiple clients throughout the country and identify trends and industry practices from a diverse national client base. In contrast, access to diverse experience and insight can be rather limited at “local” firms that do not have a national presence.
- *Resources.* Our national public sector industry practice includes more than 140 partners and principals who are dedicated to handling the needs of public sector entities, plus hundreds of individuals at varying levels of experience.
- *Public sector audit experience.* McGladrey has strong experience across the entire range of the public sector, serving more than 700 public sector clients annually. Having our professionals dedicated to a particular industry promotes awareness of current trends, legislative changes, technological developments and issues pertinent to your industry.
- *Excellence.* We have assisted many clients in earning the GFOA Certificate of Achievement for Excellence in Financial Reporting. Our teams include professionals that are designated reviewers

for the GFOA Certificate of Achievement Program, ensuring you will receive the most comprehensive guidance.

- *Value.* Through specialization within the public sector, we create meaningful value for clients through a strong knowledge base and efficient audit processes. With these credentials in Somerset's corner, your stakeholders can be confident that your audit is conducted in accordance with applicable professional standards.

Focused on organizations like Somerset

Somerset needs to work with a respected national firm that you will not outgrow. You also deserve a professional services firm that is committed to serving you with its top people.

As the largest U.S. provider of assurance, tax and consulting services focused on the middle market, McGladrey is honored to serve innovators like Somerset—and we look forward to treating you as a valued client.

In working with McGladrey, Somerset will not compete with the world's largest corporations for partner-level time and attention. And, as you continue on your growth trajectory, we have the size to support your expanding needs.

National firm with local resources

In selecting a firm to perform your audit services, Somerset should expect both staff accessibility, as well as a substantial public sector practice to support your full range of needs, current and emerging.

As a firm that embraces such a service model, we find this combination promotes value through perspective and efficiency that can only come through serving hundreds of entities like yours. For Somerset, this translates to minimal time commitment on your part to assimilate our staff—who will come to the engagement with the level of experience and education necessary to perform their work efficiently.

In addition, your engagement primarily will be staffed with professionals from our Las Vegas and Irvine offices with additional support as needed. We look forward to leveraging this proximity to provide a high level of personal attention throughout the engagement and whenever you need us during the year.

Representation on standard-setting bodies

Somerset wants to be informed and understand the impact of regulatory challenges, and needs an auditing firm with a deep level of involvement with standard-setting bodies.

We require all professionals who are CPAs to be members of the American Institute of Certified Public Accountants (AICPA), and we actively participate on various AICPA committees, task forces and expert panels, including the AICPA Board of Directors, Auditing Standards Board, Professional Ethics Executive Committee, National Peer Review Committee and Governmental Audit Quality Center and Employee Benefit Plan Audit Quality Center Executive Committees. This participation provides immediate, first-hand knowledge of proposed and final standards and other developments affecting our clients and audit quality. McGladrey also has provided technical review services to the AICPA for a number of industry-related audit and accounting guides, risk alerts and other publications.

Brian Schebler, McGladrey's National Director of Public Sector Services, currently chairs the AICPA Governmental Audit Quality Center Executive Committee, where he is an initial and multi-term member. He is also a member of the AICPA Practice Monitoring Task Force - A-133 Subgroup. He is serving his third term as a member of the Comptroller General of the United States Advisory Council on Government Auditing Standards and is our firm's Single Audit Roundtable representative. He frequently presents training on behalf of the AICPA, serves as a member of industry-related task forces, assists with industry related publications and is a former initial and multi-term member of the AICPA State and Local Government Industry Expert Panel. Currently, McGladrey partner Linda Abernethy serves on the AICPA State and Local Government Expert Panel.

Financial statements in conformity with GASB standard

Our National Professional Standards group is responsible for monitoring changes in professional standards that could impact our firm's client base. McGladrey is actively involved in the GASB standard-setting process through our participation in the AICPA State and Local Government Expert Panel and through preparation of our own comment letters.

As part of the engagement, the audit lead will be responsible for reviewing the financial statements to assess whether they are in accordance with current GASB reporting requirements.

Seamless transition

We know that a change in auditors can be disruptive to an organization and is not a decision that is undertaken without careful consideration. We know how to minimize disruption that can arise in the transition process. Our approach emphasizes early planning with heavy involvement of the engagement lead.

Proposed solutions for Somerset

Scope of work

Audit of financial statements

McGladrey will audit, prepare and issue an independent auditor's report on Somerset's basic financial statements in accordance with generally accepted auditing standards. We can issue the report by October 31, following the end of each fiscal year.

To meet the requirements of this request for proposal, McGladrey will conduct the audits in accordance with the following auditing standards generally accepted in the United States of America, as promulgated by the AICPA or any successor body.

Provide special audit and general consultation on financial reporting matters

We understand Somerset might request that we perform special audits and/or research regarding proper accounting treatments and compliance concerning financial reporting matters. Separate arrangements will be made for any such engagements after we evaluate our ability to provide such services under applicable independence standards.

Management letter

McGladrey will provide a management letter addressing recommendations for realistic improvement to the internal control system, or other findings noted during the audit. A draft copy of this letter will be sent to the CFO/treasurer for review and response. McGladrey will issue a final copy within 30 days of delivery of the audit report.

Report to the board of directors

AU-C 260 establishes a requirement for auditors to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. This communication, often referred to as the audit committee letter, is in addition to the requirement to communicate internal control matters and matters relating to fraud and illegal acts. This letter will address the auditor's responsibilities under generally accepted auditing standards, significant accounting policies, management judgments and accounting estimates, significant audit adjustments, other information in documents containing audited financial statements, any disagreements with management, management consultation with other accountants, major issues discussed with management prior to retention and difficulties encountered in performing the audit.

Client-service relationship

Our client-service relationship with Somerset will be based on certain long-standing principles, including:

- An outstanding client service experience, focused on efficient and well-coordinated services
- Commitment to completing work within the agreed-upon time frame, assuming your preparation of requested schedules and other supporting documentation before we commence fieldwork and assuming no unforeseen technical issues
- Staffing of the engagement team based on industry-specific qualifications and technical experience
- Hands-on approach to planning, with management meetings and conference calls held routinely to discuss changes to the business, industry issues, new accounting pronouncements, etc.
- Fees that are reasonable based on the scope of work
- Transparent approach to billing, with clear communication and an emphasis on avoiding surprises

In determining which firm is the best choice to serve Somerset, we encourage you to consider the core audit tenets we bring to every engagement and consider critical for success:

- Auditor–auditee relationship built around mutually understood expectations
- Technical competency and experience of the professionals
- Active listening to facilitate addressing your concerns and questions
- Continuity of staff; minimal amount of staff turnover
- Responsiveness to emerging issues critical to you
- Success in meeting all required deadlines
- Availability and responsiveness of our personnel at all times, not just during the audit
- Year-round availability and involvement of the engagement lead
- Overall ability to deliver

Milestones and timing

Based on your needs for this project, we have developed the following timeline in connection with the services.

Milestones	Timing
Audit services	
New client acceptance procedures	July 2015
Review of predecessor auditor's workpapers	August 2015
Planning meeting with management	August 2015
Planning meeting with audit committee	August 2015
Documenting our understanding of internal control	August 2015
Year-end fieldwork	September 2015
Discussion of draft financial statements and draft report with the board of directors	October 2015
Issuance of final report and report to the audit committee or board of directors	October 2015

Audit services

While the largest accounting firms may need to adapt their audit processes to work with government entities, McGladrey's audit process is designed for organizations like Somerset. Our methodology allows your engagement team to use professional judgment in planning an overall audit strategy.

Audit process

Our audit process involves the following steps:

- **Understand the client.** We learn as much as possible about your organization up front in order to properly understand the reporting units, account balances, classes of transactions and disclosures relevant to your activities.
- **Risk assessment.** We assess the risk that errors or fraud may cause a material misstatement of financial statements. We next decide whether the identified risks relate to specific relevant assertions related to significant account balances, classes of transactions or disclosures at the opinion unit level, or whether they relate to the financial statements taken as a whole and potentially affect many relevant assertions. We then determine which of the identified risks of material misstatement are significant and require special audit consideration.
- **Further audit procedures.** We next determine the nature, timing and extent of tests of controls and substantive procedures necessary, given the risks identified and the controls as we understand them. When audit evidence obtained from the audit procedures contradicts planned risk assessment procedures, we revise the assessment and plan, and perform additional audit procedures to reduce the risk of material misstatement related to those assertions to an acceptably low level.
- **Evaluation.** At the conclusion of the audit, we evaluate the sufficiency and appropriateness of the audit evidence obtained and whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate. We may redesign planned audit procedures based on our evaluation. We also evaluate the effects, both individually and in the aggregate at the opinion unit level, of known and likely misstatements that are not corrected by the organization. We accumulate all known and likely misstatements identified during the audit, other than those we believe to be trivial, and communicate them to management and the board of directors on a timely basis.
- **Delivery.** We communicate with you frequently throughout the audit process to avoid surprises at the end. Our audit culminates with the issuance of a report on the financial statements and a report to the board of directors and, if applicable, communications of material weaknesses and significant deficiencies.

No surprises

In serving Somerset, we will communicate with you frequently throughout the audit process and throughout the year to address and resolve issues, new accounting standards and changes in your organization.

Smooth transition to working with us

When we become your service provider, you will want the transition from your prior firm to be smooth and orderly—resulting in as little distraction as possible. Any change of this nature will result in some disruption; however, with our extensive experience in succeeding other accounting firms, the disruption is

minimized. Our process for transitioning clients from their prior auditors to our services emphasizes early planning, with heavy involvement of partners and managers.

Proactive resolution of accounting issues

A mid-sized company's accounting issues can be just as complex as those of a Fortune 500 company. We recognize this, so we encourage clients to call us to discuss new transactions as they arise. We find that year-round communication and a proactive approach to accounting issues helps clients avoid surprises at the end of the audit process.

Use of audit technology

Throughout the audit process, our computer-assisted audit techniques leveraging CaseWare software as our audit platform, allow us to simultaneously read, review and work with all audit-related records regardless of their physical location, which reduces manual procedures. We can utilize existing schedules and electronic downloads of information, which then reduces the need to create additional schedules specifically for the audit.

As part of the audit, we utilize a program called IDEA[®], which allows us to access, extract and analyze selected client information that is relevant to the audit process. IDEA[®] improves audit efficiency and effectiveness through the use of the following functions:

- Sampling including planning, selection and evaluation for systematic, random, stratified random, monetary unit and attribute sampling plans
- Field manipulation that allows fields to be appended for calculations and re-computations
- Field statistics that display and print statistics about any numeric or date field in the file

Tax services and approach

Tax-exempt bond financings experience

McGladrey serves hundreds of governmental and nonprofit clients that utilize tax-exempt bond financing to support activities related to new or refurbished capital assets and to finance the start of new programs or initiatives. Tax-exempt bond financing provides the borrower a cost-effective funding source while offering the investor a tax-exempt investment.

Your engagement team can advise you on a full range of issues, including benefits and potential costs, post-issuance compliance requirements, arbitrage yield restrictions and rebate requirements.

Post-issuance compliance assistance

Post-issuance related federal tax rules applicable to qualified 501(c)(3) bonds generally fall into two basic categories: qualified use of proceeds and financed property requirements, and arbitrage yield restriction and rebate requirements.

In order to comply with these and any other applicable requirements, issuers of qualified 501(c)(3) bonds, as well as the 501(c)(3) organizations borrowing bond proceeds, must ensure that the rules are met both at the time that the bonds are issued and throughout the term of the bonds. The IRS encourages issuers and beneficiaries of tax-exempt bonds to implement procedures that will adequately enable them to safeguard against post-issuance violations that may jeopardize the tax-exempt status of their bonds.

Governmental bonds may jeopardize their tax-exempt qualified status if at any time both the private business use test and the private payment or security test are not satisfied. Certain uses of proceeds of a governmental bond issue can result in private business use, including unrelated or disproportionate use as a result of the private use by parties other than a state or local government.

Areas where we can assist and advise Somerset include:

- Drafting and implementing post-issuance compliance guidelines and processes
- Promoting proper monitoring of post-issuance compliance within your organization
- Maintaining and retaining records necessary to substantiate compliance
- Ensure that all proper disclosures are adequately made on Schedule K, including clarifying explanations where necessary, when a Form 990 is required to be filed

Property use related to county tax assessor requirements

McGladrey advises clients like Somerset on real and personal property taxation issues throughout Nevada and the United States. With a client base that owns and manages individual properties and portfolios of all sizes, we are committed to giving each unique property special attention.

In order to consistently bring the perspective organizations like Somerset need, our team members belong to the same organizations as assessors throughout the United States and receive training through the International Association of Assessing Officers, state assessors organizations, Appraisal Institute and the American Society of Appraisers. McGladrey team members are also active in the Institute for Professionals in Taxation and other professional organizations focused on technical property valuation and taxation issues.

Drawing on experience serving a number of property owners in Clark County, we can advise Somerset on matters that include adhering to laws and regulations passed by the county as they relate to land use and the application process for certain permits, including notifying neighbors.

Washington National Tax office

McGladrey professionals based in Washington, D.C. provide insight into ramifications of emerging legislation and rulings before such changes affect our clients' businesses. Representing some of the firm's top practitioners, our Washington National Tax professionals monitor pending and proposed legislation and provide our clients updates on key developments. Our policy team also prepares and coordinates proposals, testimony and other documents on behalf of clients.

Proactive tax approach

We understand that Somerset is considering establishing a nonprofit foundation in the future. Once we have a clear picture of how the foundation's business is impacted by tax requirements and regulations, we will work with you on planning approaches to support your short- and long-term objectives. Your team will use the information they gather to prepare a custom project plan, which can include assisting in filing all appropriate federal applications.

Being proactive in our tax approach means that we will be in constant communication with management as tax issues arise or transactions are being considered. We do this in a number of ways ranging from monthly webinars, newsletters and timely e-alerts for new releases. In addition, we also plan quarterly "green light" sessions where we sit with the management team and discuss tax issues and pending transactions, accounting and auditing issues and also anything else that management has on its plate during that particular time which they wish to discuss. These sessions form an integral basis for our relationship building and we find that these regularly scheduled communications ensure that our proactive tax approach goals are met.

Communication on a regular basis assists the organization in protecting its most valued asset, tax-exempt status, and avoiding various IRS enforcement sanctions for misreporting or over-reporting taxable income from unrelated business activities. You will benefit from our in-depth knowledge of nonprofit issues and our experience in working with diverse tax-exempt entities. Many of our tax practitioners are requested to present at national seminars dealing with nonprofit tax issues and sit on committees that deal directly with the IRS on a bi-annual basis. We share these experiences with our clients as well.

We encourage our staff, where appropriate, to look beyond ordinary tax preparation and compliance work to develop tax planning opportunities and offer pragmatic and insightful tax strategies. In addition, our tax professionals have experience solving complex tax issues common to nonprofit organizations. Some of the relevant services we provide are:

- Planning and Form 990 disclosure of related party transactions
- Allocation of costs between unrelated business operations and exempt operations
- Addressing potential state nexus issues that may arise as organizations expand or shift their geographic operations
- Determining proper filing and registration requirements for multi-state operations while minimizing any potential state tax liabilities
- Interpreting tax court rulings and legislative changes as well as determining the practical applications of newly issued IRS regulations

- Coordinating complex corporate structure and operations with appropriate tax planning to ensure that tax strategies are favorable to all parties, and do not provide any threat to the tax-exempt status

Consulting services and approach

McGladrey consulting service offerings

McGladrey is a leading national provider of consulting services to various types of entities, including governments. The table below is a summary of our consulting services:

Technology services	Risk advisory services	Financial advisory services
<ul style="list-style-type: none"> • IT strategy and advisory • Project management and client advocacy • Cloud computing • Enterprise resource planning and customer relationship management • Business information and integration • Infrastructure • Business process outsourcing • Technology risk management 	<ul style="list-style-type: none"> • Internal audit transformation • Information technology audit • Security and privacy • Sarbanes-Oxley advisory • Contract compliance • Governance, risk and compliance and enterprise risk management • Financial institution regulatory compliance • Financial institution internal audit 	<ul style="list-style-type: none"> • Mergers and acquisitions • Valuation • Litigation and dispute advisory • Forensic accounting and fraud investigations • Performance improvement • IPO readiness

The provision of any nonaudit services to an audit client may be subject to compliance with the independence framework of GAAS and must always be coordinated with the firm's audit/assurance engagement lead.

Engagement team

Engagement team members

The following professionals have the qualifications and experience to handle your needs for this engagement and are committed to exceeding your expectations:

Team member	Role and value to company	Qualifications
<p>Victoria Umphress Senior Manager 702.759.4074 victoria.umphress@mcgladrey.com</p>	<p><i>Client service coordinator.</i> As your client service coordinator, Vicki will be responsible for your complete satisfaction with the services we provide. She will serve as your primary contact on day-to-day matters, keep you informed about our progress and promptly address your questions and concerns.</p>	<ul style="list-style-type: none"> • Over 17 years of public accounting experience • Firm designated public sector (nonprofit) specialist • Experienced with education clients, including large private schools with bond issuances
<p>Kelly Telford Senior Manager 949.255.6564 kelly.telford@mcgladrey.com</p>	<p><i>Audit engagement leader (partner).</i> As audit partner, Kelly will have responsibility for the overall quality of the audit. She will be responsible for ascertaining that professional and regulatory standards have been complied with throughout the engagement.</p>	<ul style="list-style-type: none"> • Over 11 years of public accounting experience • Has been involved in the audits of over 50 government agencies throughout her career
<p>Noah Daniels Manager 949.255.6534 noah.daniels@mcgladrey.com</p>	<p><i>Audit manager.</i> Noah will make the determination of specific audit steps, communicate strengths and weaknesses of financial information to the audit partner and monitor all phases of the audit to promote timely completion.</p>	<ul style="list-style-type: none"> • Over 6 years of public accounting experience • Provides financial and compliance audit services, as well as other attestation services to a variety of governmental and tribal entities.

Team member	Role and value to company	Qualifications
<p>Jeffrey Altshuler Partner 949.255.6512 jeffrey.altshuler@mcgladrey.com</p>	<p><i>Engagement quality reviewer.</i> As the engagement quality review partner, Jeff will be responsible for reviewing the audit plan and other relevant planning documentation, including the audit team's assessment of and response to significant risks.</p>	<ul style="list-style-type: none"> • Over 30 years of public accounting experience • Focuses on governmental entities and nonprofits
<p>Gary Lambrix Partner 702.759.4030 gary.lambrix@mcgladrey.com</p>	<p><i>Tax exempt partner.</i> As tax partner for this engagement, Gary will lead the review and planning of the tax services provided.</p>	<ul style="list-style-type: none"> • Over 35 years of public accounting experience with a broad range of industry experience including nonprofit • Location tax lead for Las Vegas with overall responsibility for tax services provided
<p>Kris Kelley Manager 702.759.4013 kris.kelley@mcgladrey.com</p>	<p><i>Tax exempt manager.</i> Kris will work closely with other tax team members to help ensure timely completion of the services as outlined.</p>	<ul style="list-style-type: none"> • 16 years of public accounting experience with a broad range of industry experience including nonprofit • Experience with Federal reporting and filing requirements of nonprofit entities

References

Name of company	Contact information	Work performed
<p>Alexander Dawson Foundation, The Alexander Dawson School, LLC and The Alexander Dawson School at Rainbow Mountain, LLC</p>	<p>Kimberly Johnston, Trustee 702.733.7880 kimjberley@hotmail.com</p>	<ul style="list-style-type: none"> • Audit of Alexander Dawson Foundation and Subsidiaries financial statements in accordance with generally accepted auditing standards • Tax compliance services
<p>San Bernardino Associated Governments (SANBAG)</p>	<p>Hilda Flores, Chief of Accounting and Procurement 909.884.8276 x 162 hflores@sanbag.ca.gov</p>	<ul style="list-style-type: none"> • Audit of the San Bernardino Associated Governments (SANBAG) financial statements in accordance with generally accepted auditing standards and Government Auditing Standards • Single audit over the Authority's federal programs and audits of the Local Transportation Fund and State Transit Assistance Fund. The CAFR has received the GFOA award every year.
<p>Riverside County Transportation Commission</p>	<p>Theresia Trevino, Chief Financial Officer 951.787.7926 ttrevino@rctc.org</p>	<ul style="list-style-type: none"> • Audit of the Riverside County Transportation Commission's (Commission) basic financial statements and related entities in accordance with generally accepted auditing standards and Government Auditing Standards • Single audit over the Commission's federal programs. The CAFR has received the GFOA award every year.

Fees

Estimated fees

Our goal is to provide high-quality, reliable service at reasonable fees. Based on our understanding of your needs, our estimated fees for this engagement are \$33,000. Out-of-pocket costs, including local travel, will be billed at actual cost in addition to the fee quoted.

Our investment

Because we want to invest in building a relationship with Somerset, you don't pay for our learning curve. We will absorb the first-year costs of gathering historical information, building permanent files and understanding your accounting system and business objectives. We estimate these costs to be approximately \$5,000 - \$7,500.

Fee Assumptions

Our proposed fees are based on the following assumptions:

- The financial statements will be prepared in accordance with accounting principles generally accepted in the United States applicable to government units. We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). We will not conduct the audit in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States; the provisions of the Single Audit Act, OMB Circular A-133 or the OMB's Compliance Supplement.
- Assistance will be supplied by Somerset personnel, including preparation of requested schedules and analyses of accounts at least one week before we commence fieldwork.
- There will not be a significant number of audit adjustments (defined as more than 3 audit-related adjusting entries, including reclassifying and eliminating entries) to the financial statements required.
- There are no significant changes in the nature and scope of the audit. Significant changes in the nature and scope of the audit could include, among other matters: bond issuances, addition of new locations, businesses or lines of business; unpreparedness on the part of the Somerset; material changes in financial reporting; a complex equity structure, including the issuance of warrants or new equity-based compensation programs; other conversion features or embedded derivatives; and changes in the scope of work due to regulations or audit and accounting standards.
- There will be no need for substantial research of any audit/accounting issues or required consultations (such as for revenue recognition, business combinations, lease accounting, etc.)

Should our fee assumptions be incorrect and it is necessary to extend the scope of our services due to unpreparedness on the part of Somerset, significant accounting assistance requiring multiple adjusting journal entries or other significant changes in the nature and scope of the engagement, we will bill for these additional services based on our standard hourly rates, discounted at 25 percent, per the table below. We will contact you to discuss these items before proceeding with the out-of-scope work.

Level	Standard Hourly Rates	Discounted Hourly Rates
Partner	\$580 - \$675	\$435 - \$506
Director/Senior Manager	\$380 - \$425	\$285 - \$319
Manager	\$225 - \$375	\$169 - \$281
Supervisor/Senior	\$165 - \$260	\$124 - \$195
Professional Staff	\$145 - \$175	\$109 - \$131

Our acceptance of this engagement is subject to completion of our acceptance procedures.

Bonds and tax-exempt debt issuance

As noted above, our proposed fees do not contemplate fees-related bond issuances, which will be billed separately at the rates per the table above. Increasingly, government entities are issuing various types of tax-exempt debt and revenue bonds as a way to generate proceeds for capital or expansion projects financed by future income streams (fees, excise taxes, grants) from the operating activities. We have experience working with a variety of clients who issue debt and participate in sophisticated financing techniques, including forward purchase agreements and long-term asset sale/leasebacks, in conjunction with public private partnerships. We can leverage this knowledge along with our solid relationships with financial advisors, underwriters and bond counsel firms to assist Somerset with the following:

- Coordination with financial advisors and underwriters
- Development of the use of proceeds criteria in the official statement of the offering document
- Participation in due diligence meetings to develop timetables, responsibilities, etc.
- Assistance in the sizing of the issue (i.e., the amount of debt that could be supported by revenue streams)
- SEC Rule 15c2-12 filing requirements on the Electronic Municipal Market Access (EMMA), related to quality, timing and dissemination of disclosure in municipal securities filings
- Discussion with the finance officials regarding cash flows, debt service payments and reports to be issued
- Assistance with recording of the debt issuance, disclosing current and advance refunding, recognition of any premium or discount and monitoring of potential arbitrage earnings

The bond agreements among the issuer and the underwriters often require the following documentation specific to the bond issue:

- **Letter to underwriters:** Issued to the underwriters as a resource in the performance of their due diligence procedures, including review of unaudited information and historical comparisons in the offering statement and management inquiries.
- **Consent letter:** Allows the previously issued auditor's report to be used in the offering documents.
- **Debt compliance letter:** Prepared as requested to provide "negative assurance" as to the issuer's compliance with bond covenants related to accounting matters.
- **Arbitrage rebate letters:** Prepared to determine whether earnings from the investment of bond proceeds exceed the stated bond yield. Any such excess earnings are deemed under a series of IRS regulations to represent "arbitrage" income and must be refunded to the federal government.
- **Bond escrow verification letters:** Used to document the calculation of the adequacy of amounts put in trust to defease or refund outstanding bond issuances.

Additional resources for Somerset

As previously noted, the provision of any nonaudit services to an audit client may be subject to compliance with the independence framework of GAAS and must always be coordinated with the firm's audit/assurance engagement lead.

Operational and effectiveness reviews

Through in-depth interviews and analysis, our professionals can provide you with a detailed evaluation of the operational effectiveness of Somerset's business office. The review provides opportunities for increased efficiency and improved internal controls and overall staffing assessment.

Management reporting systems

Our professionals advise schools like Somerset on ways to collect critical financial information and report it across departments to committees and the board. In working with you, we can employ a variety of reporting processes to define key indicators and gather financial results and comparative data.

Annual benchmarking study

For the past 20 years, McGladrey has produced a school benchmarking report that tracks independent and charter schools against metrics primarily developed through analyses of audit reports. Key metrics for the current survey include: tuition as a percent of total revenue, composition of investments, the ratio of teachers to students, net tuition revenue per student, debt-to-equity ratio and portfolio allocation.

Thought leadership and presentations

In working with McGladrey, Somerset will be served by a team that understands the financial and operating challenges schools face. Members of our education practice are committed to helping schools optimize in these areas—and we take an active role in communicating new ideas.

Members of our education practice have been quoted in articles on audit preparation for independent schools and other topics, including internal controls best practices and the Uniform Prudent Management of Institutional Funds Act (UPMIFA). We also have made presentations on these and other topics at meetings of industry groups such as the National Business Officers Association.

Our practice also holds roundtables on a frequent basis, with networking and lunch, for independent schools' managers. These are held across the country by local practice groups.

Publications and webcasts



As our client, Somerset will have access to a variety of technical and advisory publications that cover information about current events and changes in laws and regulations.

The following are examples of communications available to you:

- ***Financial Reporting Insights***. A biweekly resource for recent financial reporting developments.
- ***Muse***. A bimonthly publication dedicated to providing ideas and education to tax-exempt organizations.
- ***McGladrey Tax Digest***. A monthly newsletter highlighting tax developments of interest to today's companies.
- **Educational webcasts and seminars**. We offer frequent virtual and in-person presentations on topics of importance to our clients.

Public sector updates and education

We also present on a variety of technical and industry-specific topics. Our professionals regularly write articles, record seminars and create presentations on the latest issues and trends affecting your business.

Accounting research

McGladrey offers our clients access to online research through CCH's Accounting Research Manager at our discounted rate. This web-based tool includes the *FASB Accounting Standards Codification* and guidance on many other accounting standards and applications.

Attuned to public sector developments

We leverage a variety of means to establish that our public sector personnel are well-versed on issues affecting you. Among these, we maintain relationships with many federal departments and agencies, as well as close working relationships with key officials within the U.S. Government Accountability Office and Office of Management and Budget.

We have participated as an advisor to the President's Council on Integrity and Efficiency through the Quality of Audit Roundtable. Our firm also serves on the AICPA's State and Local Government Expert Panel and Executive Committee of the Government Audit Quality Center.

Current McGladrey representation on regulatory bodies includes:

Joe Adams	<ul style="list-style-type: none">• Center for Audit Quality Governing Board• AICPA Major Firms Group
Jim Morton	<ul style="list-style-type: none">• Center for Audit Quality Professional Practice Executive Committee
John Keyser	<ul style="list-style-type: none">• PCAOB Pricing Sources Task Force• Center for Audit Quality Professional Judgment Resource Working Group
Rick Day	<ul style="list-style-type: none">• AICPA Financial Reporting Executive Committee
Scott Pohlman	<ul style="list-style-type: none">• Center for Audit Quality SEC Regulations Committee
John Edwardson	<ul style="list-style-type: none">• AICPA National Peer Review Committee• AICPA Quality Control Materials Task Force
Brian Schebler	<ul style="list-style-type: none">• GAO Advisory Council on Government Auditing Standards• Chair of the AICPA Governmental Audit Quality Center Executive Committee• AICPA Practice Monitoring Task Force – A-133 Subgroup
Shelly Van Dyne	<ul style="list-style-type: none">• AICPA Professional Ethics Executive Committee
Bruce Webb	<ul style="list-style-type: none">• Chair of the AICPA Auditing Standards Board• AICPA Audit Issues Task Force
Leroy Dennis	<ul style="list-style-type: none">• Center for Audit Quality Indicators Task Force• AICPA Uniform Accountancy Act Committee• AICPA Federal Legislative Task Force
Sara Lord	<ul style="list-style-type: none">• Center for Audit Quality Anti-Fraud Work Group• AICPA Sustainability Task Force
Rich Davisson	<ul style="list-style-type: none">• Center for Audit Quality International Practices Task Force• International Auditing Standards Task Force of the AICPA Auditing Standards Board
Brian Marshall	<ul style="list-style-type: none">• AICPA Revenue Recognition Working Group
Mike Lundberg	<ul style="list-style-type: none">• AICPA Depository and Lending Institutions Expert Panel
Josie Hammond	<ul style="list-style-type: none">• AICPA Employee Benefit Plans Expert Panel• AICPA Employee Benefit Plans Audit Guide Revision Task Force• AICPA Employee Benefit Plan Audit Risk Alert Task Force

	<ul style="list-style-type: none"> • AICPA Employee Stock Ownership Plans Task Force
Tracy Whetstone	<ul style="list-style-type: none"> • AICPA Broker-Dealer Revenue Recognition Task Force • AICPA Asset Manager and Investment Company Revenue Recognition Task Force
Becky Miller	<ul style="list-style-type: none"> • AICPA Employee Stock Ownership Plans Task Force
John Nicolopoulos	<ul style="list-style-type: none"> • AICPA Employee Benefit Plan Audit Quality Center Executive Committee
Dan Vandenberghe	<ul style="list-style-type: none"> • AICPA Healthcare Revenue Recognition Task Force
Susan Davis	<ul style="list-style-type: none"> • AICPA Not-for-Profit Organizations Expert Panel
Patrick Kitchen	<ul style="list-style-type: none"> • AICPA Health Care Expert Panel
Paul Nockels	<ul style="list-style-type: none"> • AICPA Stockbrokerage and Investment Banking Expert Panel
Jim Greisch	<ul style="list-style-type: none"> • AICPA Insurance (Life and P&L) Expert Panel
Linda Abernethy	<ul style="list-style-type: none"> • AICPA State and Local Government Expert Panel
Faye Miller	<ul style="list-style-type: none"> • AICPA Depository Institutions Revenue Recognition Task Force
Richard Stuart	<ul style="list-style-type: none"> • AICPA Software Revenue Recognition Task Force
Susan Stewart	<ul style="list-style-type: none"> • AICPA Not-for-Profit Entities Revenue Recognition Task Force
John Weber	<ul style="list-style-type: none"> • AICPA Construction Contractors Revenue Recognition Task Force
Marla Becker	<ul style="list-style-type: none"> • Center for Audit Quality Research Advisory Board
Ian Benjamin	<ul style="list-style-type: none"> • Chair of the Technical Standards Subcommittee of the AICPA Professional Ethics Executive Committee
David Wood	<ul style="list-style-type: none"> • AICPA Information Management and Technology Assurance Executive Committee • AICPA Service Organization Controls (SOC) Task Force • Center for Audit Quality Cybersecurity Working Group
Thomas Burtner	<ul style="list-style-type: none"> • AICPA Information Management and Technology Assurance Executive Committee

Appendices

Appendix A—Engagement team biographies



Victoria Yi Umphress

Director, Assurance Services
McGladrey LLP
Las Vegas, Nevada
victoria.umphress@mcgladrey.com
702.759.4074



Summary of Experience

Victoria Umphress joined the firm in 1995. After eight years, she left the firm to relocate to the Washington, D.C. area, where she served one year as Vice-President of Finance/Controller for a publicly traded commercial bank with \$500 million in assets, and two years as a senior manager with a Big Four accounting firm, where she served clients in the financial services and real estate industries. These included the second largest U.S. publicly traded alternative asset manager, with approximately \$11 billion in assets, and a commercial bank with approximately \$14 billion in assets.

Vicki rejoined McGladrey in January 2007 and focuses primarily on the not-for-profit, financial institutions and real estate industries. She has worked extensively with publicly traded companies that report to the SEC, assisting with a number of critical issues including quarterly, annual and other registrant filings.

Vicki provides technical accounting and audit expertise in complex areas including internal controls, fair value of financial and nonfinancial instruments, other-than-temporary impairment of securities, derivatives, purchase accounting and stock-based compensation.

Professional Affiliations and Credentials

- Certified Public Accountant
- Member, American Institute of Certified Public Accountants

Education

- Bachelor of Science in Accounting, Loyola Marymount University

Kelly Telford

Senior Manager, Assurance Services
McGladrey LLP
Irvine, California
kelly.telford@mcgladrey.com
949.255.6564



Summary of Experience

Kelly has been providing financial and compliance audit services to a variety of cities, special districts and tribal governments in California for over 11 years. She has performed all aspects of governmental audits, including financial statement preparation, component unit stand-alone reporting and single audits. She also specializes in internal audit procedures, including compliance audits and agreed-upon procedures, and has assisted clients in reporting complex accounting issues such as derivative instruments, bond issues, reporting for complex investments and implementing new GASBs. Kelly has made numerous presentations to City Councils, Boards of Directors and Audit Committees and has been involved in GASB and Governmental Update trainings provided to personnel and clients.

Kelly's experience also includes consulting with clients on best practices, month-end and year-end closing procedures and grant internal controls and compliance.

Before joining the firm, Kelly worked in public accounting for a local firm that specializes in governmental audits and has been involved in the audits of over 50 government agencies throughout her career.

Professional Affiliations and Credentials

- Certified Public Accountant
- Chartered Global Management Accountant
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers Association
- Government Finance Officers Association - Member and CAFR Technical Reviewer

Education

- Bachelor of Arts, Accounting, California State University, Fullerton

Noah Daniels

Manager, Assurance Services
McGladrey LLP
Irvine, California
noah.daniels@mcgladrey.com
949.255.6534



Summary of Experience

Noah provides financial and compliance audit services, as well as other attestation services to a variety of governmental and tribal entities. He focuses primarily on cities, special districts and water authorities. In addition, he has worked on internal audits for governmental agencies, including procedures for internal controls, contract compliance and grant administration. Noah has practiced public accounting for more than six years.

In his current role, Noah delivers advice and guidance regarding complex accounting matters, including the understanding and implementation of new GASB pronouncements. He assists engagement teams in audit matters and is responsible for ensuring that reports are issued timely and comply with professional standards.

Before joining McGladrey, Noah worked in public accounting for an Orange County, CA firm that specializes in governmental audits.

Professional Affiliations and Credentials

- Certified Public Accountant
- Chartered Global Management Accountant
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education

- Bachelor of Science, Accounting, California State University, San Diego

Gary Lambrix

Partner, Tax Services
McGladrey LLP
Las Vegas, Nevada
gary.lambrix@mcgladrey.com
702.759.4030



Summary of Experience

Gary is a tax partner and designated Tax Leader of the Las Vegas practice of McGladrey LLP. With more than 30 years in public accounting, he has extensive experience with a wide variety of industries including construction and manufacturing, wholesale/distribution and real estate development as well as income taxation of financial institutions and other areas of taxation. Gary is also versed in the areas of multi-state taxation and in dealing with other unique tax opportunities. In his role, Gary provides clients with a high level of business advice and counsel in all areas revolving around business strategy.

Professional Affiliations and Credentials

- California Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- American Institute of Public Accountants Tax Division
- California Society of Certified Public Accountants

Education

- BA in Business Administration – Accounting, California State University – Northridge
- MS in Taxation, Golden Gate University
- Graduate of the Firm’s Business Advisor program, which is a joint venture between the Firm and the University of Chicago. The program is a highly concentrated senior-level development program with business strategy as its primary focus.



Kris Kelley

Manager, Tax Services
McGladrey LLP
Las Vegas, Nevada
kris.kelley @mcgladrey.com
702.759.4013



Summary of Experience

Kris is a tax manager with McGladrey LLP in the Las Vegas office.

She brings 16 years of professional experience in multiple industries with a focus on manufacturing, inventory based business, retail, real estate and service industries.

Kris graduated with a Bachelors of Science in Accounting in 1998. Her public accounting career has been spent with a Texas regional accounting firm before joining McGladrey in 2014 as a tax manager. At McGladrey, she specializes in C Corporations and is a member of their West Region ASC 740 group, focusing on international and multistate clients.

Kris works with and advises a variety of complex SEC and privately held entities which span multiple state and foreign borders.

Professional Credentials

- Certified Public Accountant licensed in Texas
- American Institute of Certified Public Accountants
- Texas Society of Certified Public Accountants

Education

- Bachelor of Science in Accounting, University of North Texas

Jeffrey Altshuler

Partner, Assurance Services
McGladrey LLP
Irvine, California
jeffrey.altshuler@mcgladrey.com
949.255.6512



Summary of Experience

Jeff has more than 29 years of experience and specializes in assurance services and business consulting for public sector (i.e. not-for-profit organizations and governmental entities) and privately owned organizations.

In addition to having overall in-charge responsibility for the conduct of audits, Jeff has been involved in some of the largest audit engagements for our California practice, including the cities of Glendale, Santa Clarita and Riverside; transportation enterprises, including the Riverside County Transportation Commission, San Bernardino Associated Governments and the Southern California Regional Rail Authority; Orange County Sanitation District; and various not-for-profit organizations, including the Administrative Office of the Roman Catholic Archdiocese of Los Angeles, and the Auxiliary Organizations at San Diego State University, Cal State University at San Marcos and San Jose State University.

Jeff also consults with his clients in the areas of best practices, fiscal governance, revenue enhancement and debt and public financing. Projects that Jeff has overseen/participated in include:

- The Catholic Education Foundation of the Roman Catholic Archdiocese of Los Angeles audit, St. John's Seminary, and the Cathedral of Our Lady of the Angels parish
- The audit to support the separation of the San Diego Port District and the San Diego County Regional Airport Authority
- Orange County Sanitation District
- Various Indian Gaming Casinos and Indian Tribes in California and Oklahoma
- Internal control review for the Newport Beach office of the Resolution Trust Corporation
- Festival of Arts of Laguna Beach and Foundation audits
- City of Baldwin Park (CAFR) and related entities
- City of Rosemead (CAFR) and related entities (GFOA award)
- San Diego County Regional Airport Authority financial and compliance audits (GFOA award)
- City of Moreno Valley
- City of Rialto
- Motorcycle Industry Council, Motorcycle Safety Foundation and Specialty Vehicle Institute of America audits
- City of Pomona (CAFR) and related entities
- LA Works (East San Gabriel Valley Consortium) financial and compliance audits
- The Institute for the Redesign of Learning in South Pasadena

Jeffrey Altshuler

Partner, Assurance Services

Professional Affiliations and Credentials

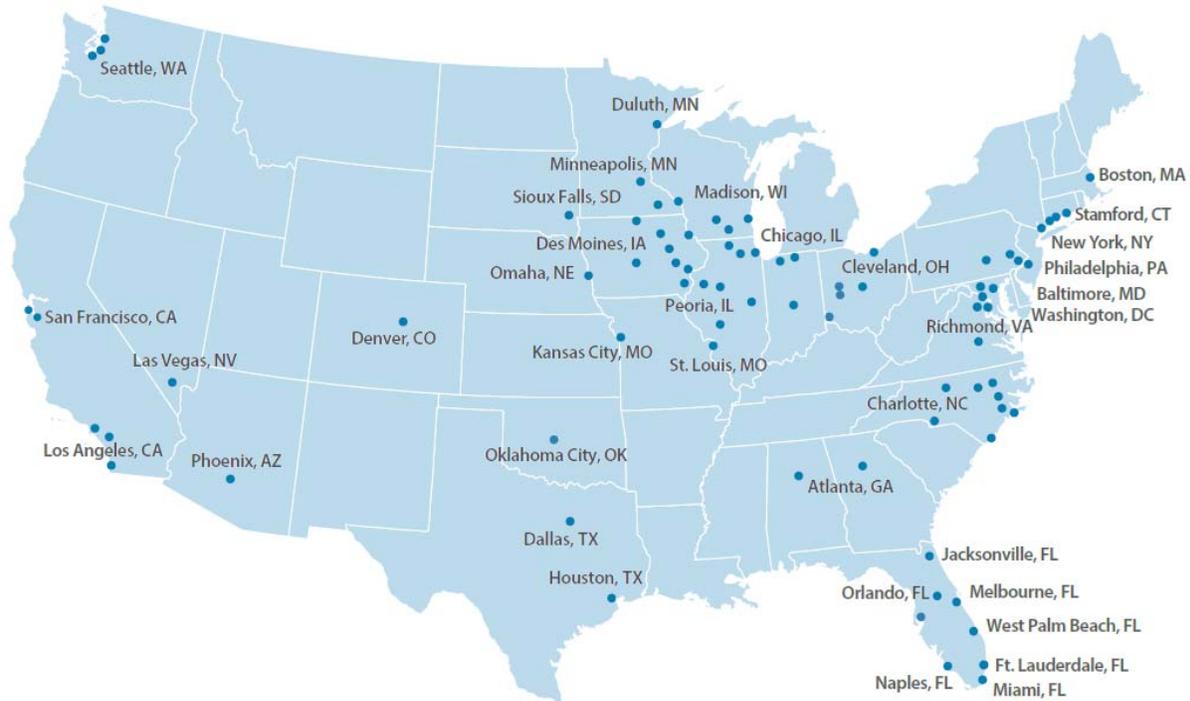
- Certified Public Accountant
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education

- Bachelor of Arts, Business Administration, California State University, Fullerton

Appendix B—About McGladrey

McGladrey is a leading provider of assurance, tax and consulting services focused on the middle market. We guide our clients through complex business challenges by understanding their needs and bringing together the right team to address them.



With nearly 8,000 people in 80 U.S. cities—and access to more than 37,000 people in over 110 countries through our membership in RSM International—we can handle your needs wherever in the world you do business.

www.mcgladrey.com

McGladrey LLP is the leading U.S. provider of assurance, tax and consulting services focused on the middle market, with nearly 8,000 people in 80 cities nationwide. McGladrey is a licensed CPA firm and serves clients around the world through RSM International, a global network of independent assurance, tax and consulting firms. McGladrey uses its deep understanding of the needs and aspirations of clients to help them succeed.

For more information, visit www.mcgladrey.com, like us on Facebook at [McGladrey News](#), follow us on Twitter [@McGladrey](#) and/or connect with us on [LinkedIn](#).



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SOMERSET ACADEMY OF NEVADA

June 8, 2015

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June 8, 2015

Board of Directors, Somerset Academy of Nevada
Ryan Reeves, Academica Nevada
Trevor Goodsell, Academica Nevada
1378 Paseo Verde Parkway, Suite 200
Henderson, Nevada 89012

Dear Somerset Academy of Nevada Board of Directors, Mr. Reeves, and Mr. Goodsell:

We thank you for the opportunity to present our proposal to provide audit services to Somerset Academy of Nevada. WSRP, LLC ("WSRP") has a culture rooted in core values that ensures continuous focus on our clients and professionals and a long-term commitment to quality service. Our clients experience our culture through a service approach characterized by extensive involvement of seasoned professionals, direct access to technical resources and straightforward communications through a knowledgeable client service team.

We look forward to continuing the conversation with you.

Sincerely,

A handwritten signature in blue ink that reads "WSRP, LLC".

WSRP, LLC

Bryce Wisan, CPA
Engagement Partner
brwisan@wsrp.com
702-451-3099 office
702-507-1888 direct
702-445-2175 mobile

FIRM PROFILE



WSRP is a leading regional CPA firm with a broad range of experience providing distinctive assurance, tax, and consulting services to the firm's primary clientele of privately held businesses, government entities, and not-for-profit organizations.

Assurance Services

WSRP has a history of working with clients in need of concise, understandable, and timely financial statements for use by both internal and external users. The firm utilizes an audit methodology and software platform to mitigate risk, to streamline the audit process, to improve internal controls, and to provide assurance on financial information. Our workpapers are fully networked and encrypted, allowing multi-location engagement teams to collaborate in real time while maintaining our high standards of security and confidentiality of your information.

Relevant Expertise

WSRP has professionals with deep experience in government and not-for-profit accounting. We can provide you with timely, accurate advice regarding the accounting for the issuance of bonds, for newly adopted pension disclosures, and for other challenging accounting issues that you may encounter.

Background

From a six-person firm started in 1985, WSRP has grown to a firm of over 70 professionals located in Las Vegas, Salt Lake City, and Lehi (Utah). In 1996 WSRP joined the BDO Alliance, a group of top local and regional CPA firms throughout the United States. All members are affiliated with BDO through a contractual relationship.

Accountability

WSRP has a culture of accountability, both with client-related matters and internally. We expect to meet targets that we set with clients. We recognize that in order for us to do so each client must also be accountable by maintaining an open dialogue with us and by providing us the information, analysis and resources necessary on a timely basis.

Client levels of participation vary by engagement. We will use our planning meetings with management to jointly set expectations for management participation. We will use our ongoing communication with management to foster a productive relationship and to coordinate the timely delivery of services.

FIRM PROFILE



Industry Experience

WSRP has experience providing audit services to charter schools and to a variety of other not-for-profit clients in southern Nevada.

Current and past clients include, but are not limited to, the following:

- Quest Preparatory Academy Las Vegas
- American Preparatory Academy Las Vegas
- Nevada Legal Services, Inc.
- Virgin Valley Water District
- St. Jude’s Ranch for Children, Inc.
- Outside Las Vegas Foundation
- Silver State Industries—Nevada Wild Horse and Training Program

Client Satisfaction

We expect our clients to monitor and measure our performance as external professional service providers. This can be done by referencing some or all of the following:

- The completion of work in line with plans, including the identification and response to critical assurance issues.
- Our understanding of your organization and breadth of operations.
- The timeliness of reporting and the meeting of pre-agreed deadlines.
- The overall involvement of the partners, as well as the personal engagement of our team.

Communication

We will communicate with management on a regular basis and in a number of ways:

- Assurance meetings in person, on the phone, or via email, as appropriate, to address any issues identified during the course of our work.
- Annual closing meetings to report findings and resolve outstanding issues.
- Ad hoc meetings and telephone conversations as necessary to discuss challenges and opportunities as they arise.
- Respond to your inquiries on a timely basis.

AUDIT APPROACH



Philosophy

WSRP employs a risk-based audit approach for each client, tailoring specific audit procedures and areas of focus to the unique attributes and circumstances of individual clients. We cannot perform an effective audit without first gaining a sound understanding of an organization's operations, risks, and controls.

Quality

The quality of our work is key to our success. We have made a number of investments to ensure our professional services are performed to a high level of quality in accordance with WSRP's policies and applicable professional and regulatory standards.

The mechanisms in place to ensure our professional services are performed to a high level of quality in accordance with WSRP's policies and applicable professional and regulatory standards include:

- Internal reviews: all technical work is reviewed by a technical manager and/or a partner to ensure work is performed and delivered to standards consistent with all relevant professional standards and complies fully with appropriate regulatory and legislative requirements.
- Staff continuity planning: we understand the benefits to be gained both for our clients and for our internal staff in maintaining stable project teams. To this end we build continuity planning into our general business planning and transition planning when necessary. This promotes continuity wherever possible and promotes seamless service.
- External reviews: WSRP is subject to periodic AICPA Independent Peer Reviews. Our most recent inspection results are included in this proposal.

Transition

An effective transition is one characterized by timely, clear and regular communication between organization and auditor, and that is designed to meet the needs of the client. Upon the award of a new engagement, we meet with management to initiate the process of the audit transition, which includes working with the client to develop a transition plan, developing a timeline of engagement deliverables, and discussing the involvement of the Organization's staff.

Timing

With the cooperation of management, we will complete the financial statement audit by October 31, 2015. This will require that we have access to management during the time we mutually agree we will conduct our field work, and that we receive timely and complete responses to our audit inquiries.

ENGAGEMENT TEAM



Bryce Wisan, CPA

Audit Partner

As Assurance Partner, Bryce will oversee all aspects of client service and will sign the audit report. Bryce manages the Las Vegas office of WSRP. He serves as a Director of the Nevada Society of Certified Public Accountants, and currently as President of the Organization's Las Vegas Chapter. Bryce is a National Board Member of the Associated Builders & Contractors, and serves on the Organization's Budget & Finance Committee. He has a Master of Accountancy in Professional Accounting and a Bachelor of Science in Accounting from Brigham Young University.



MacRay Curtis, CPA

Audit Manager

MacRay has 34 years governmental accounting and auditing experience, including Yellow Book, Single Audits, and non-profit accounting and auditing. MacRay manages many of the firm's governmental and non-profit audit engagements, and serves as a technical advisor to all of the firm's assurance work in the governmental and non-profit industries. MacRay has experience advising many government entities on accounting issues relating to bond issuance and pension disclosures. MacRay has a Bachelor of Science in Accounting from the University of Utah.



Jill Tavey, CPA, CFE

Assurance In-charge

Jill is the assurance in-charge for many of the firm's non-profit assurance clients, including all of the firm's charter school assurance clients. Jill joined WSRP after having worked at Joseph Eve Certified Public Accountants, where she audited privately held businesses, casinos, schools, and government entities. She has experience conducting internal compliance audits, and also has earned the Certified Fraud Examiner certification. Jill has a Bachelor of Science in Accounting and a Master of Accountancy from the University of Utah.

FEE PROPOSAL



Fee Proposal

We are very interested in working with Somerset Academy of Nevada and believe that our not-to-exceed fee proposal reflects that desire.

Financial Statement Audit (not to exceed) \$36,000

Scope

The proposed not-to-exceed audit fee consists of the financial statement audit. Any meetings and correspondence apart from the financial statement audit and any additional advisory services will be billed at our standard hourly rates.

Hourly Rates

Partner	\$200 - \$290
Manager	\$130 - \$200
Senior/Staff	\$90 - \$130

Multi-year Engagement

We are interested in pursuing a multi-year engagement with the Organization. Absent a change in the scope of the Organization's operations or a significant change in financial statement reporting or compliance requirements, we anticipate an increase in our proposed not-to-exceed audit fee of approximately 3% per annum.

System Review Report

To the Partners
Wisan, Smith, Racker & Prescott, LLP
and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Wisan, Smith, Racker & Prescott, LLP (the firm) in effect for the year ended April 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Wisan, Smith, Racker & Prescott, LLP in effect for the year ended April 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Wisan, Smith, Racker & Prescott, LLP has received a peer review rating of *pass*.



October 4, 2012

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015

Agenda Item: 9 – Discussion and Approval to Form Somerset Academy of Las Vegas Foundation.

Number of Enclosures: 2

SUBJECT: Discussion and Approval to Form Somerset Academy of Las Vegas Foundation.

- Action
- Appointments
- Approval
- Consent Agenda
- Information
- Public Hearing
- Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Motion to Approve the formation of the Somerset Academy of Las Vegas Foundation.

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: It is proposed that the Board facilitate the formation of a foundation to serve as a fundraising mechanism for the Board and Executive Director. Current fundraising, which typically takes place through the Student Generated Funds accounts (“SGF”) or Parent Teacher Organizations (“PTO”) at each campus, is limited to campus specific funds. This new foundation would create a new independent board which would allow support fundraising on a system-wide basis. As one of the tasks of the Executive Director is to support fundraising efforts, this would also allow the Executive Director an option of raising funds for an entity that is not campus specific and which will not have some of the restrictions which may be applicable if the funds were deposited to the school’s regular operating account. The purposes of this fundraising could include the

creation of scholarship funds and fundraising for future capital improvement projects or land acquisitions.

Submitted By: Staff

**NONPROFIT ARTICLES OF INCORPORATION
OF SOMERSET ACADEMY OF LAS VEGAS FOUNDATION (CONTINUED)**

PURPOSE AND POWERS

1. Purposes Generally. The Somerset Academy of Las Vegas Foundation (“Foundation”) is organized exclusively for charitable and educational purposes within the meaning of Internal Revenue Code § 501(c)(3). The specific purpose of the Foundation shall be to provide funding exclusively to Somerset Academy of Las Vegas Campuses (“School”) and its Governing Board (hereinafter referred to as the “School Board”) in support of programs and other educational pursuits which have not previously been funded or which can no longer be funded through the regular school budget.

Additionally, the purpose of the Foundation is to engage in any lawful act or activity for which corporations may be organized under Chapter 82 of the Nevada Revised Statutes, as limited by Chapter 386 of the Nevada Revised Statutes. Within the framework and limitations of the foregoing, the School is organized exclusively for one or more of the purposes as contemplated and specified in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code.

2. Statutory Powers. For the foregoing purposes, the Foundation shall operate in accordance with Chapters 82 of the Nevada Revised Statutes.

3. Prohibited Purposes and Powers. Notwithstanding the foregoing statement of purposes and powers, the Foundation shall have and exercise only such powers and engage in only such activities as are contemplated and permitted to be carried on by a corporation exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) thereunder and by a corporation described in and contributions to which are deductible for federal income tax purposes under Section 170(c)(2) of the Internal Revenue Code.

4. Dissolution. Upon the dissolution of the Foundation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes. If, at any time and for any reason, the School’s charter is revoked or the Foundation is dissolved, all assets of the Foundation, after satisfaction of all outstanding claims by creditors, shall be disposed of to the State of Nevada or the School to dispose of according to applicable laws and appropriate regulations.

5. Prohibited Acts. The Foundation shall not, incidentally or otherwise, afford or pay any pecuniary gain, dividends, or other pecuniary remuneration to any director or officer of the Foundation or any other private person, and no part of the net income or net earnings of the Foundation shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any private person; provided, however, that the Foundation may pay reasonable compensation for services rendered to or for the benefit of the Foundation and may make such other payments and distributions to nonprofit corporation members as permitted by these Articles of Incorporation and by Article 4 of the Bylaws. The Foundation shall not carry on propaganda or otherwise attempt to influence legislation to such extent as would result in the loss of exemption under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Foundation shall not participate in nor intervene in (including, without limitation, the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

BYLAWS
OF
SOMERSET ACADEMY OF LAS VEGAS FOUNDATION

ARTICLE I
INTRODUCTION; LEGAL STATUS

Section 1. Name, Location and Address. The name of the organization shall be Somerset Academy of Las Vegas Foundation (hereinafter referred to as the “Foundation”). The Foundation shall be a nonprofit organization incorporated under the laws of the State of Nevada.

ARTICLE II
PURPOSE AND MISSION

Section 1. Purpose and Mission. The Corporation is organized exclusively for charitable and educational purposes within the meaning of Internal Revenue Code § 501(c)(3). The specific purpose of the Corporation shall be to provide funding exclusively to Somerset Academy of Las Vegas Campuses (“School”) and it’s Governing Board (hereinafter referred to as the “School Board”) in support of programs and other educational pursuits which have not previously been funded or which can no longer be funded through the regular school budget.

Additionally, the purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under Chapter 82 of the Nevada Revised Statutes, as limited by Chapter 386 of the Nevada Revised Statutes. Within the framework and limitations of the foregoing, the School is organized exclusively for one or more of the purposes as contemplated and specified in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code.

ARTICLE III
GOVERNING BODY

Section 1. Powers and Duties. The business, affairs, and property of the Foundation shall be managed by an independent Board of Directors (hereinafter referred to as the “Board”). Without limiting the general powers conferred by these Bylaws and provided by law, the Board shall have the following additional powers of:

- (a) Perform any and all duties imposed on the Foundation collectively or individually by law or by these Bylaws;
- (b) To make and change policies, rules, and regulations not inconsistent with law, or with these Bylaws, for the management and control of the Foundation and its affairs; to lease, purchase, or otherwise acquire, in any lawful manner, for and in the name of the Foundation, any and all real and personal property, rights, or privileges deemed necessary or convenient for the conduct of the Foundation’s purpose and mission.

- (c) To enter into agreements and contracts with individuals, groups of individuals, corporations, or governments for any lawful purpose;
- (d) To develop and approve the annual budget and financial plan which shall be monitored and adjusted as necessary throughout the year;
- (e) To submit any and all documents to the state pursuant to statute and regulation;
- (f) To cause to be kept a complete record of all the minutes, acts, and proceedings of the Board;
- (g) To cause an annual inspection or audit of the accounts of the Foundation, as well as any other audits if required by law, to be made by an accountant to be selected by the Board, showing in reasonable detail all of the assets, liabilities, revenues and expenses of the Foundation and its financial condition.
- (h) To uphold and enforce all laws related to foundation operations;
- (i) To solicit and receive grants and other funding consistent with the mission of the Foundation with the objective of raising operating and capital funds;

Section 2. Formation; Qualifications; Election; Tenure. The Foundation was formed after the approval by the School Board and shall consist of no less than five (5) members and no more than nine (9) members which shall include:

1. The Vice Chair/Vice President of the Somerset Academy of Las Vegas Board of Directors;
 2. The Treasurer of the Somerset Academy of Las Vegas Board of Directors;
 3. The Executive Director of Somerset Academy of Las Vegas; and,
 4. Four (4) additional members.
- (a) Board members shall fill all vacancies created by resignations or these Bylaws at the first meeting. A majority of Board Members shall be residents of the county in which the school is located. All Board members shall be devoted to the purpose and mission of the Foundation and shall represent the interests of the school and community.
 - (b) The Board Members shall serve five (5) year terms. Board members may serve no more than two (2) five (5) year terms. Terms shall be staggered so that no more than one-half (1/2) of the Board shall be up for election in any one year, unless a vacancy(ies) must be filled. The Board shall establish the term for a newly elected President before the election, in order to stagger the terms of each member of the Board. To initially stagger the terms, for the founding board, two (2) Directors will serve three (3) year terms, two (2) Directors will serve four (4) year terms, and the remaining three (3) will serve the

usual five (5) year term. Those Directors who will serve the three, four, and five year terms will be determined by lottery. When the term of a Board Member has expired or when a Board Member resigns, the remaining Directors shall elect a new Director to fill the vacancy.

- (c) The Board shall develop an orientation and training program for new directors and an annual continuing program for existing directors.

Section 4. Annual Meeting. The annual meeting of the Board shall be held in August of each year as the Board may determine. The annual meeting shall take the place of the regularly scheduled quarterly meeting. Written notice stating the place, day, and hour of the meeting shall be given personally or mailed to each member of the Board at least three (3) business days prior to the date fixed for the annual meeting. The annual meeting shall be for the purpose of electing officers and new Board members and for the transaction of such business as may come before the meeting.

Section 5. Regular Meetings. The Board shall establish a regular day and place for regular meetings that shall occur no less frequently than once a quarter and shall be held in Clark County. Special meetings of the Board may be called at any time by the Chairperson or by a majority of the Board.

Section 6. Agenda. An agenda shall be produced for each regularly scheduled board meeting in order to provide effective and efficient meeting practice. In addition to previously requested agenda items, any Board member may provide additional agenda items for the following meeting via e-mail, fax, or regular mail to the Director responsible for creating the agendas.

Section 7. Quorum. A quorum at all meetings of the Board shall consist of a majority of the number of Directors then in office. Except as provided specifically to the contrary by these Bylaws, the act of a majority of the Directors in office at a meeting at which a quorum is present shall be the act of the Board. Proxy voting is not permitted.

Section 8. Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the Directors at a regular or special meeting of the Board. A Director elected to fill a vacancy resulting from death shall be elected for the unexpired term of such person's predecessor in office and shall hold such office until such person's successor is duly elected and qualified. Any Director elected to fill a vacancy resulting from removal or resignation shall be elected for a new term.

Section 9. Committees. The Board may designate from among its members, by resolution adopted by a majority of the entire Board, an Executive Committee, a Personnel Committee, a Finance Committee, an Academic Committee and one or more other committees, each of which shall consist of at least one (1) Director and which shall have and may exercise such authority in the management of the Foundation as shall be provided in such resolution or in these Bylaws. The Board shall not be permitted to delegate their power to contract nor their budget

making authority. Any delegated activity or decision making authority may be unilaterally revoked at any time.

Section 10. Removal. Any member of the Board may be removed by the affirmative vote of two-thirds (2/3) of the Directors then in office, excluding the member at issue whenever, in their judgment, such removal would serve the best interests of the Foundation.

Section 11. Resignation. A resignation by a Board member shall be effective upon receipt by the Chairperson of a written communication of such resignation.

Section 12. Participation by Telephone. To the extent permitted by law, any member of the Board or committee thereof may participate in a meeting of such Board or committee by means of a conference telephone network or similar communications method by which all persons participating in the meeting can hear each other, and participation in such a fashion shall constitute presence in person at such meeting.

Section 13. Compensation. No member of the Board shall receive any compensation for serving in such office, unless specifically authorized by a majority vote of the Board of Directors. The Foundation may reimburse any member of the Board for reasonable expenses incurred in connection with service on the Board. Any such reasonable expenses that are not reimbursed by the Foundation shall be construed as a gift to the Foundation.

Section 16. Protocol. The Board shall use Robert's Rules of Order, unless stated otherwise herein. If a Board member is unable to attend a Board meeting, the Board member shall contact the Chairperson and/or another Director.

ARTICLE IV OFFICERS

Section 1. Number. The officers of the Foundation shall include a Chair, Vice-Chair, Secretary, Treasurer, and such other officers as the Board shall deem necessary to elect.

Section 2. Election and Term of Office. The Board shall elect and appoint all officers of the Foundation at the annual meeting of the Board, which officers shall be installed in office at such annual meeting to serve for terms of one (1) year and until their successors have been duly elected and qualified. Board Officers may serve no more than three (3) consecutive one-year terms in any office. Should there be more than one (1) nominee for a vacancy, the nominee receiving the greatest number of votes shall be declared elected and shall be installed in office at the annual meeting.

Section 3. Removal of Officers. Any officer of the Foundation may be removed, either with or without cause, by a two-thirds (2/3) majority of the Directors then in office at any regular or special meeting of the Board.

Section 4. Chair/President. The Chair/President of the Board shall preside at all meetings of the Board. The Chair/President of the Board shall possess the power to sign all

certificates, contracts, or other instruments of the Foundation which are approved by the Board. The Chair/President of the Board shall exercise and perform such other powers and duties as may be prescribed by the Board from time to time.

Section 5. Vice-Chair/Vice-President. In the absence of the Chair/President of the Board or in the event of the Chair/President's disability, inability or refusal to act, the Vice-Chair/Vice-President of the Board shall perform all of the duties of the Chair/President and in so acting, shall have all of the powers of the Chair/President. The Vice-Chair/Vice-President shall have such other powers and perform such other duties as may be prescribed from time to time by the Board or by the Chair/President.

Section 6. Secretary. The Secretary shall keep, or cause to be kept, a book of minutes at such place as the Board may order, of all meetings of the Board with the time and place of holding, whether regular or special, and if special, how authorized, the name or names of those present at the Board meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board required by these Bylaws or by law to be given and perform such other duties as may be prescribed by the Board from time to time. The Secretary of the Board shall exercise and perform such other powers and duties as may be prescribed by the Board from time to time.

Section 7. Treasurer. The Treasurer shall have oversight responsibility and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall at all times be open to inspection by any Board member. The Treasurer shall be charged with safeguarding the assets of the Foundation and he or she shall sign financial documents on behalf of the Foundation in accordance with the established policies of the Foundation. He or she shall have such other powers and perform such other duties as may be prescribed by the Board from time to time.

Section 8. Vacancies. A vacancy in any office, held by an officer, because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board by majority vote for the unexpired portion of the term.

ARTICLE VI CONTRACTS, LOANS, AND DEPOSITS

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted for or on behalf of the Foundation and no evidence of indebtedness shall be issued in the name of the Foundation unless authorized by a resolution of the Board. Such authority shall be confined to specific instances. No loan shall be made to any officer or Board member of the Foundation.

Section 3. Checks, Drafts, and Notes. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, or agents of the Foundation and in such manner as shall be determined by the Board. The Chair and Administrator are authorized and required to sign all checks over the amount of \$10,000.

Section 4. Deposits. All funds of the Foundation not otherwise employed shall be deposited to the credit of the Foundation in Nevada State Bank.

Section 5. Gifts. The Board may accept, on behalf of the Foundation, any contribution, gift, bequest, or devise for the general purposes or any special purpose of the Foundation.

Section 6. Fiscal Year. The fiscal year of the Foundation shall begin on July 1 and end on June 30.

ARTICLE VIII PROPERTY

The property of the Foundation shall be held and applied in promoting the general purposes of the Foundation declared in these Bylaws. No property, including real estate, belonging to the Foundation shall be conveyed or encumbered except by authority of a majority vote of the Board. Any such conveyance or encumbrance shall be executed by the Chair in the name of the Foundation, and such instrument shall be duly approved by the Secretary or Treasurer of the Foundation.

ARTICLE IX INDEMNIFICATION

The Board of Directors may authorize the Foundation to pay or cause to be paid by insurance or otherwise, any judgment or fine rendered or levied against a present or former Board member, officer, employee, or agent of the Foundation in an action brought against such person to impose a liability or penalty for an act or omission alleged to have been committed by such person while a Board member, officer, employee, or agent of the Foundation, provided that the Board shall determine in good faith that such person acted in good faith and without willful misconduct or gross negligence for a purpose which he reasonably believed to be in the best interest of the Foundation. Payments authorized hereunder include amounts paid and expenses incurred in satisfaction of any liability or penalty or in settling any action or threatened action.

ARTICLE X AMENDMENTS

These Bylaws may be amended, altered, or repealed and new Bylaws may be adopted by the Board of Directors by an affirmative vote of two-thirds (2/3) of all the Directors then in office at any meeting of the Board, provided that the full text of the proposed amendment, alteration, or repeal shall have been delivered to each Director at least five (5) days prior to the meeting.

**ARTICLE XI
DISSOLUTION**

Dissolution of Foundation. If, at any time and for any reason, the Foundation is dissolved, all assets of the Foundation, after satisfaction of all outstanding claims by creditors, shall be disposed of to the State of Nevada or the School as a 501 (c)(3) according to applicable laws and appropriate regulations.

**ARTICLE XII
PURPOSE OF THE BYLAWS**

These Bylaws are adopted for the sole purpose of facilitating the discharge, in an orderly manner, of the purposes of the Foundation. These Bylaws shall never be construed in any such way as to impair the efficient operation of the Foundation.

CERTIFICATION

I hereby certify that I am the duly elected and acting Secretary of the Foundation, and that the foregoing Bylaws constitute the Bylaws of the Foundation, as duly adopted by unanimous vote of the Board of Directors.

DATED this ____ day of _____, 20__.

_____, Secretary

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 10 – Update Regarding Development of Final Phase of Somerset Academy Sky Pointe Campus.
Number of Enclosures:

SUBJECT: Update Regarding Development of Final Phase of Somerset Academy Sky Pointe Campus.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Jake Smoot

Recommendation:

Proposed wording for motion/action:

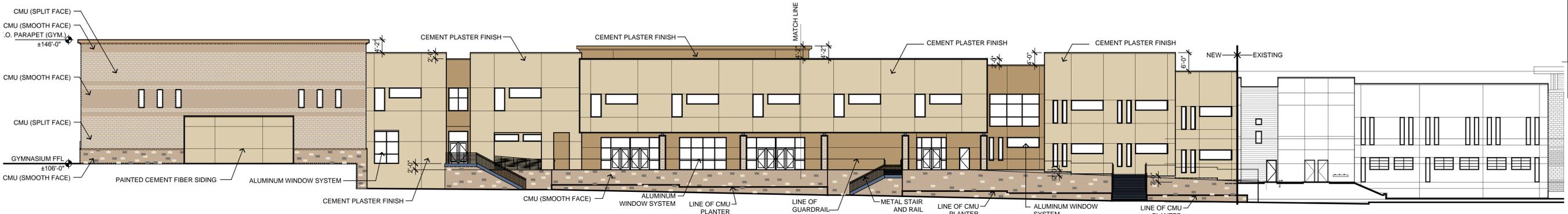
Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: Update regarding the development of the final phase of construction on the Somerset Academy Sky Pointe campus.

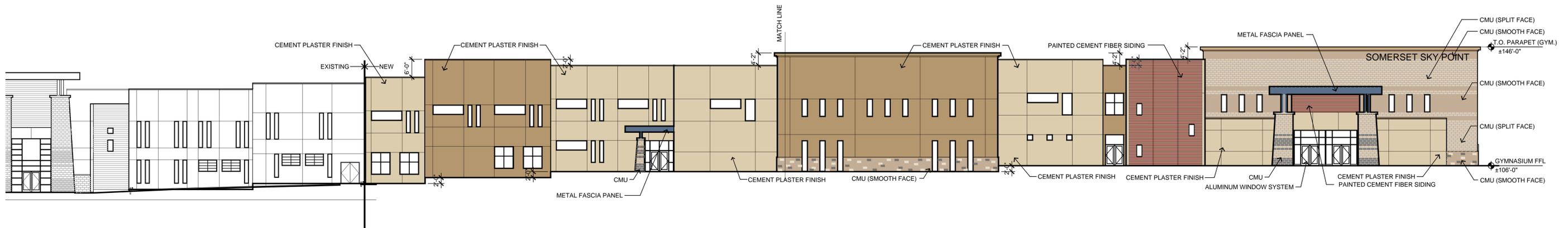
Submitted By: Staff

8985 s. eastern
 suite 220
 las vegas, nv 89123
 p 702.456.1070
 f 702.456.7020



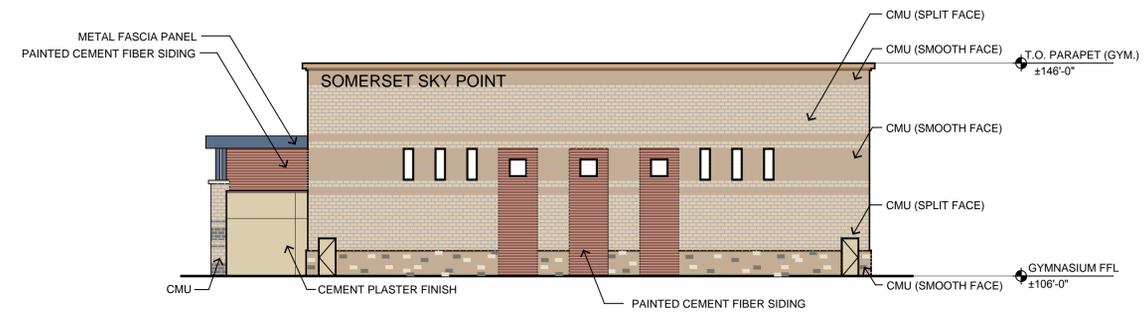
SOUTH ELEVATION - HIGH SCHOOL EXPANSION

SOUTH ELEVATION - EXISTING HIGH SCHOOL

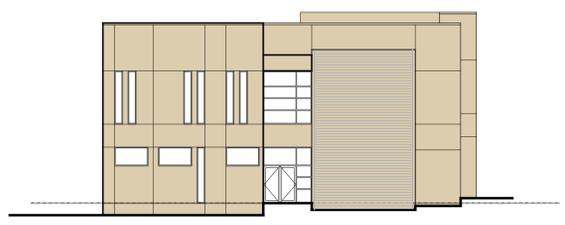


NORTH ELEVATION - EXISTING HIGH SCHOOL

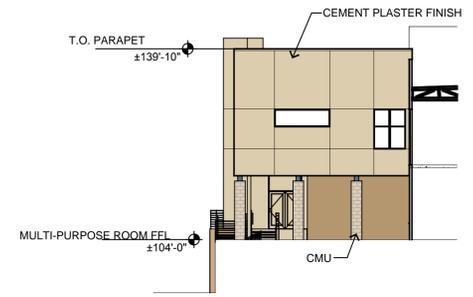
NORTH ELEVATION - HIGH SCHOOL EXPANSION



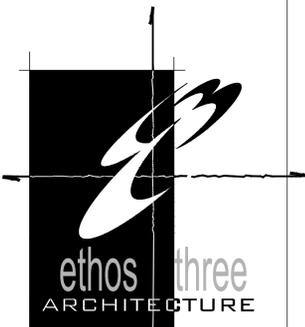
WEST ELEVATION - HIGH SCHOOL EXPANSION



EAST ELEVATION - EXISTING HIGH SCHOOL



EAST ELEVATION - PARTIAL

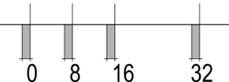


ELEVATIONS

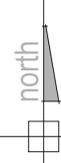
Somerset Academy
 Sky Pointe Campus

ELEVATIONS - Phase III

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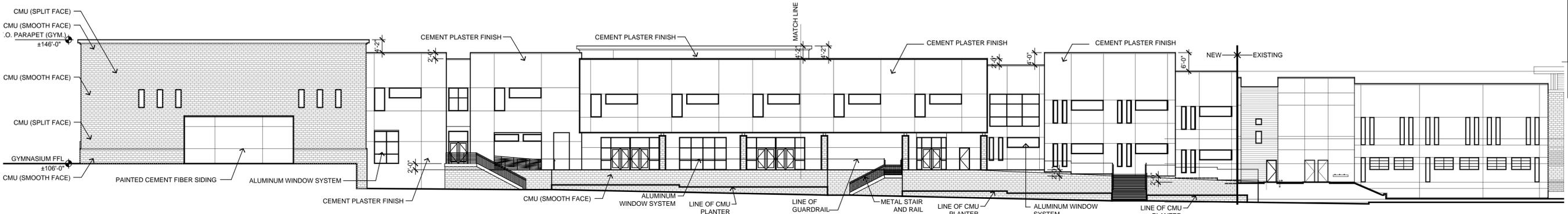


05-28-15



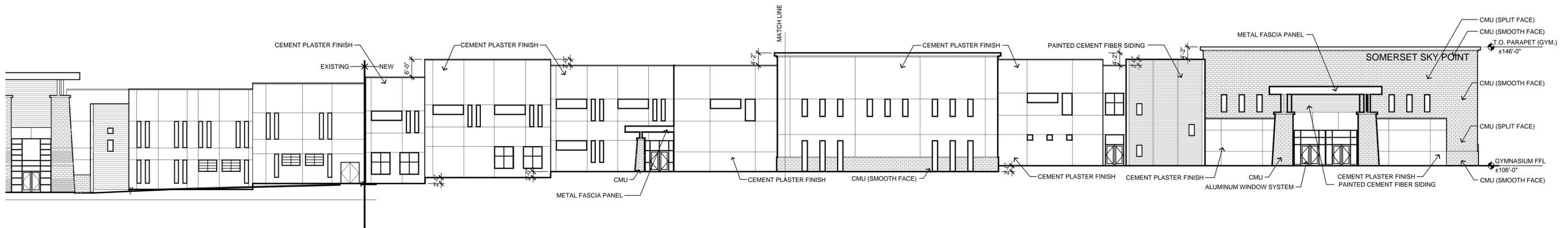
SHT A5.1

8985 s. eastern
 suite 220
 las vegas, nv 89123
 p 702.456.1070
 f 702.456.7020



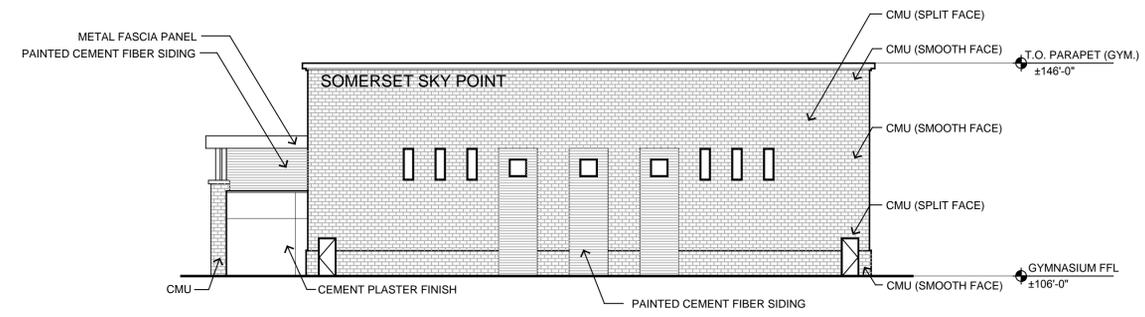
SOUTH ELEVATION - HIGH SCHOOL EXPANSION

SOUTH ELEVATION - EXISTING HIGH SCHOOL

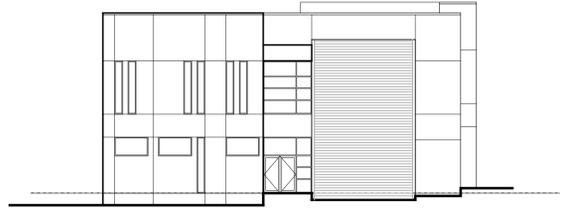


NORTH ELEVATION - EXISTING HIGH SCHOOL

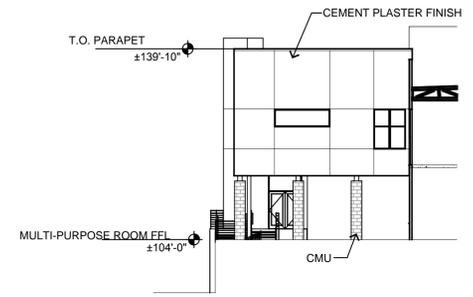
NORTH ELEVATION - HIGH SCHOOL EXPANSION



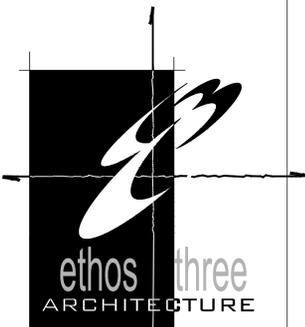
WEST ELEVATION - HIGH SCHOOL EXPANSION



EAST ELEVATION - EXISTING HIGH SCHOOL



EAST ELEVATION - PARTIAL

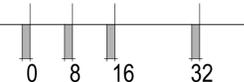


ELEVATIONS

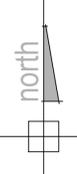
Somerset Academy
 Sky Pointe Campus

ELEVATIONS - Phase III

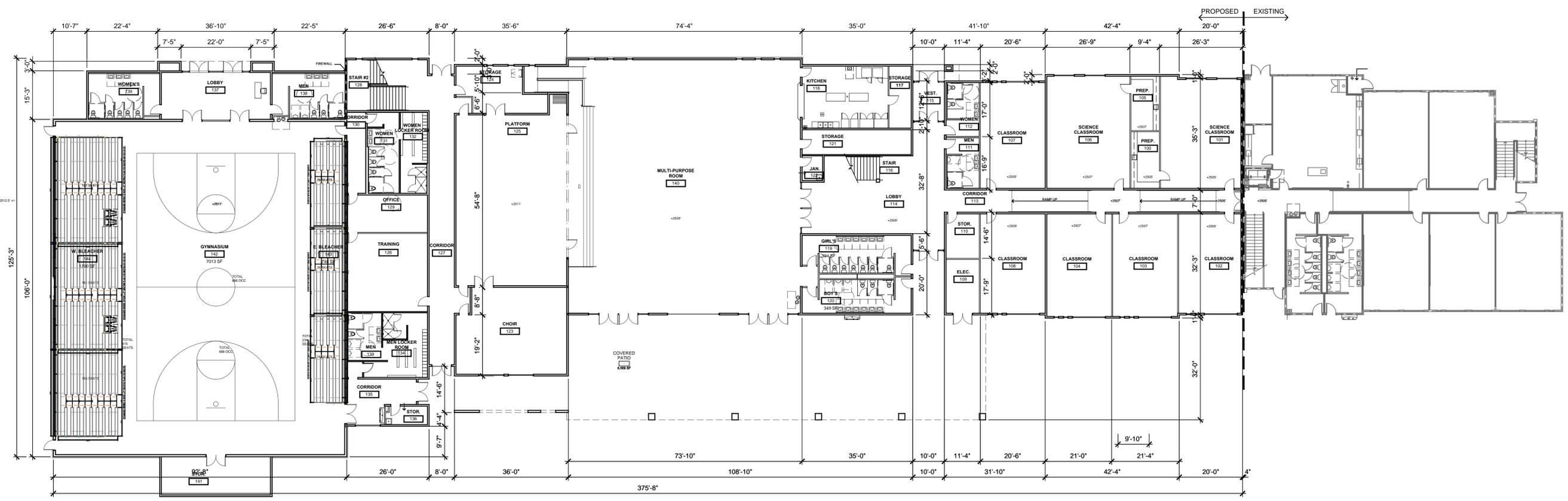
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05-28-15



SHT A5.1

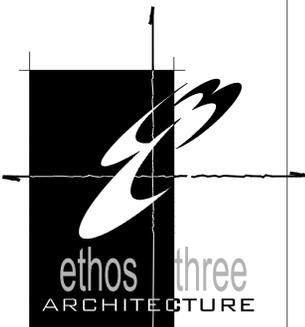


FIRST FLOOR PLAN

MAXIMUM OCCUPANCY PER I.B.C.: 3360

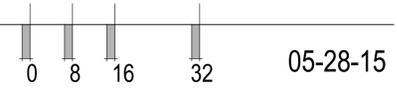
FLOOR PLAN - Phase III LEVEL ONE

SCALE : 1/16"=1'-0"



FLOOR PLANS

Somerset Academy
 Sky Pointe Campus



05-28-15

SHT A2.1

APN: 125-21-102-008
TOWN CENTER DISTRICT (T-C)

8985 s. eastern
suite 220
las vegas, nv 89123
p 702.456.1070
f 702.456.7020

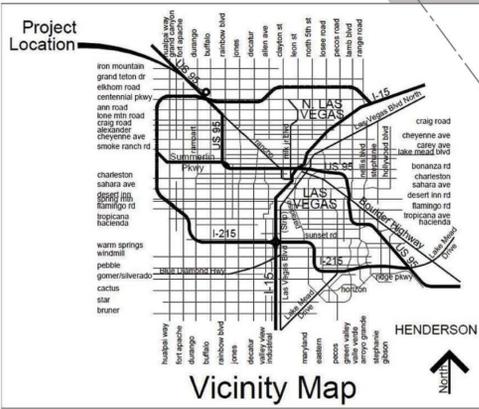
DRAWING APPROVED: _____
DATE: _____



SITE PLAN

Somerset Academy
Sky Pointe Campus

SHT A1.1



SITE DATA

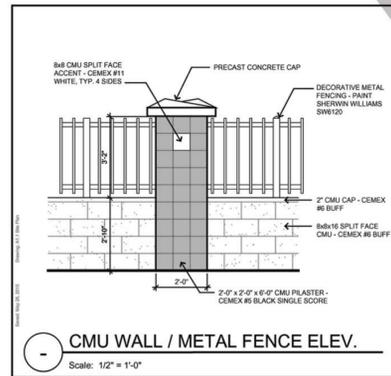
JURISDICTION	CITY OF LAS VEGAS
PARCEL NO.	125-21-102-009
ZONING	SX-TC (SUBURBAN MIXED-USE-TOWN CENTER DISTRICT)
LAND USE DESIGNATION	SX-TC (SUBURBAN MIXED-USE-TOWN CENTER DISTRICT)
NET AREA LOT SIZE	12.14 ACRES
LANDSCAPE	SEE LANDSCAPE DRAWINGS
TOTAL BUILDING AREA	145,287 SF
TOTAL NEW BUILDING AREA	54,973 SF
NEW HIGH SCHOOL	40,865 SF
GYM	14,108 SF
TOTAL	54,973 SF
TOTAL EXISTING BUILDING AREA	90,314 SF
EXISTING ELEMENTARY	43,470 SF
EXISTING MIDDLE SCHOOL	34,003 SF
EXISTING HIGH SCHOOL	12,841 SF
SCHOOL BUILDING FOOTPRINT	92,767 SF
SCHOOL FLOOR AREA RATIO	27.4%
SCHOOL LOT COVERAGE	17.5%
BUILDING SETBACKS	
FRONT YARD (ALONG SKY POINTE AVENUE)	15'-0"
SIDE YARD	10'-0"
REAR YARD	20'-0"

PARKING ANALYSIS

	APPROVED	PROPOSED
ELEMENTARY SCHOOL	35 CLASSROOMS x 3/CR = 105	35 CLASSROOMS x 3/CR = 105
MIDDLE SCHOOL	26 CLASSROOMS x 3/CR = 78	26 CLASSROOMS x 3/CR = 78
HIGH SCHOOL	27 CLASSROOMS x 9/CR = 243	37 CLASSROOMS x 6.57/CR = 246
TOTAL	426	429

ACCESSIBLE SPACES REQUIRED: 9 INCLUDING (2) VAN ACCESSIBLE
ACCESSIBLE SPACES PROVIDED: 10 INCLUDING (2) VAN ACCESSIBLE

COMPACT SPACES ALLOWED: 426 x .3 = 127
COMPACT SPACES PROVIDED: 100



OVERALL SITE PLAN - Phase III

SCALE : 1"=40'-0"

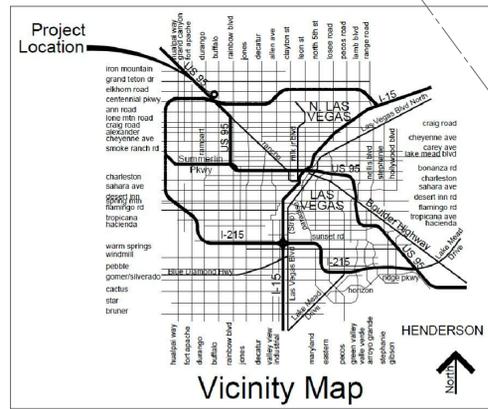


APN: 125-21-202-001
TOWN CENTER DISTRICT (T-C)

0 25 50 100 05-28-15

APN: 125-21-102-008
TOWN CENTER DISTRICT (T-C)

8985 s. eastern
suite 220
las vegas, nv 89123
p 702.456.1070
f 702.456.7020



SITE DATA

JURISDICTION CITY OF LAS VEGAS
 PARCEL NO. 125-21-102-009
 ZONING SX-TC (SUBURBAN MIXED-USE-TOWN CENTER DISTRICT)
 LAND USE DESIGNATION SX-TC (SUBURBAN MIXED-USE-TOWN CENTER DISTRICT)

NET AREA LOT SIZE 12.14 ACRES
 LANDSCAPE SEE LANDSCAPE DRAWINGS
 TOTAL BUILDING AREA 145,287 SF
 TOTAL NEW BUILDING AREA 54,973 SF
 NEW HIGH SCHOOL 40,865 SF
 GYM 14,108 SF
 TOTAL 54,973 SF
 TOTAL EXISTING BUILDING AREA 90,314 SF
 EXISTING ELEMENTARY 43,470 SF
 EXISTING MIDDLE SCHOOL 34,003 SF
 EXISTING HIGH SCHOOL 12,841 SF

SCHOOL BUILDING FOOTPRINT 92,767 SF
 SCHOOL FLOOR AREA RATIO 27.4%
 SCHOOL LOT COVERAGE 17.5%

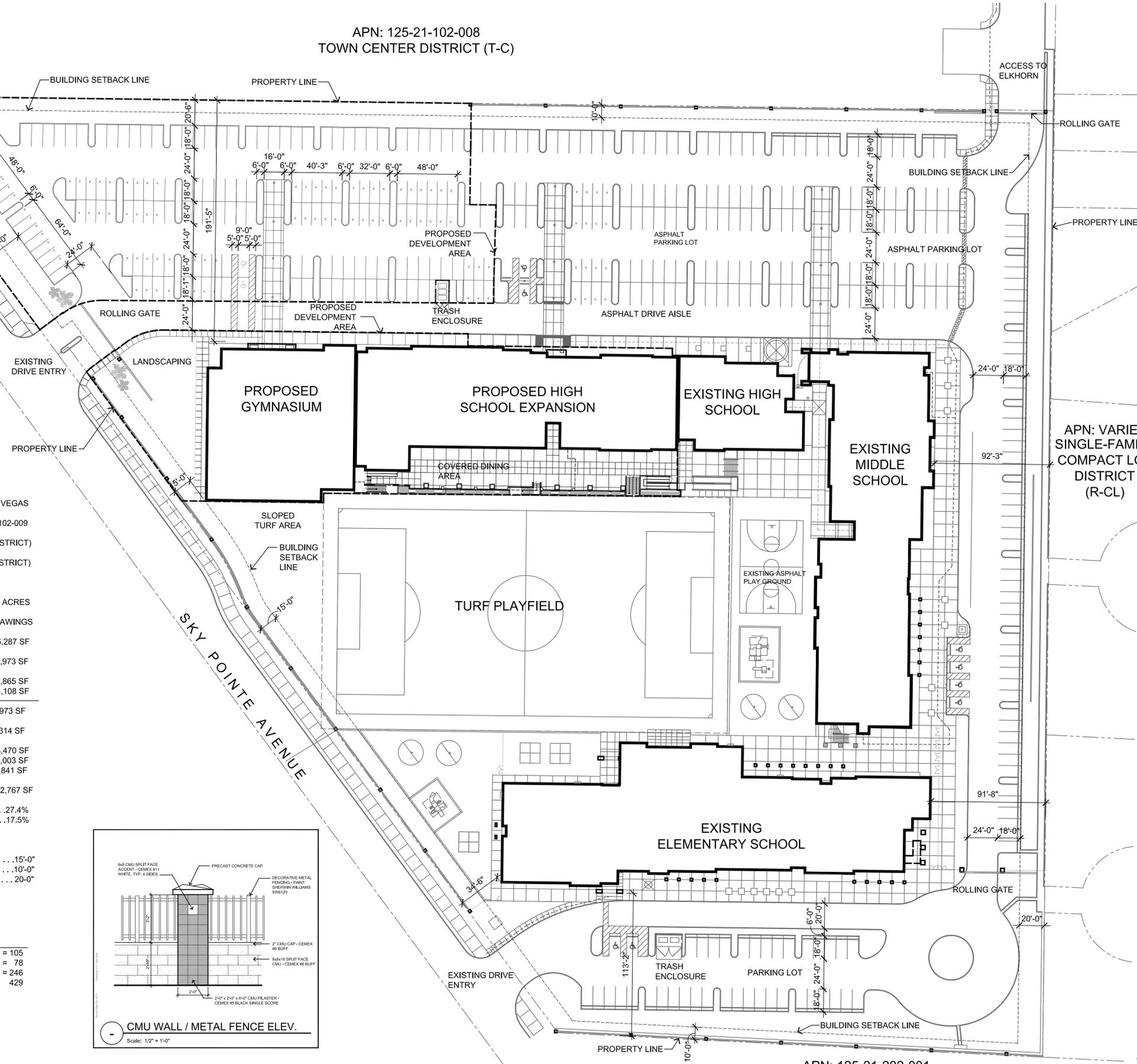
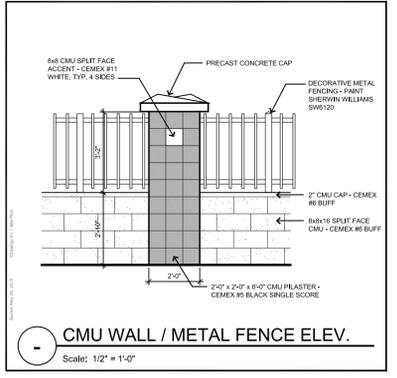
BUILDING SETBACKS
 FRONT YARD (ALONG SKY POINTE AVENUE) 15'-0"
 SIDE YARD 10'-0"
 REAR YARD 20'-0"

PARKING ANALYSIS

	APPROVED	PROPOSED
ELEMENTARY SCHOOL	35 CLASSROOMS x 3/CR = 105	35 CLASSROOMS x 3/CR = 105
MIDDLE SCHOOL	26 CLASSROOMS x 3/CR = 78	26 CLASSROOMS x 3/CR = 78
HIGH SCHOOL	27 CLASSROOMS x 9/CR = 243	37 CLASSROOMS x 6.57/CR = 246
TOTAL	426	429

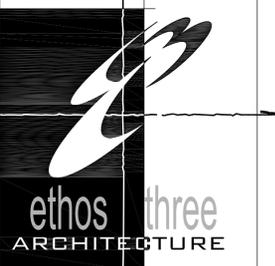
ACCESSIBLE SPACES REQUIRED: 9 INCLUDING (2) VAN ACCESSIBLE
 ACCESSIBLE SPACES PROVIDED: 10 INCLUDING (2) VAN ACCESSIBLE

COMPACT SPACES ALLOWED: 426 x .3 = 127
 COMPACT SPACES PROVIDED: 100



APN: VARIES
SINGLE-FAMILY
COMPACT LOT
DISTRICT
(R-CL)

DRAWING APPROVED: _____
DATE: _____



SITE PLAN

Somerset Academy
Sky Pointe Campus

OVERALL SITE PLAN - Phase III

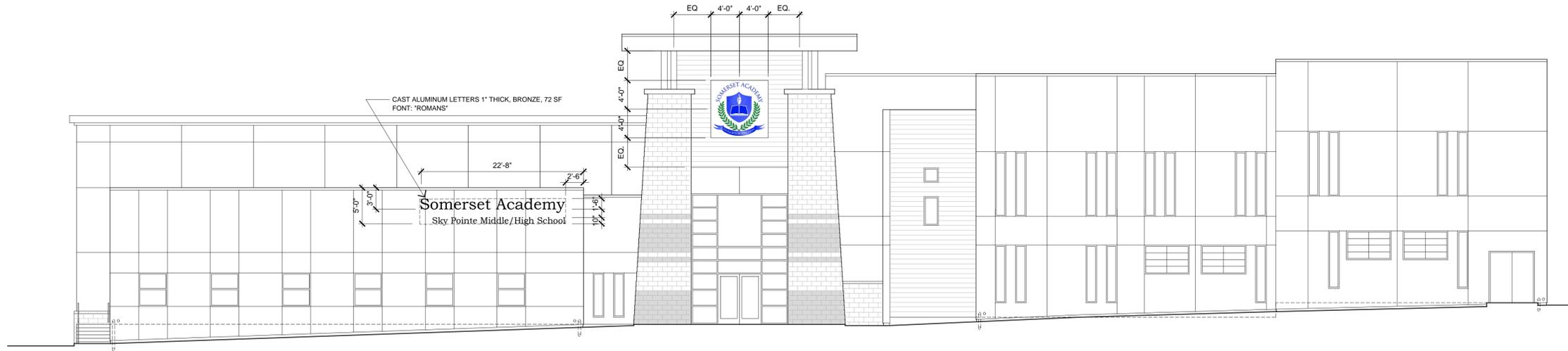
SCALE : 1"=40'-0"

APN: 125-21-202-001
TOWN CENTER DISTRICT (T-C)

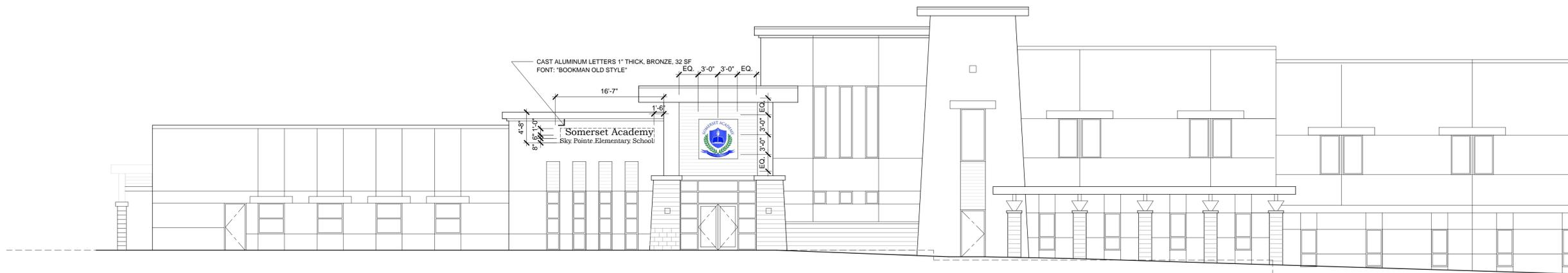
0 25 50 100 05-28-15

SHT A1.1

8985 s. eastern
 suite 220
 las vegas, nv 89123
 p 702.456.1070
 f 702.456.7020



Middle/High School Entrance



Elementary School Entrance

DRAWING APPROVED: _____
 DATE: _____

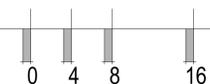


SIGNAGE STUDY

SOMERSET ACADEMY
 7078 SKY POINTE

SIGNAGE STUDY

SCALE : 1/8"=1'-0"



12-08-14

SHT A5.0

AIA[®] Document B101[™] – 2007

Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the 27 day of March in the year 2015
(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other information)

Somerset Academy of Las Vegas
7038 Sky Pointe Drive
Las Vegas, NV 89131
Telephone Number: 702-478-8888
Fax Number: 702-776-7216

and the Architect:
(Name, legal status, address and other information)

ethos three ARCHITECTURE, Professional Corporation
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123
Telephone Number: 702-456-1070
Fax Number: 702-456-7020

for the following Project:
(Name, location and detailed description)

2015105 - Somerset Academy Sky Pointe Campus Phase III - High School Addition
7038 Sky Point Dr.
Las Vegas, NV
New 40,865 High School Expansion and a new 14,108 SF Gymnasium at the existing Sky
Pointe Campus.
The Owner and Architect agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 ARCHITECT'S RESPONSIBILITIES
- 3 SCOPE OF ARCHITECT'S BASIC SERVICES
- 4 ADDITIONAL SERVICES
- 5 OWNER'S RESPONSIBILITIES
- 6 COST OF THE WORK
- 7 COPYRIGHTS AND LICENSES
- 8 CLAIMS AND DISPUTES
- 9 TERMINATION OR SUSPENSION
- 10 MISCELLANEOUS PROVISIONS
- 11 COMPENSATION
- 12 SPECIAL TERMS AND CONDITIONS
- 13 SCOPE OF THE AGREEMENT

EXHIBIT A INITIAL INFORMATION

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Article 1 and in optional Exhibit A, Initial Information:

(Complete Exhibit A, Initial Information, and incorporate it into the Agreement at Section 13.2, or state below Initial Information such as details of the Project's site and program, Owner's contractors and consultants, Architect's consultants, Owner's budget for the Cost of the Work, authorized representatives, anticipated procurement method, and other information relevant to the Project.)

§ 1.2 The Owner's anticipated dates for commencement of construction and Substantial Completion of the Work are set forth below:

.1 Commencement of construction date:

November 1, 2015

.2 Substantial Completion date:

August 1, 2016

§ 1.3 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the schedule, the Architect's services and the Architect's compensation.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide the professional services as set forth in this Agreement.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost:

(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

- .1 General Liability
\$2,000,000 Each Occurrence
\$2,000,000 Personal Injury
\$4,000,000 General Aggregate
- .2 Automobile Liability

\$2,000,000
- .3 Workers' Compensation

\$1,000,000
- .4 Professional Liability

\$1,000,000 Per Claim
\$1,000,000 Aggregate

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Additional Services.

§ 3.1.1 The Architect shall manage the Architect's services, consult with the Owner, research applicable design criteria, attend Project meetings, communicate with members of the Project team and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on the accuracy and completeness of services and information furnished by the Owner and the Owner's consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution made without the Architect's approval.

§ 3.1.5 The Architect shall, at appropriate times, contact the governmental authorities required to approve the Construction Documents and the entities providing utility services to the Project. In designing the Project, the Architect shall respond to applicable design requirements imposed by such governmental authorities and by such entities providing utility services.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 SCHEMATIC DESIGN PHASE SERVICES

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, and the proposed procurement or delivery method and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project, including the feasibility of incorporating environmentally responsible design approaches. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project's requirements agreed upon with the Owner, the Architect shall prepare and present for the Owner's approval a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital modeling. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider environmentally responsible design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain other environmentally responsible design services under Article 4.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule and budget for the Cost of the Work.

(Paragraph deleted)

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's approval.

§ 3.3 DESIGN DEVELOPMENT PHASE SERVICES

§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and

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User Notes:

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such other elements as may be appropriate. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish in general their quality levels.

(Paragraphs deleted)

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.4 CONSTRUCTION DOCUMENTS PHASE SERVICES

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate into the Construction Documents the design requirements of governmental authorities having jurisdiction over the Project.

(Paragraphs deleted)

§

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

(Paragraphs deleted)

§ 3.6 CONSTRUCTION PHASE SERVICES

§ 3.6.1 GENERAL

§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™–2007, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201–2007, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.3, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 EVALUATIONS OF THE WORK

§ 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.3.3, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith. The Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201-2007, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 CERTIFICATES FOR PAYMENT TO CONTRACTOR

§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 SUBMITTALS

§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold approval. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review.

§ 3.6.4.2 In accordance with the Architect-approved submittal schedule, the Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review Shop Drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor that bear such professional's seal and signature when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals.

§ 3.6.4.4 Subject to the provisions of Section 4.3, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth in the Contract Documents the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 CHANGES IN THE WORK

§ 3.6.5.1 The Architect may authorize minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to the provisions of Section 4.3, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 PROJECT COMPLETION

§ 3.6.6.1 The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion; receive from the Contractor and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor; and issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect's inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When the Work is found to be substantially complete, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 ADDITIONAL SERVICES

§ 4.1 Additional Services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Additional Services only if specifically designated in the table below as the Architect's responsibility, and the Owner shall compensate the Architect as provided in Section 11.2.

(Designate the Additional Services the Architect shall provide in the second column of the table below. In the third column indicate whether the service description is located in Section 4.2 or in an attached exhibit. If in an exhibit, identify the exhibit.)

Additional Services	Responsibility (Architect, Owner or Not Provided)	Location of Service Description (Section 4.2 below or in an exhibit attached to this document and identified below)
§ 4.1.1 Programming	Architect	Included in Basic Services
§ 4.1.2 Multiple preliminary designs	Not Provided	
§ 4.1.3 Measured drawings	Not Provided	
§ 4.1.4 Existing facilities surveys	Not Provided	
§ 4.1.5 Site Evaluation and Planning (B203™–2007)	Architect	Included in Basic Services
§ 4.1.6 Building information modeling	Not Provided	
§ 4.1.7 Civil engineering	Architect	Included in Basic Services
§ 4.1.8 Landscape design	Architect	Included in Basic Services
§ 4.1.9 Architectural Interior Design (B252™–2007)	Architect	Included in Basic Services
§ 4.1.10 Value Analysis (B204™–2007)	Not Provided	
§ 4.1.11 Detailed cost estimating	Not Provided	
§ 4.1.12 On-site project representation	Not Provided	
§ 4.1.13 Conformed construction documents	Not Provided	
§ 4.1.14 As-Designed Record drawings	Not Provided	
§ 4.1.15 As-Constructed Record drawings	Not Provided	
§ 4.1.16 Post occupancy evaluation	Not Provided	
§ 4.1.17 Facility Support Services (B210™–2007)	Not Provided	
§ 4.1.18 Tenant-related services	Not Provided	
§ 4.1.19 Coordination of Owner’s consultants	Not Provided	
§ 4.1.20 Telecommunications/data design	Contractor	
§ 4.1.21 Security Evaluation and Planning (B206™–2007)	Not Provided	
§ 4.1.22 Commissioning (B211™–2007)	Architect	Included in Basic Services
§ 4.1.23 Extensive environmentally responsible design	Not Provided	
§ 4.1.24 LEED® Certification (B214™–2007)	Not Provided	
§ 4.1.25 Fast-track design services	Not Provided	
§ 4.1.26 Historic Preservation (B205™–2007)	Not Provided	
§ 4.1.27 Furniture, Furnishings, and Equipment Design (B253™–2007)	Not Provided	

(Row deleted)

§ 4.2 Insert a description of each Additional Service designated in Section 4.1 as the Architect’s responsibility, if not further described in an exhibit attached to this document.

§ 4.3 Additional Services may be provided after execution of this Agreement, without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.3 shall entitle the Architect to compensation pursuant to Section 11.3 and an appropriate adjustment in the Architect’s schedule.

§ 4.3.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following services until the Architect receives the Owner’s written authorization:

- .1 Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including, but not limited to, size, quality, complexity, the Owner’s schedule or budget for Cost of the Work, or procurement or delivery method;

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User Notes:

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- .2 Services necessitated by the Owner's request for extensive environmentally responsible design alternatives, such as unique system designs, in-depth material research, energy modeling, or LEED® certification;
- .3 Changing or editing previously prepared Instruments of Service necessitated by the enactment or revision of codes, laws or regulations or official interpretations;
- .4 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
- .5 Preparing digital data for transmission to the Owner's consultants and contractors, or to other Owner authorized recipients;
- .6 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
- .7 Preparation for, and attendance at, a public presentation, meeting or hearing;
- .8 Preparation for, and attendance at a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
- .9 Evaluation of the qualifications of bidders or persons providing proposals;
- .10 Consultation concerning replacement of Work resulting from fire or other cause during construction; or
- .11 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.3.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If the Owner subsequently determines that all or parts of those services are not required, the Owner shall give prompt written notice to the Architect, and the Owner shall have no further obligation to compensate the Architect for those services:

- .1 Reviewing a Contractor's submittal out of sequence from the submittal schedule agreed to by the Architect;
- .2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- .3 Preparing Change Orders and Construction Change Directives that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
- .4 Evaluating an extensive number of Claims as the Initial Decision Maker;
- .5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom; or
- .6 To the extent the Architect's Basic Services are affected, providing Construction Phase Services 60 days after (1) the date of Substantial Completion of the Work or (2) the anticipated date of Substantial Completion identified in Initial Information, whichever is earlier.

§ 4.3.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:

- .1 One (1) reviews of each Shop Drawing, Product Data item, sample and similar submittal of the Contractor
- .2 Fourteen (14) visits to the site by the Architect over the duration of the Project during construction
- .3 Two (2) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 One (1) inspections for any portion of the Work to determine final completion

§ 4.3.4 If the services covered by this Agreement have not been completed within twenty four (24) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

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§ 5.2 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner's behalf with respect to the Project. The Owner shall render decisions and approve the Architect's submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect's services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement, or authorize the Architect to furnish them as an Additional Service, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 5.7 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.8 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.9 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.10 Except as otherwise provided in this Agreement, or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Contractor and the Architect's consultants through the Architect about matters arising out of or relating to the Contract Documents. The Owner shall promptly notify the Architect of any direct communications that may affect the Architect's services.

§ 5.11 Before executing the Contract for Construction, the Owner shall coordinate the Architect's duties and responsibilities set forth in the Contract for Construction with the Architect's services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.

§ 5.12 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

| (Paragraphs deleted)

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the author of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 GENERAL

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201-2007, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.7.

§ 8.2 MEDIATION

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:
(Check the appropriate box. If the Owner and Architect do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.)

- Arbitration pursuant to Section 8.3 of this Agreement
- Litigation in a court of competent jurisdiction
- Other (Specify)

(Paragraphs deleted)

§ 8.3.4 CONSOLIDATION OR JOINDER

§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the

Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

§ 9.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 9.8 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 11.9.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

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§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

§ 10.8 If the Architect or Owner receives information specifically designated by the other party as "confidential" or "business proprietary," the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation.)

Schematic Design:	\$ 40,600.00
Design Development:	\$ 53,000.00
Construction Documents:	\$164,000.00
Permitting:	\$ 5,000.00
Bidding:	\$ 3,500.00
Construction Admin.	\$ 81,900.00

TOTAL FEE: \$348,000.00 In accordance with Exhibit B Fee Schedule Breakdown

§ 11.2 For Additional Services designated in Section 4.1, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

As agreed to by both parties

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.3, the Owner shall compensate the Architect as follows:

(Insert amount of, or basis for, compensation.)

As agreed to by both parties

§ 11.4 Compensation for Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Ten percent (10 %), or as otherwise stated below:

(Paragraph deleted)

§

(Table deleted)

§ 11.6 When compensation is based on a percentage of the Cost of the Work and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions, in accordance with the schedule set forth in Section 11.5 based on (1) the lowest bona fide bid or negotiated proposal, or (2) if no such bid or proposal is received, the most recent estimate of the Cost of the Work for such portions of the Project. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

ethos|three ARCHITECTURE

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Standard Office Rates and Expenses

Office Staff – Employee Rates

Principal	\$175
Interior Design Director	\$135
Project Manager	\$125
Project Architect	\$115
Construction Administration	\$100
Project Professional 3	\$100
Project Professional 2	\$90
Project Professional 1	\$80
Draftsperson	\$70
Administration	\$60

Employee or Category

Rate

§ 11.8 COMPENSATION FOR REIMBURSABLE EXPENSES

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, standard form documents;
- .5 Postage, handling and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;
- .8 Architect's Consultant's expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Architect's consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses; and
- .11 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Ten percent (10 %) of the expenses incurred.

§ 11.9 COMPENSATION FOR USE OF ARCHITECT'S INSTRUMENTS OF SERVICE

If the Owner terminates the Architect for its convenience under Section 9.5, or the Architect terminates this Agreement under Section 9.3, the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of completing, using and maintaining the Project as follows:

As agreed to by both parties

§ 11.10 PAYMENTS TO THE ARCHITECT

§ 11.10.1 An initial payment of Zero (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Forty-Five (45) days

after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.
(Insert rate of monthly or annual interest agreed upon.)

7 % per annum

§ 11.10.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.10.4 Records of Reimbursable Expenses, expenses pertaining to Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents listed below:

- .1 AIA Document B101™-2007, Standard Form Agreement Between Owner and Architect
- .2 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, or the following:

- .3 Other documents:
(List other documents, if any, including Exhibit A, Initial Information, and additional scopes of service, if any, forming part of the Agreement.)

This Agreement entered into as of the day and year first written above.

OWNER

ARCHITECT

(Signature)

(Signature)

(Printed name and title)

John Lopeman, AIA, Principal

(Printed name and title)

Additions and Deletions Report for AIA[®] Document B101[™] – 2007

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

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PAGE 1

AGREEMENT made as of the 27 day of March in the year 2015

...

Somerset Academy of Las Vegas
7038 Sky Pointe Drive
Las Vegas, NV 89131
Telephone Number: 702-478-8888
Fax Number: 702-776-7216

...

ethos three ARCHITECTURE, Professional Corporation
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123
Telephone Number: 702-456-1070
Fax Number: 702-456-7020

...

2015105 - Somerset Academy Sky Pointe Campus Phase III - High School Addition
7038 Sky Point Dr.
Las Vegas, NV
New 40,865 High School Expansion and a new 14,108 SF Gymnasium at the existing Sky Pointe Campus.

PAGE 2

November 1, 2015

...

August 1, 2016

PAGE 3

\$2,000,000 Each Occurrence
\$2,000,000 Personal Injury
\$4,000,000 General Aggregate

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\$2,000,000

...

\$1,000,000

...

\$1,000,000 Per Claim

\$1,000,000 Aggregate

PAGE 4

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~~§ 3.2.6~~ The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

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~~§ 3.3.2~~ The Architect shall update the estimate of the Cost of the Work.

~~§ 3.3.3~~ The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

...

~~§ 3.4.3~~ During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) bidding and procurement information that describes the time, place and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications and may include bidding requirements and sample forms.

~~§ 3.4.4~~ The Architect shall update the estimate for the Cost of the Work.

§

~~§ 3.5 BIDDING OR NEGOTIATION PHASE SERVICES~~

~~§ 3.5.1 GENERAL~~

~~The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.~~

~~§ 3.5.2 COMPETITIVE BIDDING~~

~~§ 3.5.2.1~~ Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

~~§ 3.5.2.2~~ The Architect shall assist the Owner in bidding the Project by

- ~~1~~ —procuring the reproduction of Bidding Documents for distribution to prospective bidders;

- .2 — distributing the Bidding Documents to prospective bidders, requesting their return upon completion of the bidding process, and maintaining a log of distribution and retrieval and of the amounts of deposits, if any, received from and returned to prospective bidders;
- .3 — organizing and conducting a pre-bid conference for prospective bidders;
- .4 — preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda; and
- .5 — organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.

§ 3.5.2.3 The Architect shall consider requests for substitutions, if the Bidding Documents permit substitutions, and shall prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 NEGOTIATED PROPOSALS

§ 3.5.3.1 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by

- .1 — procuring the reproduction of Proposal Documents for distribution to prospective contractors, and requesting their return upon completion of the negotiation process;
- .2 — organizing and participating in selection interviews with prospective contractors; and
- .3 — participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.

§ 3.5.3.3 The Architect shall consider requests for substitutions, if the Proposal Documents permit substitutions, and shall prepare and distribute addenda identifying approved substitutions to all prospective contractors.

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§ 4.1.1	Programming	Architect	Included in Basic Services
§ 4.1.2	Multiple preliminary designs	Not Provided	
§ 4.1.3	Measured drawings	Not Provided	
§ 4.1.4	Existing facilities surveys	Not Provided	
§ 4.1.5	Site Evaluation and Planning (B203™–2007)	Architect	Included in Basic Services
§ 4.1.6	Building information modeling	Not Provided	
§ 4.1.7	Civil engineering	Architect	Included in Basic Services
§ 4.1.8	Landscape design	Architect	Included in Basic Services
§ 4.1.9	Architectural Interior Design (B252™–2007)	Architect	Included in Basic Services
§ 4.1.10	Value Analysis (B204™–2007)	Not Provided	
§ 4.1.11	Detailed cost estimating	Not Provided	
§ 4.1.12	On-site project representation	Not Provided	
§ 4.1.13	Conformed construction documents	Not Provided	
§ 4.1.14	As-Designed Record drawings	Not Provided	
§ 4.1.15	As-Constructed Record drawings	Not Provided	
§ 4.1.16	Post occupancy evaluation	Not Provided	
§ 4.1.17	Facility Support Services (B210™–2007)	Not Provided	
§ 4.1.18	Tenant-related services	Not Provided	
§ 4.1.19	Coordination of Owner’s consultants	Not Provided	
§ 4.1.20	Telecommunications/data design	Contractor	
§ 4.1.21	Security Evaluation and Planning (B206™–2007)	Not Provided	
§ 4.1.22	Commissioning (B211™–2007)	Architect	Included in Basic Services
§ 4.1.23	Extensive environmentally responsible design	Not Provided	
§ 4.1.24	LEED® Certification (B214™–2007)	Not Provided	
§ 4.1.25	Fast-track design services	Not Provided	
§ 4.1.26	Historic Preservation (B205™–2007)	Not Provided	

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§ 4.1.27 Furniture, Furnishings, and Equipment Design (B253™-2007)	Not Provided	

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- .1 One (1) reviews of each Shop Drawing, Product Data item, sample and similar submittal of the Contractor
- .2 Fourteen (14) visits to the site by the Architect over the duration of the Project during construction
- .3 Two (2) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
- .4 One (1) inspections for any portion of the Work to determine final completion

§ 4.3.4 If the services covered by this Agreement have not been completed within twenty four (24) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

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ARTICLE 6 — COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work does not include the compensation of the Architect, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and may be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work or from any estimate of the Cost of the Work or evaluation prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to make reasonable adjustments in the program and scope of the Project; and to include in the Contract Documents alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget for the Cost of the Work. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requests detailed cost estimating services, the Architect shall provide such services as an Additional Service under Article 4.

§ 6.4 If the Bidding or Negotiation Phase has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, through no fault of the Architect, the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;

- .4 — in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
- .5 — implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect, without additional compensation, shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. The Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

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[] Litigation in a court of competent jurisdiction

...

§ 8.3 ARBITRATION

§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this Agreement, and filed with the person or entity administering the arbitration.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

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Schematic Design:	\$ 40,600.00
Design Development:	\$ 53,000.00
Construction Documents:	\$164,000.00
Permitting:	\$ 5,000.00
Bidding:	\$ 3,500.00
Construction Admin.	\$ 81,900.00

TOTAL FEE: \$348,000.00 In accordance with Exhibit B Fee Schedule Breakdown

...

As agreed to by both parties

...

As agreed to by both parties

§ 11.4 Compensation for Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Ten percent (10 %), or as otherwise stated below:

...

~~§ 11.5 Where compensation for Basic Services is based on a stipulated sum or percentage of the Cost of the Work, the compensation for each phase of services shall be as follows:~~

~~§~~

Schematic Design Phase	percent (%)
Design Development Phase	percent (%)
Construction Documents Phase	percent (%)
Bidding or Negotiation Phase	percent (%)
Construction Phase	percent (%)
<hr/>		
Total Basic Compensation	one hundred percent (100 %)

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices. (If applicable, attach an exhibit of hourly billing rates or insert them below.)

ethos|three ARCHITECTURE
Standard Office Rates and Expenses

Office Staff – Employee Rates

Principal	\$175
Interior Design Director	\$135
Project Manager	\$125
Project Architect	\$115
Construction Administration	\$100
Project Professional 3	\$100
Project Professional 2	\$90
Project Professional 1	\$80
Draftsperson	\$70
Administration	\$60

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§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Ten percent (10 %) of the expenses incurred.

...

As agreed to by both parties

...

§ 11.10.1 An initial payment of Zero (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.10.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Forty-Five (45) days

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after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

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7% per annum

...

John Lopeman, AIA, Principal

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, John Lopeman, AIA, Principal, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 17:24:49 on 07/15/2015 under Order No. 7277737635_1 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document B101™ – 2007, Standard Form of Agreement Between Owner and Architect, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

(Title)

(Dated)

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AIA[®] Document B101[™] – 2007 Exhibit A

Initial Information

for the following PROJECT:

(Name and location or address)

2015105 - Somerset Academy Sky Pointe Campus Phase III - High School Addition
7038 Sky Point Dr.
Las Vegas, NV

THE OWNER:

(Name, legal status and address)

Somerset Academy of Las Vegas
7038 Sky Pointe Drive
Las Vegas, NV 89131

THE ARCHITECT:

(Name, legal status and address)

ethos three ARCHITECTURE, Professional Corporation
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123

This Agreement is based on the following information.

(Note the disposition for the following items by inserting the requested information or a statement such as "not applicable," "unknown at time of execution" or "to be determined later by mutual agreement.")

ARTICLE A.1 PROJECT INFORMATION

§ A.1.1 The Owner's program for the Project:

(Identify documentation or state the manner in which the program will be developed.)

New 40,865 High School Classroom Expansion and a new 14,108 SF Gymnasium with associated site work.

§ A.1.2 The Project's physical characteristics:

(Identify or describe, if appropriate, size, location, dimensions, or other pertinent information, such as geotechnical reports; site, boundary and topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site; etc.)

Expansion of an existing charter school on a 12 acre site.

§ A.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

(Provide total, and if known, a line item break down.)

To be determined

§ A.1.4 The Owner's other anticipated scheduling information, if any, not provided in Section 1.2:

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

none

§ A.1.5 The Owner intends the following procurement or delivery method for the Project:
(Identify method such as competitive bid, negotiated contract, or construction management.)

Negotiated Contract

§ A.1.6 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere, such as environmentally responsible design or historic preservation requirements.)

ARTICLE A.2 PROJECT TEAM

§ A.2.1 The Owner identifies the following representative in accordance with Section 5.3:
(List name, address and other information.)

Somerset Academy Sky Pointe Campus
7038 Sky Pointe Drive
Las Vegas, NV 89131

§ A.2.2 The persons or entities, in addition to the Owner's representative, who are required to review the Architect's submittals to the Owner are as follows:
(List name, address and other information.)

§ A.2.3 The Owner will retain the following consultants and contractors:
(List discipline and, if known, identify them by name and address.)

§ A.2.4 The Architect identifies the following representative in accordance with Section 2.3:
(List name, address and other information.)

John Lopeman, AIA
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123

§ A.2.5 The Architect will retain the consultants identified in Sections A.2.5.1 and A.2.5.2.
(List discipline and, if known, identify them by name, legal status, address and other information.)

§ A.2.5.1 Consultants retained under Basic Services:

.1 Structural Engineer

MA Engineering
3281 South Highland Dr., Suite 813
Las Vegas, NV 89109

Phone: 702-735-2777

.2 Mechanical Engineer

Harris Consulting Engineers
6630 Surrey Street, Suite 100
Las Vegas, NV 89119
Phone: 702-269-1575

.3 Electrical Engineer

Harris Consulting Engineers
6630 Surrey Street, Suite 100
Las Vegas, NV 89119
Phone: 702-269-1575

4. Landscape Engineer

Lage Design
8985 S. Eastern Ave., Suite 220
Las Vegas, NV 89123
Phone: 702-525-5095

5. Geotechnical Engineer

Terracon Consultants, Inc.
750 Pilot Road, Suite F
Las Vegas, NV 89119
Phone: 702-597-9393

6. Civil Engineer

Collins Engineers, Inc.
3130 S. Durango Drive, Suite 404
Las Vegas, NV 89117
Phone: 702-248-8000

7. Dry Utilities Coordinator

STF, Inc.
2595 South Cimmaron Road, Suite 103
Las Vegas, NV 89117

8. Commissioning Agent

TestMarcx Solutions, LLC
8205 E. Warm Springs Rd., Suite 110
Las Vegas, NV 89113
Phone: 800-815-1162

§ A.2.5.2 Consultants retained under Additional Services:

Init.

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§ A.2.6 Other Initial Information on which the Agreement is based:
(Provide other Initial Information.)

Additions and Deletions Report for **AIA[®] Document B101[™] – 2007 Exhibit A**

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 17:27:20 on 07/15/2015.

PAGE 1

2015105 - Somerset Academy Sky Pointe Campus Phase III - High School Addition
7038 Sky Point Dr.
Las Vegas, NV

...

Somerset Academy of Las Vegas
7038 Sky Pointe Drive
Las Vegas, NV 89131

...

(Name, legal status and address)

ethos three ARCHITECTURE, Professional Corporation
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123

...

New 40,865 High School Classroom Expansion and a new 14,108 SF Gymnasium with associated site work.

...

Expansion of an existing charter school on a 12 acre site.

...

To be determined

PAGE 2

none

...

Negotiated Contract

...

Somerset Academy Sky Pointe Campus

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(911159413)

7038 Sky Pointe Drive
Las Vegas, NV 89131

...

John Lopeman, AIA
8985 S. Eastern Avenue
Suite 220
Las Vegas, NV 89123

...

MA Engineering
3281 South Highland Dr., Suite 813
Las Vegas, NV 89109
Phone: 702-735-2777

PAGE 3

.2 Mechanical Engineer

Harris Consulting Engineers
6630 Surrey Street, Suite 100
Las Vegas, NV 89119
Phone: 702-269-1575

...

Harris Consulting Engineers
6630 Surrey Street, Suite 100
Las Vegas, NV 89119
Phone: 702-269-1575

4. Landscape Engineer

Lage Design
8985 S. Eastern Ave., Suite 220
Las Vegas, NV 89123
Phone: 702-525-5095

5. Geotechnical Engineer

Terracon Consultants, Inc.
750 Pilot Road, Suite F
Las Vegas, NV 89119
Phone: 702-597-9393

6. Civil Engineer

Collins Engineers, Inc.
3130 S. Durango Drive, Suite 404
Las Vegas, NV 89117
Phone: 702-248-8000

7. Dry Utilities Coordinator

STF, Inc.
2595 South Cimmaron Road, Suite 103
Las Vegas, NV 89117

8. Commissioning Agent

TestMarx Solutions, LLC

8205 E. Warm Springs Rd., Suite 110

Las Vegas, NV 89113

Phone: 800-815-1162

ATTACHMENT B - F E E S C H E D U L E

ethos | three ARCHITECTURE

OWNER: Somerset Academy of Las Vegas

PROJECT: Somerset Academy Sky Pointe PH III

Architecture / Engineering	SD	DD	CD	Permit	Bidding	CA	TOTAL
Architecture & Interiors	\$25,000	\$25,000	\$80,000	\$5,000	\$3,500	\$50,000	\$188,500
Exterior Rendering	\$0	\$0	\$1,500	\$0	\$0	\$0	\$1,500
Structural Engineering	\$5,000	\$10,000	\$35,000	\$0	\$0	\$5,000	\$55,000
MPE Engineering	\$3,000	\$10,000	\$26,000	\$0	\$0	\$7,400	\$46,400
Civil Engineering	\$3,900	\$5,200	\$15,800	\$0	\$0	\$1,800	\$26,700
Dry Utility Coordination	\$0	\$1,200	\$1,800	\$0	\$0	\$1,200	\$4,200
Commissioning	\$0	\$0	\$0	\$0	\$0	\$13,500	\$13,500
Geotechnical Engineering	\$1,400	\$0	\$0	\$0	\$0	\$0	\$1,400
Landscape Architecture	\$2,300	\$1,600	\$3,900	\$0	\$0	\$3,000	\$10,800
	\$40,600	\$53,000	\$164,000	\$5,000	\$3,500	\$81,900	\$348,000

Owner Representative and Project Management Agreement

This Owner Representative and Project Management Agreement (this “Agreement”) is made as of the ___d day of___2015, by Somerset Academy (“Owner”), and Boyer Skypointe Academy, L.C. (“Representative”). Owner and Representative are each called a “Party” and together are called the “Parties”.

Background

- A. Owner desires to construct a Charter School building and associated improvements on the Property (together, the “Improvements”), as more fully described in this Agreement.
- B. Owner desires to engage Representative to represent and assist Owner with the design of the Improvements and to represent, manage and oversee on behalf of Owner the engineering and construction of the Improvements on the Property by the Contractor, and Representative desires to accept this engagement and provide these services, all as provided in this Agreement.

Agreement

The Parties, desiring to be legally bound, agree as follows:

1. Recitals, Definitions and Exhibits.

1.1 Recitals and Exhibits. The foregoing Recitals and all Exhibits attached to this Agreement are expressly made a part of this Agreement.

1.2 Defined Terms. Certain capitalized terms and expressions used in this Agreement, including the preamble, the Background Recitals and the Exhibits, will, unless the context otherwise requires, have the meanings given to them in Exhibit 1.2.

1.3 Exhibits. The Exhibits to this Agreement consist of the following:

- Exhibit 1.2 – Defined Terms
- Exhibit 4.3(a) – Plans and Specifications
- Exhibit 5.3(c) – Budget
- Exhibit 5.3(d) – Schedule

2. Term. The term of this Agreement (the “Term”) will commence on the date first written above and, unless sooner terminated as provided in Section 11, will continue until Representative has performed all its Services under this Agreement and Owner has paid the Services Fee.

3. Engagement. Owner engages Representative to assist and represent Owner with overseeing the design of the Improvements, and to manage and oversee the engineering

and construction of the Improvements on the Property, including all work by the Contractor, in accordance with this Agreement, and Representative accepts this engagement.

4. Representative's Services. In return for the Services Fee, Representative will assist Owner and the Architect with the design of the Improvements and, in consultation with Owner, will initiate, coordinate and administer all planning, design, engineering, construction and other activities in connection with the construction of the Improvements, as more fully described in this Section 4, subject to the terms and conditions of this Agreement (the "Services").

4.1 Personnel.

- (a) Representative hereby assigns Brian Gochnour as its authorized representative, with general responsibility for Representative's Services hereunder, and David Summerhays as construction manager. If Brian Gochnour or David Summerhays are unable to serve or ceases to serve for any reason, then within five (5) days CM will provide a replacement who is reasonably acceptable to Owner.
- (b) Representative will provide and supervise at its expense all other personnel reasonably necessary to provide the Services, who will be properly trained and qualified to perform their respective job functions.

- 4.2 General Services. Representative will supervise the work of the Architect, the Consultants and the Contractor, and promptly notify Owner if Representative recognizes that the work product of any of these parties is at variance with the Plans and Specifications, or with applicable laws, codes, or regulations. Further, Representative will use commercially reasonable efforts to enforce compliance by the Architect, the Contractor and the Consultants with the Schedule, the Budget and all other requirements of their respective contracts; provided that Representative will have no obligation to initiate or pursue any lawsuit, mediation, arbitration or other legal proceeding against any party.

4.3 Pre-Construction Services.

- (a) Representative will assist Owner, the Architect and the Consultants to develop the scope and design of the Improvements, including, without limitation, its structural, mechanical, electrical, plumbing, heating and cooling systems. All final working plans, drawings and specifications for the Improvements shall be attached as Exhibit 4.3(b). The plans and specifications listed from time to time on Exhibit 4.3(a), as they may be modified as provided in Section 6 below, are called the "Plans and Specifications". All changes to the Plans and Specifications are subject to Representative's approval. In connection with the completion of the Plans and Specifications, Representative shall assist in developing a construction schedule (the "Schedule") which results in timely completion of

construction consistent with compliance with the Budget, which schedule shall be subject to the approval of Owner. Once approved by Owner, the Schedule will be attached hereto as Exhibit 5.3(c).

- (b) Representative shall assist in developing a construction budget based on the Plans and Specifications and Schedule (the "Budget"). Representative will provide input on various line items, including an appropriate contingency line item which can be applied to cost overruns and items not accounted for in the Plans and Specifications. The Budget will be attached hereto as Exhibit 5.3(d).
- (c) Representative will update and revise the Budget and Schedule during the design, engineering and contract bidding process to reflect alternates, bids submitted by contractors, and schedule estimates provided by the Contractor and the Consultants. All changes to the Budget and Schedule are subject to approval by Representative.

4.4 Representative will coordinate with the Architect, the Consultants and Contractor in obtaining all permits and approvals required to commence and complete construction of the Improvements in accordance with the Plans and Specifications and all applicable laws and private restrictions.

4.5 Construction Management Services.

- (a) Representative will negotiate with the Contractor a Construction Contract reasonably acceptable to Owner, for review and approval by Owner and execution by Contractor and Owner. Once signed, the Construction Contract may only be modified pursuant to approval of the Representative.
- (b) If any agreement is required in connection with the construction of the Improvements that requires execution by Owner as the owner of the Property or Improvements (including, by way of example, easements and agreements with utility companies), Representative will submit such agreement, with Representative's recommendations, to Owner for its approval and execution.
- (c) After the necessary design and engineering work is completed, the required permits and approvals obtained and the Construction Contract has been executed by Owner and the Contractor, Representative will cause the Contractor to commence and diligently pursue construction of the Improvements substantially in accordance with the Budget, the Schedule and the Plans and Specifications.
- (d) During construction of the Improvements, with due reliance upon and assistance from the Consultants, Representative will exercise general management of construction, and as part thereof will perform the following Services:

- (i) Provide direction to the Contractor and the Consultants;
- (ii) Provide to Zions Bank as Bond Trustee (“Trustee”) such information relating to the design and construction of the Improvements as Trustee reasonably may request;
- (iii) Use commercially reasonable efforts to guard Owner against any defects or deficiencies in the work of the Contractor or any other contractors or subcontractors, including the appropriate inspection and testing, the expense of which shall be included in the Budget;
- (iv) Reject any work that does not or materials that do not, in Representative’s reasonable opinion, materially conform to the appropriate contract documents, and recommend to Owner action to be taken in respect thereof;
- (v) Cause the correction of defective or non-conforming work known to or discovered by Representative, at no cost to Representative or Owner;
- (vi) Review and approve shop drawings, samples and other submissions of the Contractor for conformance with the Plans and Specifications and the compliance with the appropriate contract documents;
- (vii) Assemble and review each application for payment from the Contractor and invoices from other persons providing labor, material or services for the Improvements in a form reasonably acceptable to Lender, and recommend to Trustee the proper amount to be paid to such payees;
- (viii) Obtain from the Contractor all required lien waivers and all other documentation as provided for in the Construction Contract or otherwise reasonably requested by Trustee;
- (ix) Consult with the Architect and relevant Consultants if either Contractor or any contractor or subcontractor requests interpretations of the meaning and intent of the Plans and Specifications, and assist in the resolution of any questions which may arise;
- (x) On application for final payment by the Contractor, make a final inspection of the work, cause the Contractor to assemble and deliver to Owner any written guaranties, releases, bonds and waivers, instruction books, diagrams and charts required by the appropriate contract documents, and issue to Owner and Trustee Representative’s recommendation for final payment;

- (xi) Coordinate the installation of the utilities with the appropriate utility companies;
- (xii) Coordinate obtaining any required agreements with government agencies;
- (xiii) Receive and prepare response to all notices, claims and pertinent correspondence, and cause the Contractor to provide Owner with copies of warranties, guarantees and a set of as-built drawings and sepias of the Improvements at completion;
- (xiv) Attend weekly design team and construction meetings;
- (xv) Confirm that the Contractor timely engages and contacts for necessary work with all key subcontractors and timely orders key materials required for the construction of the Improvements so as to avoid any substantive delays in the Schedule; and
- (xvi) Perform such other additional development and construction management functions as are commercially appropriate to accomplish the orderly and proper construction of the Improvements substantially in accordance with the Budget and the Schedule, as the same may be amended from time to time as provided in this Agreement.

4.6 Completion.

- (a) Representative will use commercially reasonable efforts to cause Substantial Completion of the Improvements by the Target Completion Date; provided that Representative will have no liability to Owner if Substantial Completion is not achieved by the Target Date, except to the extent of a material breach by Representative of its obligations under this Agreement. Owner recognizes that Substantial Completion may be delayed due to causes which Representative cannot reasonably control or circumvent including, without limitation, the acts or omissions of Contractor or subcontractors, combined action of workers, strikes, embargoes, fire, casualties, a moratorium on construction, delays in transportation, governmental delays in granting permits or approvals, governmental actions beyond Representative's reasonable control, the material and unanticipated unavailability or shortage of materials, national emergency unusually severe weather conditions, and delays caused by Owner, including, any delays caused by Owner's failure to timely respond to any matter submitted to Owner for Owner's consent.
- (b) Representative will promptly notify Owner when Representative considers the Improvements to be substantially complete. Promptly after such notice Representative and, if Owner desires, representatives of Owner may

inspect the Improvements with Representative to prepare a “punch list” of unfinished items for submission to the applicable Contractor. Representative will coordinate and administer the completion of all items on the punch list by the Contractor as soon as practical.

- 4.7 Performance Standards. Representative will render the Services in a manner consistent with the level of skill and care ordinarily exercised by commercial real estate development and construction management professionals. Notwithstanding any other provision of this Agreement to the contrary, Owner acknowledges that (a) the services and work product provided by Architect, the Consultants and the Contractor, as contemplated hereby, are the responsibility of such parties, and (b) Representative neither warrants nor guarantees their performance. While Representative will use commercially reasonable efforts to assure compliance by the Architect, the Consultants and the Contractor with their respective contracts as set forth above Representative shall have no obligation to initiate or pursue any lawsuit, mediation, arbitration or other legal proceeding against such parties. If Owner remains unsatisfied with the work of any of these parties, Owner may pursue its remedies against them.
5. Owner Representative. Owner hereby assigns Representative as its authorized representatives. Owner may designate additional representatives or replace its representative by written notice to Representative. Owner’s Representative, as designated under this Section 5, has authority to approve all matters under this Agreement. If such person is unable to serve or ceases to serve for any reason, then within five (5) days after such person ceases to serve in the indicated capacity, Owner will designate a replacement.
6. Approvals; Change Orders.
 - 6.1 Plans and Specifications. All changes to the Plans and Specifications will require Representative’s approval. Representative will review and approve or disapprove Plans and Specifications submitted to it within ten (10) business days after receipt.
 - 6.2 Other Contracts. All contracts and instruments to be signed by Owner, including the Construction Contract and any contract or other instrument submitted to it under Section 4.5(b), will be subject to review and approval by Owner. Owner will approve or disapprove each contract or instrument as expeditiously as possible following receipt by Owner of it and all information reasonably required to evaluate it, including, as applicable, land surveys, engineering data or other items.
 - 6.3
 - 6.4 .
7. Inspection.

7.1

7.2 Right to Inspect Construction. Owner, Trustee and any Owner Consultant may enter the Property at any during the course of construction to observe the construction of the Improvements and inspect the progress, quality and conformance of the work. Owner's, Trustee's or Owner Consultant's inspection of, or failure to inspect, approval of, or agreement to the performance of any part of the work will in no way relieve the Contractor of full responsibility for the performance of its work. Representative will, and will cause Trustee and any Owner Consultant to, exercise this right of entry and inspection in a manner so as not to interfere unreasonably with or delay the work to be performed by the Contractor.

7.3 Representative's Obligations. Representative will make available to Owner, Trustee, and any Owner Consultant, copies of all Plans and Specifications and all Change Orders, including field changes, and advise Owner and any Owner Consultant of all scheduled job site meetings. Upon Owner's request, Representative will provide Owner, Lender, and any Owner Consultant with copies of project schedules, job minutes and other information reasonably required by Owner, Lender or the Owner Consultant to evaluate the quality and progress of the work.

8. Costs of Construction.

8.1 Owner Expense. The Improvements will be built at Owner's sole cost and expense.

8.2 Requisition Package; Payment.

Representative will assemble and submit a requisition package containing the request for payment for the applicable portion of the Costs of Construction, which has been submitted by the Contractor and approved by Representative, invoices from the Consultants, and invoices for any other third party Costs of Construction then due in connection with the Improvements in accordance with the requirements of the Trustee. Representative will review each invoice included in a requisition package for conformity with the applicable contract provisions.

8.3 Limitation on Expenditures. Except for expenditures made and obligations (a) incurred in accordance with the approved Budget, (b) incurred pursuant to change orders approved in writing or deemed approved or permitted by Representative, or (c) otherwise approved in advance by Owner, Representative will not have the power or authority to make any expenditure or incur any expense or obligation on behalf of Owner in connection with development of the Improvements, excepting in the case of the unavailability of Owner in the face of an emergency affecting the safety of persons or property in connection with the Improvements, and then only to the extent reasonably necessary during the period of such emergency.

Representative will notify Owner promptly of any such emergency and the amount expended in connection therewith.

9. Insurance.

9.1 Representative Insurance.

- (a) Representative at its expense will secure and keep in force at all times during the Term and while Services are being performed under this Agreement, the following insurance coverages and their respective minimum limits:
 - (i) Worker's Compensation & Employer's Liability Insurance – Workers' Compensation Insurance, with applicable statutorily required limits; and Employer's Liability Insurance, with minimum limits of \$2,000,000 per occurrence and \$5,000,000 in the aggregate;
 - (ii) Commercial General Liability Insurance – Combined Bodily Injury Liability, Including for Death, and Property Damage Liability, with a combined single limit of not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate, including Contractual Liability (to cover CM's indemnification obligations contained in this Agreement); and
 - (iii) Excess Liability Insurance – Excess or umbrella liability policy(ies) with a combined single limit of at least \$2,000,000 per occurrence in excess of the limits of the above specified Commercial General Liability coverage.
- (b) The insurance policies to be obtained by CM will be endorsed to provide that Owner is an additional insured. Such insurance policies will be primary without right of contribution from any other insurance maintained by Owner unless due to Owner's gross negligence or willful misconduct.

9.2 Additional Insurance. Nothing contained in this Agreement will limit the right of Representative or Owner to obtain additional insurance coverage which will be at the sole cost and expense of the Party obtaining it and will be of a nature which does not impair the coverage afforded by policies maintained by the other Party.

9.3 Contractor Insurance. The Construction Contract will require the Contractor to provide and maintain such insurance, and with such policy provisions, terms and conditions, as upon which Owner and Representative may agree.

10. Indemnification. Each Party will indemnify, defend and hold harmless the other Party, its parent, subsidiaries, affiliates, successors and assigns and each of their officers, directors, shareholders and employees ("Related Parties") from any damage to property, any injury

to person (including death), and any direct demands, claims, expenses, fines and losses of any type (including, but not limited to reasonable attorneys' fees and litigation expenses) to the extent resulting from (a) the indemnifying Party's or its Related Parties' negligence, gross negligence or willful misconduct in performing or failing to perform its obligations under this Agreement, (b) the indemnifying Party's or its Related Parties' breach of any representation, warranty or covenant contained in this Agreement or in any of its Exhibits, or (c) the indemnifying Party's or its Related Parties' failure to comply with applicable law. To the extent any claims, damages, etc. are jointly caused by the acts or omissions of the Parties, such claims will be apportioned between the Parties on a pure comparative negligence basis.

11. Default and Termination.

11.1 Default by Representative.

- (a) “Representative Default” means any one of the following: (i) any material representation or warranty by Representative in this Agreement is false or misleading in a material respect; (ii) Representative commits fraud towards Owner or the Improvements; or (iii) if representative fails to perform or fulfill any of its obligations under this Agreement not specifically covered by clauses (i) and (ii) above and such default continues uncured for more than twenty (20) days after written notice thereof by Owner to Representative specifying such default. If Representative has not completed a cure of a non-monetary default after diligent good faith efforts during such time period, such 20-day cure period will be extended for up to an additional period of time as is reasonably necessary so that Representative may have the opportunity to complete such cure, not to exceed an additional ninety (90) days.
- (b) If a Representative Default occurs, Owner may, without prejudice to any other right or remedy, and after giving Representative ten (10) business days' written notice, exercise either or both of the following remedies:
 - (i) Terminate this Agreement and designate another firm to assume the role of Representative of the Improvements; and/or
 - (ii) Exercise any other remedies at law or equity available to Owner.
- (c) If Owner elects to terminate this Agreement upon a Representative Default, CM will not be entitled to receive any further payments under this Agreement; provided, that Representative will be paid all payments due and payable prior to such termination. Owner's exercise of any remedy, whether provided herein or otherwise, is without prejudice to any other remedy available to Owner hereunder, or by law, statute or in equity, it being understood that all such remedies are reserved and may be pursued individually or cumulatively and as often as is necessary.

- 11.2 Automatic Termination. This Agreement will automatically terminate, without any notice or other action to be taken by a Party, upon the occurrence of any of the following: (a) the other Party applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial portion of the other Party's assets; (b) the other Party files a petition in bankruptcy; (c) the other Party files an answer admitting the material allegations of a petition filed against it in bankruptcy, reorganization or insolvency proceedings, or entry of an order, judgment or decree against the other Party by a court of competent jurisdiction, on the application of a creditor, adjudicating the other Party bankrupt or insolvent or approving a petition seeking reorganization of the other Party or appointing a receiver, trustee or liquidator of all or a substantial portion of the other Party's assets, and continuation of such order, judgment or decree unstayed for sixty (60) days or longer; (d) the other Party admits, in writing, to its inability to pay its debts as they become due; (e) the other Party makes a general assignment for the benefit of its creditors; or (f) the other Party files a petition or answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law.
- 11.3 Termination upon Condemnation. This Agreement will automatically terminate if the Property or the Improvements are taken in whole or in substantial or material part by condemnation.
- 11.4 Default by Owner. If Owner fails to perform any of its obligations under this Agreement, Representative may, without prejudice to any other right or remedy, and after giving Owner twenty (20) days' written notice, provided, if Owner has not completed the cure of a non-monetary default within such twenty (20) day period after diligent good faith efforts during such time period, such 20-day cure period will be extended for up to an additional period of time as is reasonably necessary so that Owner may have the opportunity to complete such cure, not to exceed an additional ninety (90) days:
- (a) terminate this Agreement; and/or
 - (b) exercise any other remedies at law or equity available to Representative.

12. Representations and Warranties.

- 12.1 By Representative. To induce Owner to execute, deliver and perform this Agreement, Representative represents and warrants to Owner:
- (a) Representative is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Utah and has the full right, power and authority to enter into this Agreement and to perform all of the obligations and liabilities of Representative required to be performed hereunder.

- (b) This Agreement has been duly and validly executed and delivered by and on behalf of Representative and, assuming the due authorization, execution and delivery thereof by and on behalf of Owner, constitutes a valid, binding and enforceable obligation of Representative enforceable in accordance with its terms. The foregoing representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.
- (c) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Representative is a party, or by which Representative or the Improvements are a party or otherwise bound.

12.2 By Owner. To induce Representative to execute, deliver and perform this Agreement, Owner represents and warrants to Representative:

- (a) Owner is duly organized, validly existing and in good standing under the laws of the State of Nevada, with full right, power and authority to enter into this Agreement, and to perform all of the obligations and liabilities of Owner required to be performed hereunder.
- (b) This Agreement has been duly and validly executed and delivered by and on behalf of Owner, and, assuming the due authorization, execution and delivery thereof by and on behalf of Representative, constitutes a valid, binding and enforceable obligation of Owner enforceable in accordance with its terms. The foregoing representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.
- (c) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Owner is a party or by which Owner, or the Improvements, are otherwise bound.

13. General Provisions.

- 13.1 Assignment. Owner may assign this Agreement to a parent, subsidiary, a Person acquiring substantially all of the assets of Owner.com, or sister corporation upon written notice to Representative. Otherwise, neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party. Subject to this restriction, this Agreement is binding upon and will inure to the benefit of the Parties and their respective successors and assigns.
- 13.2 Entire Agreement. This Agreement embodies the entire agreement and understanding among the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, relating to such subject matter other than those set forth herein.
- 13.3 Captions. The descriptive headings of the sections of this Agreement are inserted for convenience only. They are not intended to and may not be construed to limit, enlarge or affect the scope or intent of this Agreement or the meaning of any provision hereof.
- 13.4 Notices. All notices, approvals, consents, waivers, directions, requests or communications must be in writing and signed by the Party giving the same and, except for construction and leasing related communications in the normal course, which may be by email, will be deemed properly given only if hand delivered or sent by reputable overnight courier, or by registered or certified U.S. mail, return receipt requested, postage prepaid, addressed as follows:

If to Representative:

[_____]

Attn: [_____]

[_____]

[_____]

With courtesy copies (which will not constitute notice) to:

[_____]

Attn: [_____]

[_____]

[_____]

If to Owner:

[_____]

Attn: [_____]

[_____]

[_____]

With a courtesy copy (which will not constitute notice) to:

[_____]
Attn: [_____]
[_____]
[_____]

or to such other address as a Party may from time to time designate in writing to the other Party as provided above. Notices will be deemed given upon receipt or refusal of delivery.

14. Limitation of Liability.

- 14.1 Owner. No shareholder, director, officer, employee, agent or affiliate of Owner will in any manner be personally or individually liable for the obligations of Owner hereunder.
- 14.2 Representative. No member, manager, officer, employee, agent or affiliate of Representative will in any manner be personally or individually liable for the obligations of Representative hereunder. Representative will not be liable to Owner with respect to any damage, loss, claim or expense arising from or related to Owner's failure to approve any action, decision or other matter related to the Improvements.
- 14.3 Limitation on Damages. NEITHER PARTY, NOR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AFFILIATES OR EMPLOYEES, WILL BE LIABLE TO THE OTHER PARTY (OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, AFFILIATES OR EMPLOYEES) FOR SUCH OTHER PARTY'S SPECIAL, INCIDENTAL, OR CONSEQUENTIAL LOSS OR DAMAGE (EXCLUDING GENERAL DAMAGES), INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR LOSS OF USE OF CAPITAL OR REVENUE UNDER ANY CIRCUMSTANCE (EVEN IF THAT PARTY HAS BEEN ADVISED OF OR HAS FORESEEN THE POSSIBILITY OF SUCH DAMAGES), WHETHER THE CLAIM ARISES IN TORT, CONTRACT, OR OTHERWISE UNDER THIS AGREEMENT.
- 14.4 Time is of the Essence. Time is of the essence in all aspects of the performance of the obligations hereunder.
- 14.5 Waiver. No failure by Owner or Representative to insist on the strict performance of any obligation, covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy available upon a breach of this Agreement, will constitute a waiver, and no breach will be waived, altered or modified, except by written instrument.
- 14.6 Governing Law. This Agreement and the rights and obligations of the Parties are governed by and will be construed and enforced in accordance with the laws of the State of Utah.

- 14.7 Venue. Each of the Parties consents to the jurisdiction of any Federal or State court in Salt Lake City, Utah, for any action arising out of matters related to this Agreement. Each of the Parties waives the right to commence an action in connection with this Agreement in any court outside of Salt Lake City, Utah.
- 14.8 Waiver of Jury Trial. EACH PARTY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF MATTERS RELATED TO THIS AGREEMENT, WHICH WAIVER IS INFORMED AND VOLUNTARY.
- 14.9 Attorney's Fees. In the event of any controversy, claim or dispute between the Parties affecting or relating to the purposes or subject matter of this Agreement, the Party substantially prevailing on any claim will be entitled to recover from the other Party all of its claim-related reasonable expenses, including reasonable attorneys' and accountants' fees, including in any bankruptcy or appellate proceedings.
- 14.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which is an original and all of which together constitute one and the same document.
- 14.11 Cooperation. Representative will cooperate with and assist Owner in connection with any demand, claim, action or controversy involving the Contractor, any Consultant, subcontractor or any other person or party providing any service or material with respect to the Improvements.

[Signatures appear on following page]

In Witness Whereof, the Parties have executed this Agreement as of the date and year first above written.

REPRESENTATIVE:

[_____]

By:_____

Name:

Title:

OWNER:

[_____]

By:_____

Name:

Title:

Exhibit
Definitions

1. Capitalized Terms. Capitalized terms used in this Agreement, including the preamble and the Exhibits, will, unless the context requires otherwise, have the following meanings:

“Agreement” is defined in the preamble, and expressly includes all Background Recitals and Exhibits.

“Architect” means the architects engaged by Owner to design the Improvements.

“Budget” is defined in Section 5.3(d).

“Change Order” is defined in Section **Error! Reference source not found.**

“Consultants” means all project consultants other than the Architect, including, but not limited to, the Environmental Engineer, the civil engineer, the mechanical engineer, the electrical engineer, the plumbing engineer, the structural engineer, the landscape architect and the geo-tech/construction materials testing engineer.

“Construction Contract” means the definitive written contract to be entered into between Owner and the Contractor.

“Contractor” means the general contractor contracted by Owner to construct the Improvements

“Costs of Construction” means any and all “hard” and “soft” direct costs and expenditures in connection with the design, engineering and construction of the Improvements, including without limitation the following:

- (a) the Services Fee;
- (b) amounts paid to the Architect, the Consultants and the Contractor under their respective contracts; and
- (c) permit and license fees and other charges of governmental authorities paid solely in connection with or arising out of the design, engineering and construction of the Improvements.

“Entitlements” means all entitlements necessary for the development of the Improvements in accordance with the final site plan and/or other development criteria for the Improvements approved by Owner from the appropriate governmental or quasi-governmental authorities.

“Environmental Engineer” means IHI International, or another environmental engineer engaged with respect to the Improvements.

“Representative” is defined in the preamble.

“Representative Default” is defined in Section 8.1.

“Improvements” is defined in Background Recital B.

“Lender” means a lender as Owner may designate, which will provide the loan to Owner for funding the design and construction of the Improvements.

“Owner” is defined in the preamble.

“Parties” means, collectively, CM and Owner, and either such entity is herein referred to individually as a “Party” as provided in the preamble to this Agreement.

“Property” is defined in Background Recital A.

“Plans and Specifications” is defined in Section 4.3(a).

“Property” is defined in Background Recital A.

“Related Parties” is defined in Section 10.

“Schedule” is defined in Section 5.3(c).

“Services” is defined in Section 4.

“Services Fee” means 2.5% of the total project cost.

“Substantial Completion” means the Improvements have been substantially completed in accordance with the Construction Contract so that Owner can begin occupying the Improvements, as evidenced by Contractor’s delivery of a certificate of substantial completion to Owner and Representative, in form and substance reasonably satisfactory to Owner and Representative, and the Entitlements have been obtained by or for Owner.

“Term” is defined in Section 2.

“Target Completion Date” means the date set for completion as set forth in the Schedule

2. Rules of Construction. References to numbered or lettered articles, sections and subsections are to articles, sections and subsections of this Agreement unless otherwise expressly stated. The words “herein,” “hereof,” “hereunder,” “hereby,” “this Agreement” and other similar references mean this Agreement and all amendments and supplements hereto unless the context clearly indicates or requires otherwise. Common nouns and pronouns refer to the masculine, feminine, neuter, singular and plural, as the identity of the person may in the context require. Any reference to statutes or laws includes all amendments, modifications or replacements of the specific sections and provisions concerned.

Exhibit 4.3(a)

Plans and Specifications

[To be attached once approved pursuant to Section 5.3(b)]

Exhibit 5.3(c)
Schedule

[To be attached once approved pursuant to Section 5.3(c)]

Exhibit 5.3(d)

Budget

[To be attached once approved pursuant to Section 5.3(d)]

Schedule 9.2(a)

Budget

4849-8004-5338, v. 5

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 11 – Discussion Regarding Disclosure of Conflicts of Interest.
Number of Enclosures: 1

SUBJECT: Discussion Regarding Disclosure of Conflicts of Interest.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 2-5 minutes

Background: Discussion regarding disclosure of conflicts of interest.

Submitted By: Staff



SOMERSET ACADEMY

OF LAS VEGAS
1378 Paseo Verde Parkway, Suite 200
Henderson, Nevada 89012

July 22, 2015

Nevada State Public Charter School Authority
Attn: Patrick Gavin
1749 Stewart Street, Suite 40
Carson City, Nevada 89706

Re: Disclosure of Potential Conflicts and Request for Waivers

Dear Mr. Gavin,

In completing a recent review of Board Member relationships, school employee hirings, and vendor agreements, it has come to the attention of the Somerset Academy of Las Vegas Board of Directors that potential conflicts of interest exist that require disclosure and a request for a waiver or further direction from the State Public Charter School Authority. As you are aware, NAC 386.345(2) provides:

2. The membership of the governing body of a charter school shall not include:
 - (a) An employee of the governing body or charter school, including, without limitation, an administrator or teacher.
 - (b) Except as otherwise provided in this paragraph, any person who:
 - (1) Owns, operates, is employed by or receives compensation from a corporation, business, organization or other entity that enters into a contract with the governing body or charter school; or
 - (2) Is related by blood or marriage to a person described in subparagraph (1).

Pursuant to the requirements of [NRS 332.800](#), a person described in this paragraph may serve on the governing body if the person has entered into a contract with the governing body to provide goods or services to the charter school without profit or at no cost to the charter school. The governing body shall maintain documentation of the terms of such a contract.

Please be advised that there currently exist two contracts for services and one employment relationship which require disclosure and waiver from the prohibitions set forth above. They are as follows:

1. Board Members Eric Brady and Will Harty are both employees of Brady Linen Service. Somerset Academy's Stephanie Campus entered into a contract with Brady Linen Service to provide rug cleaning services to the school. The agreement provides for weekly payments to Brady Linen of \$34.97 per week. As the execution of this agreement was within the Campus Principal's delegated authority within the budgetary parameters set by the Board of Directors, the Board of Directors did not play any role in the selection of the vendor and was not aware of nor participate in the selection process that resulted in this agreement. As such, no improper acts or influence were involved.
2. Board Member Eric Brady is related by blood to the ownership and management of Brady Supply Company. Brady Supply Company is the current provider of janitorial cleaning and paper products to Somerset Academy Campuses. Eric Brady does not work for Brady Supply Company and is not compensated by Brady Supply Company. Eric Brady did not participate in any way in the selection process which resulted in Brady's selection as a vendor to Somerset Academy.
3. Board Member Eric Alison's spouse, Jennifer Alison, has been requested by Somerset Academy's Stephanie Campus to serve as the campus librarian. Jennifer Alison has been instrumental in the fundraising and donations that made the campus library possible. Mrs. Alison is the most qualified and knowledgeable person to serve in this position. In addition, the position is classified as clerical in nature, paying \$11.00 per hour and having no supervisory authority over any other employee or position.

As set forth above, none of these contractual or employment relationships have resulted in or from any improper action or influence by any members of the Somerset Academy of Las Vegas Board of Directors. It is the request of the Somerset Academy Board of Directors that these contractual and employment relationships be permitted and authorized so that school may continue to operate in the effective and efficient manner which has resulted in positive financial and educational outcomes. The Board of Directors is of course willing to follow any direction given by the State Public Charter School Authority regarding these or any other matters.

If you have any questions, please feel free to contact us to obtain any additional information.

Sincerely,

Somerset Academy of Las Vegas

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015

Agenda Item: 12 – Proposed Adoption of Board Member Handbook and Grievance Policy.

Number of Enclosures: 2

SUBJECT: Proposed Adoption of Board Member Handbook and Grievance Policy.

- Action
- Appointments
- Approval
- Consent Agenda
- Information
- Public Hearing
- Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: Discussion regarding the adoption of a Board member handbook and the establishment of a grievance policy.

Submitted By: Staff



SOMERSET ACADEMY

OF LAS VEGAS

BOARD OF DIRECTORS HANDBOOK

PURPOSE

Somerset Academy promotes a culture that maximizes student achievement and fosters the development of accountable, 21st century learners in a safe and enriching environment.

MISSION STATEMENT

Somerset Academy of Las Vegas will prepare students to excel in academics and attain knowledge through effective teaching and life-long learning. Somerset Academy is dedicated to providing an equitable, high-quality education for all students

POLICY STATEMENT ON DECISION MAKING

The Somerset Academy of Las Vegas charter school exists for the betterment and well-being of the students and families of the school. All decisions by the Board of Directors, Executive Director and the Principals shall be made within the parameters and uphold the principles of the purpose and mission statements. Decisions shall be made first considering the purpose and mission statements and then considering the students and their families, always keeping in mind that parents should have a meaningful voice in their child's education.

BOARD MEMBER AGREEMENT

A member of the Somerset Academy of Las Vegas Board of Directors ("Board") shall be fully committed to the charter school concept. The purpose of the Board is to set the general direction and policy of the school, not to manage it on a daily basis. Directors shall be able to govern in a manner to ensure adherence to the Somerset Academy of Las Vegas ("SALV") purpose and mission statements. Furthermore, Directors shall foster positive relationships with school personnel, the school community, and community at large, oversee the financial stability of SALV, and deal with school related issues as prescribed in the bylaws. By signature below, each director agrees to uphold the terms of this agreement.

All Directors shall understand the curriculum that has been approved by the board and be in agreement with the educational philosophy, discipline policy and administrative structure of SALV.

All directors should attend at least two PTO meetings or events a year to show support and encouragement for that vital aspect of our school. Directors will not serve on the PTO Board of Directors or Executive Committee. Directors may chair and/or serve on other committees of the PTO.

Prior board experience is helpful but not required. Placing a high value on professionalism and the success of the school is mandatory. Motivation for serving on the board shall be to facilitate the educational success of students.

All directors are required to attend a yearly board retreat where the goals of the board are defined and a board self-evaluation shall be conducted to critique the performance of the board during the past year. Additional meetings may be held during the year where outside speakers present information on effective board leadership and/or other pertinent topics are discussed.

The board shall conduct a Board Visit Day at least once every academic year. During this time, directors will visit classrooms, talk with the faculty, staff, and students, and become familiar with current school concerns.

Directors shall fulfill their board and committee responsibilities to their fullest capability.

All directors should remember that being a public relations representative is one of their key roles.

BEHAVIORAL EXPECTATIONS

Directors shall abide by the Nevada Open Meetings Law, NRS Chapter 241. The open meetings law states that anyone discussing board business, policy, actions, resolutions, etc., except at meetings for which notice has been properly posted at least 3 days prior to the meeting, is illegal. "Meeting" with another director is defined as communication in person, by telephone, by electronic mail, or through any other means. Closed sessions and confidentiality laws are also outlined in the statute. Personnel matters and individual student discipline are confidential by law and may be conducted in closed session.

Expectations include a professional demeanor at all board and school functions. Issues being discussed shall not be personalized and directed toward a fellow director, SALV personnel, parent or anyone else. Discernment should be used in interpersonal relationships and communications.

A diversity of opinions and solutions are necessary for the effective governance of SALV; however, directors shall respect and listen to ideas being presented by another director. Directors shall encourage each other to fulfill their responsibilities to the fullest of their potential.

When receiving criticism from parents or other parties about school personnel or other directors, the director shall direct the speaker to the director / personnel, which the situation involves. Directors shall never speak negatively about school personnel or other directors to the school community, or parties outside the school community.

Conflict shall be resolved by those between whom it exists. Directors will commit to resolving conflict directly with each other or with the appropriate school personnel and not share the conflict with anyone outside of the conflict except as necessary to follow the approved conflict resolution policy of SALV, including, but not limited to, other parents, other school personnel, or the media.

Directors shall exemplify integrity, honesty, and respect. A dedication and commitment to the vision of SALV and the charter school movement shall be top priority for any directors. Any

director finding himself or herself involved in an irresolvable conflict shall put the vision and interest of the school first.

Directors are expected to attend all board meetings unless excused. A director missing more than two consecutive board meetings without prior approval for their absence from the Board Chairperson or at least two other directors shall receive a notice of probation. Missing a third meeting without prior approval is considered a resignation by that director.

All board meetings shall be governed according to appropriate parliamentary procedure.

GOVERNANCE OF SOMERSET ACADEMY OF LAS VEGAS

SALV shall be governed by the board. The board shall be made up of seven directors, at least one of whom is a parent or guardian of an enrolled student, two of whom are active or retired licensed educators, and two of whom are individuals with expertise in the areas of accounting, law, human resources and/or finance. The board shall establish and maintain fundamental school policies to ensure adherence to the purpose and mission statements.

SALV's Executive Director and Principals shall be expected to attend all Board Meetings in compliance with the attendance policy set forth for Board Members herein. The Principals shall make day-to-day management decisions and are responsible for all administrative duties for the school. The Executive Director and Principals shall report directly to the board and serve at the pleasure of the board.

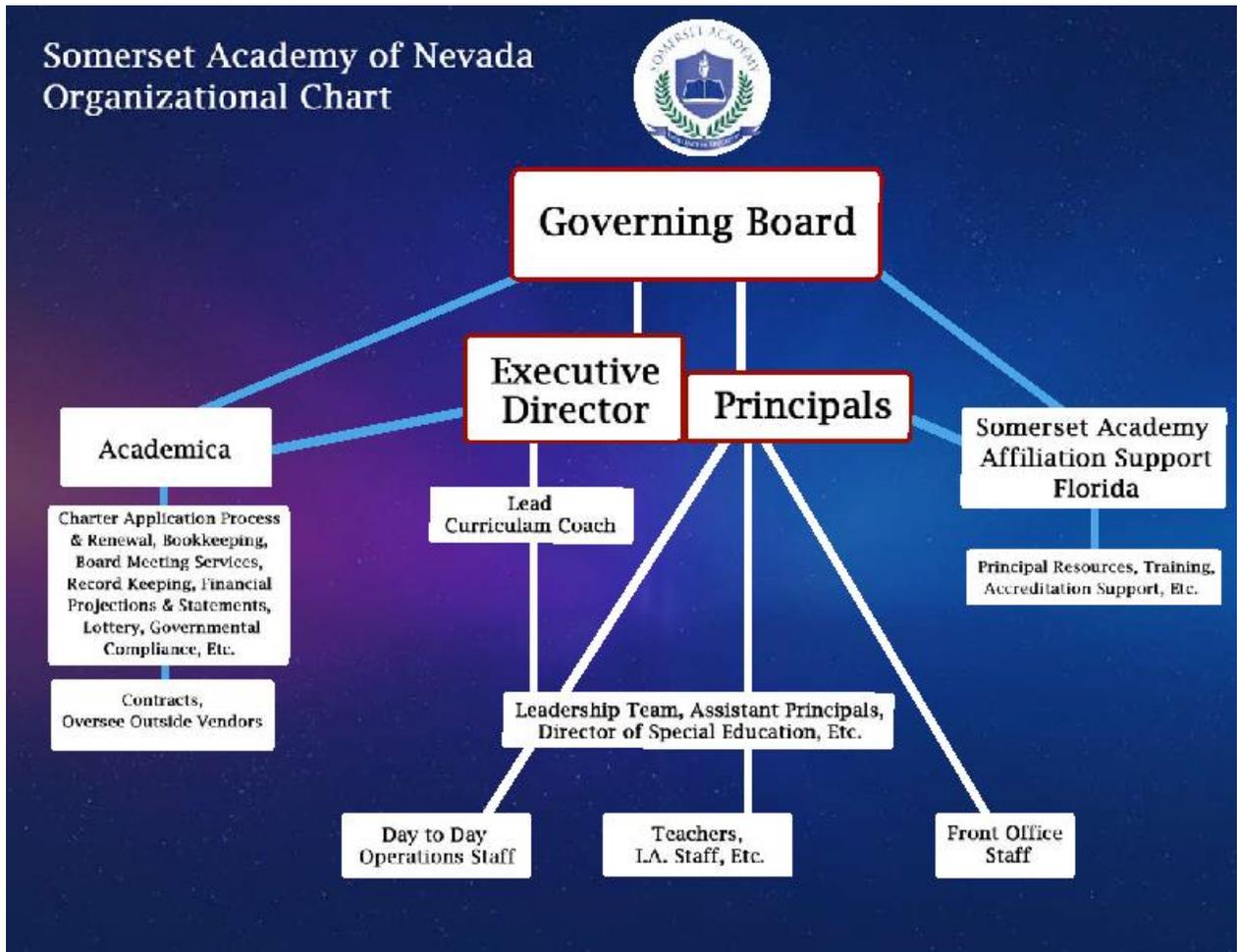
Directors should remember that derogatory statements concerning matters regarding SALV in a public forum tend to bring disrepute on the school as a whole and could be counterproductive to not only SALV, but also the Nevada charter school movement. If a director questions a school related decision, he or she shall immediately take that concern or disagreement to the Principal in a confidential and diplomatic manner. Likewise, the Principal shall agree to the same commitment regarding board decisions.

While at the school, directors shall be mindful of the different roles they play: parent, volunteer, director, etc. Directors shall not use their position of authority while acting in their parent or volunteer roles. With humility, each Director shall serve the best interests of the school.

Directors shall remember that stepping out of their advisory or director capacity and attempting to manage or unduly influence the operations of the school will always cause problems.

The purpose and mission statements of SALV will serve to guide and direct the function and decisions of the board. The goal to continually improve, maintain integrity, serve SALV families and ensure academic success for SALV's students shall take precedence in all situations.

GOVERNANCE CHART



RESPONSIBILITIES AND DUTIES OF THE BOARD OF DIRECTORS

The board is responsible for:

1. Implementing the purpose and mission statements as well as the school's philosophy and objectives. This philosophy should be read on a regular basis and taken into consideration whenever possible changes of policy are under discussion.
2. Establishing policies for the Principal's operation of SALV as well as ensuring that the provisions of SALV's Articles of Incorporation, Bylaws, the charter, and other contracts or agreements with the Nevada State Public Charter School Authority and other entities are being followed.
3. Establishing fiscal policy and boundaries, including but not limited to, budgets and financial controls for the schools.
4. Selecting a new Principal, when necessary.
5. Establishing necessary working committees and ensuring that all directors are actively involved in appropriate committee assignments.
6. Periodic evaluations of SALV, taking into consideration the school's philosophy and goals as stated in the purpose and mission statements.
7. Conducting a written annual evaluation of the performance of the Principal and establishing his/her performance goals for the following year.
8. Conducting a written annual self-evaluation, including consideration of whether the board and its committees are independently knowledgeable concerning school matters or are relying too heavily upon the Principal and other school personnel for guidance in establishing and maintaining policies.
9. Keeping full and accurate minutes of board meetings and those of its committees.
10. Maintaining a policy book so that governing decisions made over a period of years may be readily available to subsequent directors and administrators.
11. Developing and maintaining a communication link to the community.

Remember that each director has no individual authority; it is only as a collective board that there is authority.

Agreed to and Signed, this _____ day of _____, 20____.

Director, Somerset Academy of Las Vegas

APPENDIX

The following documents are attached or linked for review:

1. Articles of Incorporation
2. Bylaws
3. Previous board meeting minutes with board packet supplements are available at the following link:
http://www.somersetacademyoflasvegas.com/apps/pages/index.jsp?uREC_ID=244264&type=d&pREC_ID=470707



SOMERSET ACADEMY OF LAS VEGAS GRIEVANCE POLICY

Somerset Academy of Las Vegas values open and proactive communication among and between the members of the school community, including parents, students, faculty, staff, administration, and the Board. Issues that are not dealt with directly can become destructive to the school community and, therefore, detrimental to the learning process of our students. The adults in the Somerset Academy community must model for its students a willingness to address conflict directly, respectfully, and at the lowest level possible, whenever possible.

As such, Somerset Academy will create a grievance policy consisting of four steps that is designed for settling differences in a prompt and equitable manner. These procedures guide how any adult member of the school community – parent, employee (faculty or non-faculty), administrator, or other adult – is expected to express grievances about other members of the community.

The school's administration and Board both expect that conflict will be addressed and proactively dealt with following the fewest number of steps possible. The steps include:

- (1) addressing the situation directly with the other person(s) involved;
- (2) enlisting the assistance of an administrator to assist in facilitating a resolution;
- (3) preparing a written grievance for the Principal, who then reviews and acts upon that grievance as appropriate; and
- (4) preparing a written grievance for the Board of Directors, who then may choose to hear additional information at a Board meeting and will ultimately make a final decision, not subject to appeal.

It is important to emphasize that the Board will not become involved in a grievance until the final step of the process. Board members are expected to refer any member of the school community who may approach them with a grievance to the school's grievance policy and the proper process for resolving the issue. This process is designed to avoid Board micromanagement and the creation of factions within the school.

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 13 – Discussion Regarding Charter School Association of Nevada Conference, Proposed to Take Place on November 2, 2015 at Somerset Academy’s Losee Campus.
Number of Enclosures: 0

SUBJECT: Discussion Regarding Charter School Association of Nevada Conference, Proposed to Take Place on November 2, 2015 at Somerset Academy’s Losee Campus.

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: Somerset Academy of Las Vegas’ Losee campus will be hosting the Charter School Association of Nevada Conference on November 2, 2015.

Submitted By: Staff

SOMERSET ACADEMY OF LAS VEGAS

Supporting Document

Meeting Date: July 28, 2015
Agenda Item: 14 – Executive Directors and Principal Reports.
Number of Enclosures: 1

SUBJECT: Executive Directors and Principal Reports

Action
 Appointments
 Approval
 Consent Agenda
 Information
 Public Hearing
 Regular Adoption

Presenter (s): Ryan Reeves

Recommendation:

Proposed wording for motion/action:

Fiscal Impact: N/A

Estimated Length of time for consideration (in minutes): 5-10 minutes

Background: The Executive Director and Principals will report on school happenings.

Submitted By: Staff



SOMERSET ACADEMY of Las Vegas

Executive Director/Curriculum Coordinator

Updates – Week of 07/20/15

POINTES OF INTEREST

Two Instructional Coaches were accepted into The *Networking Educators' Visions Across Distances to Advance Science* (NEVADA-S) Project. They will beginning a year-long professional learning opportunity for science with our upcoming NGSS

Board President Cody Noble is looking for a possible Eagle Scout project that may be carried out on any of our campuses. Please let me know if you have any ideas to impart to him or any other scout looking for ways to complete his project throughout the coming school year.

PRINCIPAL SUPPORT, GOVERNMENT RELATIONS AND ADVOCACY ACTIVITIES - John

- Met with Bethany to discuss PD for administrators, PD for staff, and curriculum initiatives for Somerset schools.
- Met with Joan Jurgensen and Kim Ballou to review State reporting deadlines and begin the discussion regarding the possibilities of schools receiving specific numerical designation for individual school data tracking.
- Met with principals at Three Square to begin the discussion regarding Somerset Las Vegas mission and beliefs.
- Discovered the pathway through Bighorn to track teacher licenses for renewals and expirations. Communicated with principals to make contact with those teachers whose licenses expire through August.
- Reviewed State testing calendar with Joan and gave input regarding the concerns surrounding the proposed testing window and the overabundance of 8th grade assessments.
- Researched Board training materials for a possible upcoming Board retreat.
- Joined three national organizations: AASA, NASSP, and AMLE

CURRICULUM SUPPORT, PROFESSIONAL DEVELOPMENT, AND COACHING INITIATIVES - Bethany

- Met with John Barlow to discuss PD for administrators, PD for staff, and curriculum initiatives for Somerset schools.
- Worked with the UCLA Curtis Center and Smarter Balance to write and revise rubrics for the Performance Tasks.
- Met with Joy Pearson, new Assistant Administrator at Doral Saddle and Kayla Miller, Instructional Coach, to discuss our upcoming New Teacher Cadre set up and direction.

MONTHLY INFORMATION

07/20-22/15	Five Somerset Middle School 6-8 th grade teachers are attending an NCTM, Algebra Readiness for Every Student institute in Chicago
07/20-24/15	Five Somerset Elementary School teachers were accepted and begin work with a MSP (Math and Science Partnership) grant which will be focusing on K-2 Math Content
07/30/15	Talk Traditions 10 a.m. to 12 p.m. Losee Campus
07/31-08/01/15	Six Instructional Coaches and the Curriculum Coordinator are attending, Jim Knight's High-impact instruction at Kansas University
08/03/15	Initial Coaching Meeting 9 a.m. to 3 p.m. Losee Campus
08/05/15	Somerset Principals Meeting 12 p.m. to 3 p.m. Sky Pointe MS/HS
08/07/15	Steve Leinwand, <i>Principles to Action</i> 10 a.m. to 3 p.m. Sky Pointe Campus (Working Lunch) Session for All Admin, Instructional Coaches, and Leads
08/07/15	LVMPD Informational Meeting - 1 p.m. to 3 p.m. (John)
08/11/15	Academica Administrators Meeting 10 a.m. to 2 p.m. Academica Offices
08/13/15	New Teacher Induction 8 a.m. to 12 p.m. Losee Campus
08/13/15	Wonders Training/Elementary Teachers 12:30 p.m. to 3:30 p.m.

ARTICLES, REPORTS OF INTEREST, AND RESOURCES

- [Ed Report](#), Washington Partners
- [After Long Delay, House Approves ESEA Reauthorization Bill](#), Principal's Policy Blog
- [Giving Every Child a Fair Shot](#), The White House
- [CCSSO Outlines Successful Actions to Prepare All Educators to Help Students with Disabilities Succeed](#), CCSSO
- [Mortality Attributable to Low Levels of Education in the United States](#), PLOS One
- [Principal Leadership Institutes as a Driver for Change in Metro Nashville Public Schools](#), Annenberg Institute for School Reform at Brown University
- [Mapping State Proficiency Standards](#), National Center for Education Statistics
- [Common Themes, Individual Approaches: Six States' Experiences with New Science Standards](#), National Association of State Boards of Education
- [Innovative Schools Initiative](#), New Schools Venture Fund
- [A First Look at the 5Essentials in Illinois Schools](#), The University of Chicago Consortium on Chicago School Research
- http://www.leg.state.nv.us/session/78th2015/Bills/AB/AB321_EN.pdf, AB321 information regarding this bill leading to the August 7th discussion between the FBI and LVMPD