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CERTIFIED PUBLIC ACCOUNTANTS

**158-18**

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December 29, 2017

VIA USPS and Email: [audit@lcb.state.nv.us](mailto:audit@lcb.state.nv.us)

Ms. Deborah Anderson  
Legislative Audit Division  
Legislative Building  
401 S. Carson Street  
Carson City, NV 89701-4747

**Re: Carson Montessori School, June 30, 2017 Audit**

Dear Ms. Anderson,

On behalf of Mrs. Jessica Daniels, Principal of Carson Montessori School, we are providing you with a printed copy (and a PDF via Sharefile email) of their June 30, 2017 audited financial statements, as approved by the School's Board of Directors on December 27, 2017.

If you have any questions or if you need additional copies or a PDF, please do not hesitate to contact me in our Reno office. Of course, you may also contact Jessica Daniels or Kate Ventrice at the School directly at 887-9500.

Thank you.

Best wishes for a happy and healthy New Year!

With best regards,

David E. Silva, CPA

Enclosure

cc: Mrs. Jessica Daniels  
Kate Ventrice

CARSON MONTESSORI SCHOOL

*Financial Statements and  
Supplementary Information*

June 30, 2017

# CARSON MONTESSORI SCHOOL

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Carson Montessori School  
Carson City, Nevada

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Carson Montessori School, Carson City, Nevada (the School) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Carson Montessori School as of June 30, 2017, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Schedule of Funding Progress related to the School's other postemployment benefits; the required pension disclosures; and the budgetary comparison information be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Rife Silva & Co, LLC*

Reno, Nevada  
December 27, 2017

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

As management of the Carson Montessori School, we offer readers of the School's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the School's financial statements, which follow this narrative.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the School.

### **Basic Financial Statements**

#### *Government-Wide Financial Statements*

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. The government-wide financial statements are designed to provide the reader with a broad overview of the Carson Montessori School's finances, similar in format to a financial statement of a private-sector business. They provide both short and long-term information about the School's financial status.

The *Statement of Net Position* presents information on all of the School's assets and deferred outflows of resources (if any) and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are on pages 9 and 10 of this report.

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

*Fund Financial Statements*

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the School. These statements provide more detail than the government-wide statements. The fund financial statements for the School report the General Fund and the Special Education Fund; the School does not currently operate any proprietary or fiduciary funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Nevada Revised Statutes (NRS) and the School's regulations.

*Governmental Funds* – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps you determine if there are more or less financial resources available to finance the School's programs. The relationships between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in reconciliations that are a part of the fund financial statements. These can be found on pages 12 and 14.

The focus of the governmental fund statements is on major funds. The School has two individual governmental funds, both of which are considered major funds:

- General Fund
- Special Education Fund

These funds are disclosed separately in the Governmental Funds Balance Sheet (page 11) and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances (page 13).

*Notes to the Financial Statements*

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in the government-wide and fund financial statements and can be found on pages 15 through 28.

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**Supplementary Information**

The School's supplementary information is a comparison of its budgeted revenues and expenditures to the actual results achieved for the current fiscal year. The *Budgetary Comparison Schedule* can be found on pages 32-33. The School combines its General and Special Education funds into one reporting unit for this presentation.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Below is a summary of the School's net position (deficit) for 2017 compared to 2016:

<b>CARSON MONTESSORI SCHOOL NET POSITION (DEFICIT)</b>				
	<b>2017</b>	<b>2016</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Assets</b>				
Current assets	\$1,425,421	\$1,782,713	\$ (357,292)	-20.0%
Net capital assets and other	22,872	25,483	(2,611)	-10.2%
Total Assets	1,448,293	1,808,196	(359,903)	-19.9%
<b>Deferred Outflows of Resources</b>	810,090	422,933	387,157	91.5%
Total Assets and Deferred Outflows	2,258,383	2,231,129	27,254	1.2%
<b>Liabilities</b>				
Current liabilities	258,482	527,641	(269,159)	-51.0%
Non-current liabilities	2,132,879	1,604,122	528,757	33.0%
Total Liabilities	2,391,361	2,131,763	259,598	12.2%
<b>Deferred Inflows of Resources</b>	138,626	199,663	(61,037)	-30.6%
Total Liabilities and Deferred Inflows	2,529,987	2,331,426	198,561	8.5%
<b>Net Position (Deficit)</b>				
Net investment in capital assets	11,130	13,483	(2,353)	-17.5%
Unrestricted	(282,734)	(113,780)	(168,954)	-148.5%
Total Net Position (Deficit)	\$ (271,604)	\$ (100,297)	\$ (171,307)	-170.8%

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

As noted earlier, net position may serve as one useful indicator of the School's financial condition over time. The liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$271,604 as of June 30, 2017. The School's \$11,130 of its net position reflects its investment in capital assets (e.g. furniture and equipment). These capital assets are used to provide educational services to its students; consequently, they are not available for future spending.

The changes in the School's net position for the years ended June 30, 2017 and 2016 are presented below:

**CARSON MONTESSORI SCHOOL  
CHANGES IN NET POSITION**

	<u>2017</u>	<u>2016 **</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
<b>Revenues:</b>				
State aid	\$2,116,628	\$2,079,597	\$ 37,031	1.8%
Federal aid	-	31,998	(31,998)	-100.0%
Interest income	1,192	1,304	(112)	-8.6%
Other	97,089	6,679	90,410	1353.6%
Total Revenues	<u>2,214,909</u>	<u>2,119,578</u>	<u>95,331</u>	<u>4.5%</u>
<b>Expenses:</b>				
Instruction	1,610,400	1,226,343	384,057	31.3%
Support services	773,463	693,454	80,009	11.5%
Depreciation	2,353	2,353	-	0.0%
Total Expenses	<u>2,386,216</u>	<u>1,922,150</u>	<u>464,066</u>	<u>24.1%</u>
Change in Net Position	(171,307)	197,428	(368,735)	-186.8%
<b>Net Position (Deficit), July 1</b>	<u>(100,297)</u>	<u>(297,725)</u>	<u>197,428</u>	<u>66.3%</u>
<b>Net Position (Deficit), June 30</b>	<u>\$ (271,604)</u>	<u>\$ (100,297)</u>	<u>\$ (171,307)</u>	<u>-170.8%</u>

*\*\* Differs from prior year presentation due to reclassification.*

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**BUDGETARY HIGHLIGHTS**

The School's actual results compared to its budgeted June 30, 2017 results are presented in the accompanying "Budgetary Comparison Schedule", which can be found on page 32.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

The School's capital assets consist of classroom, computer, playground, and office equipment and furniture and leasehold improvements. Additional detail can be found on page 21 of these statements.

*Debt Administration*

The School's long-term debt is comprised of estimates for earned personal and sick leave of the School's employees as well as an estimate of the future obligation for postemployment healthcare benefits and employee pensions (as discussed earlier in this document). The School has no other long-term debt.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The School's principal source of revenue is the per-pupil funding from the State of Nevada. This funding is based on a calculation of student enrollment.

This administration is committed to maintaining the highest of standards in elementary education and continues to do so through unyielding vigilance and fiscal responsibility. Our enrollment growth and prudent fiscal management have enabled us to consider options for the School's facilities. Despite our continued efforts, a viable option has not yet presented itself. Nevertheless, we remain undaunted in furtherance of the School's mission of quality education. Our search for a new facility and/or expansion options continues; therefore, the administration has maintained its assignment of \$345,000 of our June 30, 2017 General Fund balance towards this end.

**CARSON MONTESSORI SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017**

**REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the Carson Montessori School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Mrs. Jessica Daniels, Principal, Carson Montessori School, 2263 Mouton Drive, Carson City, NV 89706, 775/887-9500.

# CARSON MONTESSORI SCHOOL

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## STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2017

### ASSETS

Cash	\$ 1,323,342
Due from other governments	96,968
Other receivables	5,111
Capital assets, net	11,130
Other assets	11,742
Total Assets	<u>1,448,293</u>

### DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u>810,090</u>
Total Assets and Deferred Outflows	<u>2,258,383</u>

### LIABILITIES

Accounts payable and accrued liabilities	258,482
Accrued compensated absences	29,184
Obligation for other postemployment benefits	33,500
Net pension liability	<u>2,070,195</u>
Total Liabilities	<u>2,391,361</u>

### DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>138,626</u>
Total Liabilities and Deferred Inflows	<u>2,529,987</u>

### NET POSITION (DEFICIT)

Net investment in capital assets	11,130
Unrestricted	<u>(282,734)</u>
Total Net Position (Deficit)	<u>\$ (271,604)</u>

See accompanying notes.

# CARSON MONTESSORI SCHOOL

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

GOVERNMENTAL ACTIVITIES FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Regular instruction	\$ 1,495,117	\$ -	\$ 25,879	\$ -	\$ (1,469,238)
Special programs	87,916	-	45,455	-	(42,461)
Other instructional programs	27,367	-	-	-	(27,367)
Total Instruction	1,610,400	-	71,334	-	(1,539,066)
Support Services	771,301	-	-	-	(771,301)
Food service	2,162	-	-	-	(2,162)
Depreciation	2,353	-	-	-	(2,353)
Total Support Services	775,816	-	-	-	(775,816)
Total Governmental Activities	\$ 2,386,216	\$ -	\$ 71,334	\$ -	(2,314,882)
General Revenues					
State aid, unrestricted					2,116,628
Investment earnings					1,192
Miscellaneous revenue					25,755
Total General Revenues					2,143,575
Change in Net Position					(171,307)
NET POSITION (DEFICIT), July 1, 2016					(100,297)
NET POSITION (DEFICIT), June 30, 2017					\$ (271,604)

See accompanying notes.

# CARSON MONTESSORI SCHOOL

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

	GENERAL FUND	SPECIAL EDUCATION FUND	TOTAL
<b>ASSETS</b>			
Cash	\$ 1,323,342	-	\$ 1,323,342
Deposits	11,742	-	11,742
Due from other funds	45,455	-	45,455
Due from other governments	51,513	45,455	96,968
Other receivables	5,111	-	5,111
Total Assets	<u>\$ 1,437,163</u>	<u>\$ 45,455</u>	<u>\$ 1,482,618</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 258,482	\$ -	\$ 258,482
Due to other funds	-	45,455	45,455
Total Liabilities	<u>258,482</u>	<u>45,455</u>	<u>303,937</u>
<b>FUND BALANCE</b>			
Assigned			
Relocation and building improvements	345,000	-	345,000
Unassigned	833,681	-	833,681
Total Fund Balance	<u>1,178,681</u>	<u>-</u>	<u>1,178,681</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,437,163</u>	<u>\$ 45,455</u>	<u>\$ 1,482,618</u>

See accompanying notes.

# CARSON MONTESSORI SCHOOL

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## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT) JUNE 30, 2017

**Fund Balance - Governmental Funds** \$ 1,178,681

Amounts reported for governmental activities in the Statement of Net Position (Deficit) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	92,411	
Less accumulated depreciation	<u>(81,281)</u>	11,130

Deferred outflows related to pension, including payments made subsequent to the measurement date. 810,090

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:

Compensated absences	(29,184)	
Obligation for other postemployment benefits	(33,500)	
Pension liability	<u>(2,070,195)</u>	(2,132,879)

Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds. (138,626)

**Net Position (Deficit) - Governmental Activities** \$ (271,604)

*See accompanying notes.*

# CARSON MONTESSORI SCHOOL

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL EDUCATION FUND	TOTAL
<b>REVENUES</b>			
Local sources	\$ 50,266	\$ -	\$ 50,266
State sources	2,116,628	45,455	2,162,083
Federal sources	2,560	-	2,560
Total Revenues	2,169,454	45,455	2,214,909
<b>EXPENDITURES</b>			
Regular programs	1,433,370	-	1,433,370
Special programs	-	85,124	85,124
Other instructional programs	27,367	-	27,367
Undistributed expenditures:			
Support services	757,439	-	757,439
Total Expenditures	2,218,176	85,124	2,303,300
Revenues Over (Under) Expenditures	(48,722)	(39,669)	(88,391)
Transfers from (to) other fund	(39,669)	39,669	-
Net Change in Fund Balance	(88,391)	-	(88,391)
FUND BALANCE, July 1, 2016	1,267,072	-	1,267,072
FUND BALANCE, June 30, 2017	\$ 1,178,681	\$ -	\$ 1,178,681

See accompanying notes.

# CARSON MONTESSORI SCHOOL

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## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (88,391)</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is depreciated over their estimated useful lives.	(2,353)
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The change in the long-term portion of compensated absences is reported in the Statement of Activities. These do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	295
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Change in pension expense related to deferred items.	(78,813)
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The change in the long-term liability for other postemployment benefits is reported in the Statement of Activities. These do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	<u>(2,045)</u>
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<b>Change in Net Position (Deficit) - Governmental Activities</b>	<b><u>\$ (171,307)</u></b>
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*See accompanying notes.*

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Carson Montessori School, Carson City, Nevada (the School) have been prepared in accordance with United States generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for establishing governmental accounting and financial reporting. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

#### Reporting Entity

The School was organized to operate a public charter school sponsored by the Carson City School District, under Nevada Revised Statutes (NRS) 386.500 to 386.610. The School is governed by its Board of Directors (Board) which has decision making authority, the authority to designate management, the ability to significantly influence operations and is primarily accountable for fiscal matters. Therefore, the School is not included in any other governmental reporting entity as defined in GASB pronouncements.

#### Basic Financial Statements - Government-Wide Statements

The basic financial statements include both government-wide (based on the School as a whole) and fund financial statements. The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The School's net position is reported in two parts: invested in capital assets, and unrestricted net position. At the present time, no part of the School's net position is restricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the School's functions. The functions are also supported by the general government revenues (distributive school funds and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Program revenue must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### **Basic Financial Statements – Fund Financial Statements**

The financial transactions of the School are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The School's resources are allocated to and accounted for in the individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled.

The emphasis of the fund financial statements is on the major funds in the governmental type activity category. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category) for the determination of major funds. The School's management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School reports the following major **Governmental Funds**:

#### ***General Fund***

The General Fund is the general operating fund of the School and accounts for all revenues and expenditures of the School not encompassed within other funds. All receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

#### ***Special Education Fund***

The Special Education Fund is a special revenue fund. The revenues are legally restricted to expenditures for special education purposes.

### **Measurement Focus**

#### ***Government-Wide Financial Statements***

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in total net position.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### *Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental funds financial statements.

### **Basis of Accounting**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows, and in the presentation of expenses versus expenditures.

### *Revenues*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means expected to be received within sixty days of the fiscal year-end.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements and donations for which the revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are deemed both measurable and available at fiscal year-end: investment earnings, grants and entitlements.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### *Deferred Inflows/Outflows of Resources*

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred *outflows* of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The School's deferred outflows are related to its pension contributions, as discussed in Note 7.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred *inflows* of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Special Education funds received in advance of the year for which they are intended to finance have been recorded as deferred inflows of resources on the Statement of Net Position and Balance Sheet. In addition, the Statement of Net Position reports deferred inflows related to its pension expense, as also discussed in Note 7.

### *Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

### **Budgets and Budgetary Accounting**

The School adheres to policies set forth by the Nevada Department of Education (Department) to adopt a final budget not later than June 8 for the subsequent school year. The School is not required nor prohibited by the Department to amend its budget during the year. The budget was amended for the current fiscal year. The original and final budgets are compared to the actual revenues and expenditures and are presented in the accompanying supplementary information. The School combines its General and Special Education funds into one reporting unit for the budgetary comparison schedule presented as required supplementary information on pages 32 – 33.

### **Deposits**

Amounts are on deposit with the lessor of the School's operating facilities.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### Capital Assets

Capital assets, which are comprised of furniture, fixtures, equipment, and leasehold improvements, are reported in the government-wide financial statements. The School defines capital assets as having an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized.

Capital assets are depreciated using the straight-line method over estimated useful lives of 5 – 15 years.

### Accrued Liabilities

Accrued liabilities consist principally of teacher, administrator, and other School employee salaries and benefits for the school program year ended June 30, 2017, but which were not yet paid as of that date.

### Accrued Compensated Absences

Employees earn and accumulate vacation and sick leave at rates dependent on their position and length of employment. Vacation and sick leave used throughout the year is recorded as a payroll expenditure. An estimated long-term liability is accrued in the government-wide financial statements to the extent of unused vacation and sick leave that would be payable upon termination or retirement.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses/expenditures and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from these estimates.

## NOTE 2 – COMPLIANCE WITH NEVADA REVISED STATUTES

The School conformed to all significant statutory constraints on its financial administration during the year with the possible exception of an over-expenditure in: Special Programs of \$18,146; and Other Instructional Programs of \$26,967, apparent violations of NRS 354.626.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

### NOTE 3 – CASH

The School's cash balances as of June 30, 2017 were \$1,323,342, which were held in various institutions. Bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer. The uninsured bank balances as of June 30, 2017 were collateralized by securities in the name of the Office of the State Treasurer.

### NOTE 4 – NET POSITION AND FUND BALANCE CLASSIFICATIONS

#### Government-Wide Financial Statements

The government-wide Statement of Net Position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is typically categorized as invested in capital assets, restricted and unrestricted.

Net position is reported as restricted when there are statutory limitation on their use either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. As of June 30, 2017, no part of the School's net position is reported as restricted.

Unrestricted net position represents the School's available financial resources.

#### Fund Financial Statements

Generally accepted accounting principles for governments requires fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The School may report the following classifications:

*Non-spendable* – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

# CARSON MONTESSORI SCHOOL

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision making authority for the School. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Management has assigned \$345,000 of the June 30, 2017 fund balance in the General Fund to cover anticipated costs of securing a new facility.

*Unassigned* – the residual classification for the General Fund.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – as needed, unless the Board has provided for otherwise in its commitment or assignment actions.

### NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2017 is shown below:

Governmental Activities:	Balance July 1, 2016	Increases (Decreases)	Balance June 30, 2017
Classroom equipment	\$ 23,299	\$ -	\$ 23,299
Computer equipment	23,259	-	23,259
Playground equipment	28,941	-	28,941
Furniture and office equipment	10,552	-	10,552
Leasehold improvements	6,360	-	6,360
	92,411	-	92,411
Less accumulated depreciation	78,928	2,353	81,281
Capital Assets, net	<u>\$ 13,483</u>	<u>\$ (2,353)</u>	<u>\$ 11,130</u>

Depreciation expense of \$2,353 for the year ended June 30, 2017 has not been allocated to the School's functions/programs.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### NOTE 6 – OPERATING LEASES

The School's principal facilities are leased under the terms of cancellable lease contracts through July 31, 2018 and December 31, 2018, respectively. Rental expense under the lease contracts was \$147,530 for the year ended June 30, 2017. The remaining minimum rental expense under the existing leases as of June 30, 2017 is expected to be \$193,281.

### NOTE 7 – NEVADA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

#### Plan Description

The School contributes to the State of Nevada Public Employees Retirement System (PERS) a statewide, cost-sharing, multiple-employer defined benefit plan administered by the State of Nevada that covers substantially all employees of the District. PERS provides retirement, disability, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available on the web at <http://www.nvpers.org> or by writing to the State of Nevada Public Employees Retirement System, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

#### Contributions

Contribution provisions are specified by state statute and may be amended only by action of the state legislature. Each employer's contribution rates are based on biennial actuarial valuations and expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

The School's required and actual contributions to the plan for the years ended June 30, 2017 and 2016 were \$261,190 and \$263,814, respectively, based on a rate of 28% for both years, of covered compensation.

### **Benefits Provided**

Benefits provisions of the defined benefit pension plan are established by Nevada Revised Statutes (NRS or statute), which may be amended. Benefits are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001. This multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

### **Net Pension Liability, Deferrals, and Pension Expense**

At June 30, 2017, the School reported a liability of \$2,070,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of its long-

# CARSON MONTESSORI SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At June 30, 2016, the School's proportion of the regular plan was .015384%.

For the year ended June 30, 2017, the School recognized pension expense of \$337,048. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Subsequent to Measurement Date	Net Deferred Inflows (Outflows) of Resources as of the Measurement Date
Difference between expected and actual experience	\$ -	\$ 138,626
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan assets	192,450	-
Change in proportion and differences between the District's contributions and proportionate share of contributions	356,450	-
The District's contributions subsequent to the measurement date	261,190	-
	<u>\$ 810,090</u>	<u>\$ 138,626</u>

The School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

# CARSON MONTESSORI SCHOOL

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

Years Ending June 30,	<u>Amount</u>
2018	\$ 63,314
2019	63,314
2020	63,314
2021	63,314
2022	63,314
Thereafter	93,704
	<u>\$ 410,274</u>

### Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	8.0% per year, including inflation.
Salary increases	4.6% to 9.75% depending on service.
Inflation rate	3.5% per year.
Payroll growth	6.5% per year.
Mortality rates	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females, none for males.

### Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees.

# CARSON MONTESSORI SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	42%	5.50%
Private Equity Pools	10%	6.80%
International Equity Pools	18%	5.75%
Fixed-income Pools	<u>30%</u>	0.25%
Total	<u>100%</u>	

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School calculated using the discount rate of 8.00%. The following also reflects what the School's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (7.00%) or 1.00 percentage point higher (9.00%) than the current discount rate:

1% Decrease to 7%	Current Discount Rate of 8%	1% Increase to 9%
<u>\$ 3,034,575</u>	<u>\$ 2,070,195</u>	<u>\$ 1,267,935</u>

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Comprehensive Annual Financial Report, available on the NVPERS website.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### Payable to the Pension Plan

At June 30, 2017, the School reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

### NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The School has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

#### **Plan Description and Funding Policy**

The School pays 100% of the cost of certain health insurance benefits for eligible employees. The School is afforded a unique opportunity to provide health insurance to its employees through participation in the Carson City School District group health plan, a single-employer defined benefit healthcare plan. A separate financial report was not issued for the plan.

Any retiree previously covered by the group health insurance plan may elect to continue coverage for themselves and dependents, but must pay the full cost of the premiums. Because retirees pay the same premium as active employees rather than a higher rate that would result from rating retirees as a separate insured group, the School incurs the cost of an implicit premium subsidy. The School has elected to pay the implicit cost of postemployment benefits on the *pay-as-you-go* basis.

#### **Actuarial Methods and Assumptions**

Carson Montessori School meets the requirements of and has elected to base its reported actuarial information on measurements calculated in accordance with the Alternative Measurement Method (AMM) provided in GASB Statement 45. Significant assumptions and estimates were made in applying the AMM, including healthcare cost trend rates, marital and dependency status, use of health insurance premiums, coverage options, expected point at which benefits begin, and mortality. In the June 30, 2012 valuation, the unit credit cost method was used, and the unfunded actuarial accrued liability is being amortized as a level dollar amount. The valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future, and such amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

# CARSON MONTESSORI SCHOOL

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## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### **Annual OPEB Cost and Net OPEB Obligation**

The School's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount calculated in accordance with the Alternative Measurement Method, as discussed above. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The required schedule of funding progress immediately following the notes to the financial statements will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. As this is the third year of reporting the OPEB obligation and cost, only three years are presented.

The School's annual OPEB cost for the year was estimated to be \$2,045, there was no amount contributed by the School during the year, resulting in an estimated net OPEB obligation for the healthcare benefits of \$33,500 as of June 30, 2017.

### **NOTE 9 – RISK MANAGEMENT**

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

# CARSON MONTESSORI SCHOOL

## REQUIRED SUPPLEMENTARY INFORMATION

### OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2017

#### SCHEDULE OF FUNDING PROGRESS

Benefit	AMM Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as % of Covered Payroll [(B-A)/C]
Healthcare	6/30/2017	\$ -	\$ 33,500	\$ 33,500	0.0%	\$ 1,162,348	2.88%
	6/30/2016	\$ -	\$ 31,455	\$ 31,455	0.0%	\$ 942,193	3.34%
	6/30/2015	\$ -	\$ 29,286	\$ 29,286	0.0%	\$ 811,725	3.61%

# CARSON MONTESSORI SCHOOL

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## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA LAST TEN FISCAL YEARS\*

	Plan Year Ended	2016	2015	2014
School's proportion of the Net Pension Liability		0.01538%	0.01347%	0.01220%
School's proportionate share of the Net Pension Liability	\$	2,070,195	\$ 1,543,188	\$ 1,271,124
School's covered employee payroll	\$	932,193	\$ 942,193	\$ 811,724
School's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll		222.08%	163.79%	156.60%
Plan fiduciary net position as a percentage of the Total Pension Liability		72.20%	76.31%	76.31%

\*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the School presents information for those years for which the information is available.

# CARSON MONTESSORI SCHOOL

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## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF DISTRICT'S CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA LAST TEN FISCAL YEARS\*

Determined as of the Year Ended June 30,	2017	2016	2015
Statutorily required contribution	\$ 261,190	\$ 263,814	\$ 209,019
Contributions in relation to the statutorily required contribution	<u>\$ 261,190</u>	<u>\$ 263,814</u>	<u>\$ 209,019</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
School's covered employee payroll	\$ 932,821	\$ 942,193	\$ 811,725
Contributions as a percentage of covered employee payroll	28.00%	28.00%	25.75%

\*GASB Statement No. 68 requires ten years of information to be presented. However, until a full 10 year trend is available, the School presents information for those years for which the information is available.

# CARSON MONTESSORI SCHOOL

## BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2017

(Page 1 of 2)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Local sources	\$ 50,965	\$ 50,965	\$ 50,266	\$ (699)
State sources	2,360,351	2,360,351	2,162,083	(198,268)
Federal sources	2,163	2,163	2,560	397
Total Revenues	2,413,479	2,413,479	2,214,909	(198,570)
<b>EXPENDITURES</b>				
Regular Programs				
Instruction:				
Salaries	961,270	961,270	890,881	70,389
Benefits	526,245	526,245	480,438	45,807
Purchased services	-	-	633	(633)
Supplies	41,962	41,962	61,418	(19,456)
	1,529,477	1,529,477	1,433,370	96,107
Support Services:				
Salaries	270,107	270,107	231,196	38,911
Benefits	107,228	107,228	103,151	4,077
Purchased services	356,564	356,564	365,076	(8,512)
Supplies	35,978	35,978	47,257	(11,279)
Other	400	400	8,597	(8,197)
	770,277	770,277	755,277	15,000
Total Regular Programs	2,299,754	2,299,754	2,188,647	111,107
Special Programs				
Instruction:				
Salaries	22,597	22,597	40,271	(17,674)
Benefits	16,708	16,708	17,692	(984)
Purchased services	27,000	27,000	26,547	453
Supplies	673	673	614	59
	66,978	66,978	85,124	(18,146)

# CARSON MONTESSORI SCHOOL

## BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2017

(Page 2 of 2)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
Other Instructional Programs				
Salaries	\$ -	\$ -	\$ 21,785	\$ (21,785)
Benefits	-	-	2,068	(2,068)
Purchased services	400	400	3,514	(3,114)
	<u>400</u>	<u>400</u>	<u>27,367</u>	<u>(26,967)</u>
Undistributed Expenditures				
Food Service:				
Supplies	3,000	3,000	2,162	838
Land Acquisition:				
Property	868,125	868,125	-	868,125
Total Undistributed	<u>871,125</u>	<u>871,125</u>	<u>2,162</u>	<u>868,963</u>
Total Expenditures	<u>3,238,257</u>	<u>3,238,257</u>	<u>2,303,300</u>	<u>934,957</u>
Revenues Over (Under)				
Expenditures	(824,778)	(824,778)	(88,391)	736,387
<b>OTHER FINANCING SOURCES</b>				
Contingency	<u>(97,148)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(921,926)	(824,778)	(88,391)	736,387
FUND BALANCE, July 1, 2015	<u>1,303,856</u>	<u>1,303,856</u>	<u>1,267,072</u>	<u>(36,784)</u>
FUND BALANCE, June 30, 2016	<u>\$ 381,930</u>	<u>\$ 479,078</u>	<u>\$ 1,178,681</u>	<u>\$ 699,603</u>

# CARSON MONTESSORI SCHOOL

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## INDEPENDENT AUDITORS' COMMENTS JUNE 30, 2017

### STATUTE COMPLIANCE

#### *Current Year*

Our comments related to the School's compliance with significant statutory constraints are reported in Note 2 to the financial statements.

#### *Prior Year*

A potential violation due to an overexpenditure was reported in the financial statements for the year ended June 30, 2016.

### AUDIT RECOMMENDATIONS

#### *Current Year*

There are no recommendations of the magnitude for inclusion in this report as of or for the year ended June 30, 2017.

#### *Prior Year*

There were no recommendations of the magnitude for inclusion in the report as of or for the year ended June 30, 2016.