CARSON MONTESSORI CHARTER SCHOOL

(A Political Subdivision of the State of Nevada)

Financial Statements and
Required Supplementary Information

June 30, 2023

SILVA, SCEIRINE
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

CARSON MONTESSORI CHARTER SCHOOL

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CERTIFIED PUBLIC ACCOUNTANTS

David E. Silva, CPA
David T. Sceirine, CPA
Melinda R. Torvinen, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Carson Montessori Charter School (the School), (a Political Subdivision of the State of Nevada), Carson City, Nevada of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Carson Montessori Charter School as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation in the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, pension information, and the Governmental Funds' 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.

Prior Year Partial Comparative Information

We have previously audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the School as of and for the year ended June 30, 2022, and have issued our report thereon dated November 30, 2022 which expressed an unmodified opinion on the respective financial statements of the governmental activities and each major fund. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2022 is consistent with the audited financial statements from which it is derived.

The individual fund financial statements and schedules related to the 2022 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Silva, Sceirine & Assoc, LLC

Reno, Nevada
December 15, 2023

CARSON MONTESSORI CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

As the administration of the Carson Montessori Charter School (a Political Subdivision of the State of Nevada), 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, 2023. 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.

Financial Highlights

- The School's net position (deficit) as of June 30, 2023 was $(1,611,119), a decrease in net position of $521,349 from the previous year.

- The net decrease in the governmental funds (the General and Special Grants funds) was $434,430 for the year, as compared to a decrease of $241,249 in the previous year.

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.

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 Grants 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.

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 Grants Fund

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

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.

Required Supplementary Information

The School's required supplementary information is a comparison of its budgeted revenues and expenditures to the actual results achieved for the current fiscal year, which is presented in the *Budgetary Comparison Schedule.* The School combines its General and Special Grants funds into one reporting unit for this presentation. In addition to this schedule, the School provides the information required by the Governmental Accounting Standards Board (GASB), relative to its participation in the Public Employees' Retirement System in Nevada (PERS) as well as the other post-employment benefits (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 $1,611,119 as of June 30, 2023. The School has $43,269 of its net position invested in its 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.

Below is a summary of the School's net position (deficit) for 2023 compared to 2022.

CARSON MONTESSORI SCHOOL
NET POSITION (DEFICIT)

	2023	2022	Change $	Change %
Assets				
Current assets	$ 809,718	$ 1,141,402	$ (331,684)	-29.1%
Net capital assets	43,269	25,531	17,738	69.5%
Other assets	26,338	25,599	739	2.9%
Total Assets	879,325	1,192,532	(313,207)	-26.3%
Deferred Outflows of Resources	1,365,695	1,148,171	217,524	18.9%
Total Assets and Deferred Outflows	2,245,020	2,340,703	(95,683)	-4.1%
Liabilities				
Current liabilities	199,145	187,299	11,846	6.3%
Non-current liabilities	3,500,547	1,737,750	1,762,797	101.4%
Total Liabilities	3,699,692	1,925,049	1,774,643	92.2%
Deferred Inflows of Resources	156,447	1,505,424	(1,348,977)	-89.6%
Total Liabilities and Deferred Inflows	3,856,139	3,430,473	425,666	12.4%
Net Position (Deficit)				
Net investment in capital assets	43,269	25,531	17,738	69.5%
Unrestricted	(1,654,388)	(1,115,301)	(539,087)	-48.3%
Total Net Position (Deficit)	$(1,611,119)	$(1,089,770)	$ (521,349)	-47.8%

A case could be made that the largest impact on the School's financial statement in 2023 had little impact on the School's overall financial condition; GASB 68 requires the School to recognize a net pension liability of $3,336,002, along with its deferred outflows of $1,363,207 and deferred inflows of $130,815. As discussed below, users of this financial statement may gain an alternate perspective of the School's actual financial condition by adding deferred inflows related to pension and the net pension liabilities to the reported net position and subtracting deferred outflows related to pensions.

GASB statements are national and apply to all governmental financial reports which are prepared in accordance with generally accepted accounting principles. Under the standards required by GASB 68, the pension liability equals the School's proportionate share of the plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service, less plan assets available to pay benefits.

GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government – part of a bargained-for-benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Nevada, the employee shares the obligation of funding pension benefits with the employer. Contribution rates are established by State statute and are determined. Nevada's Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year, based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. There is no legal means to enforce the unfunded liability of the pension and OPEB systems against the public employer.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences, are satisfied through paid time-off or termination payments. There is no repayment schedule for the pension and OPEB liabilities. Changes in pension and OPEB, contribution rates, and return on investments affect the balance of the pension and OPEB liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with the required pension payments, State statute does not assign or identify the responsible party for the unfunded portion. In accordance with GASB 68, the School's statements are prepared on an accrual basis of accounting including an annual pension expense for its proportionate share of the plan's change in net pension liability not accounted for as deferred inflows or outflows.

The changes in the School's net position for the years ended June 30, 2023 and 2022 are presented below:

CARSON MONTESSORI SCHOOL
CHANGES IN NET POSITION

	2023	2022	Change $	Change %
Revenues:				
Operating grants and contributions	$ 321,768	$ 321,517	$ 251	0.1%
State aid, unrestricted	2,190,684	2,155,760	34,924	1.6%
Investment earnings	1,745	415	1,330	320.5%
Total Revenues	2,514,197	2,477,692	36,505	1.5%
Expenses:				
Instruction	2,081,906	1,730,895	351,011	20.3%
Support services	950,763	863,916	86,847	10.1%
Depreciation	2,877	6,351	(3,474)	-54.7%
Total Expenses	3,035,546	2,601,162	434,384	16.7%
Change in Net Position	$ (521,349)	$ (123,470)	$ (397,879)	-322.2%

BUDGETARY HIGHLIGHTS

The School's actual results compared to its budgeted June 30, 2023 results are presented in the accompanying "Budgetary Comparison Schedule." As previously mentioned, the School combines its General and Special Grants funds into one reporting unit for this presentation, which is the basis used for its budget development and submission to the Nevada Department of Education. There were no expenditures in excess of appropriations for the year ended June 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School's capital assets consist of classroom, computer, playground, office equipment and furniture, and leasehold improvements. Additional detail can be found in the footnotes to the financial statements.

Debt Administration

The School's long-term debt is comprised of estimates for earned personal and sick leave of the School's principal (the only employee eligible for payout of earned personal and sick leave) as well as an estimate of the future obligations for employee pensions and other postemployment benefits (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 retained its $295,000 assignment of fund balance. Further, an assignment of $247,050 of fund balance is for the budgeted excess of expenditures over revenues for the 2024 fiscal and school year.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Carson Montessori Charter 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 Barlow Daniels, Ed.S., NBCT, Executive Director/Principal, Carson Montessori Charter School, 2263 Mouton Drive, Carson City, NV 89706, 775/887-9500.

CARSON MONTESSORI CHARTER SCHOOL

STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2023

ASSETS	
Cash	$ 633,113
Due from other governments	176,605
Other receivables	5,850
Capital assets, net	43,269
Other assets	20,488
Total Assets	879,325
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions and OPEB	1,365,695
Total Assets and Deferred Outflows	2,245,020
LIABILITIES	
Accounts payable and accrued liabilities	199,145
Accrued compensated absences	123,308
Net OPEB liability	41,237
Net pension liability	3,336,002
Total Liabilities	3,699,692
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	156,447
Total Liabilities and Deferred Inflows	3,856,139
NET POSITION (DEFICIT)	
Net investment in capital assets	43,269
Unrestricted	(1,654,388)
Total Net Position (Deficit)	$ (1,611,119)

See accompanying notes.

CARSON MONTESSORI CHARTER SCHOOL

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

GOVERNMENTAL ACTIVITIES FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION
Regular programs instruction	$ 1,952,916	$ -	$ 199,783	$ (1,753,133)
Special programs instruction	128,990		121,985	(7,005)
Total Instruction	2,081,906	-	321,768	(1,760,138)
Support services	950,763	-	-	(950,763)
Depreciation	2,877	-	-	(2,877)
	953,640	-	-	(953,640)
Total Governmental Activities	$ 3,035,546	$ -	$ 321,768	(2,713,778)
General Revenues				
State aid, unrestricted				2,190,684
Investment earnings				1,745
Total General Revenues				2,192,429
Change in Net Position				(521,349)
NET POSITION (DEFICIT), July 1, 2022				(1,089,770)
NET POSITION (DEFICIT), June 30, 2023				$ (1,611,119)

See accompanying notes.

CARSON MONTESSORI CHARTER SCHOOL

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	GENERAL FUND	SPECIAL GRANTS FUND	TOTALS GOVERNMENTAL FUNDS 2023	TOTALS GOVERNMENTAL FUNDS 2022
ASSETS				
Cash	$ 633,113	$ -	$ 633,113	$ 932,694
Due from other funds	23,144	-	23,144	4,300
Due from other governments	54,620	121,985	176,605	208,708
Other receivables	5,850	-	5,850	5,111
Deposits	20,488	-	20,488	20,488
Total Assets	$ 737,215	$ 121,985	$ 859,200	$ 1,171,301
LIABILITIES				
Accounts payable and accrued liabilities	$ 191,943	$ 7,202	$ 199,145	$ 187,299
Due to other funds	-	23,144	23,144	4,300
Total Liabilities	191,943	30,346	222,289	191,599
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	91,639	91,639	-
FUND BALANCE				
Assigned				
Building relocation	295,000	-	295,000	295,000
Subsequent year's budget	247,050	-	247,050	-
Unassigned	3,222	-	3,222	684,702
Total Fund Balance	545,272	-	545,272	979,702
Total Liabilities, Deferred Inflows and Fund Balance	$ 737,215	$ 121,985	$ 859,200	$ 1,171,301

See accompanying notes.

CARSON MONTESSORI CHARTER SCHOOL

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2023

Fund Balance - Governmental Funds		$ 545,272
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	147,326	
Less accumulated depreciation	(104,057)	43,269
Deferred outflows related to pension and OPEB, including pension payments made subsequent to the measurement date.		1,365,695
Unavailable revenues represents amounts that were not available to fund current expenditures and, therefore, were not reported in governmental funds.		91,639
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Compensated absences	(123,308)	
Pension liability	(3,336,002)	
OPEB liability	(41,237)	(3,500,547)
Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds.		(156,447)
Net Position (Deficit) - Governmental Activities		$ (1,611,119)

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	GENERAL FUND	SPECIAL GRANTS FUND	TOTALS GOVERNMENTAL FUNDS 2023	TOTALS GOVERNMENTAL FUNDS 2022
REVENUES				
Local sources	$ 1,745	$ -	$ 1,745	21,451
State sources	2,335,847	-	2,335,847	2,342,864
Federal sources	54,620	30,346	84,966	113,377
Total Revenues	2,392,212	30,346	2,422,558	2,477,692
EXPENDITURES				
Regular programs	2,704,818	-	2,704,818	2,587,979
Special programs	-	128,990	128,990	130,962
Undistributed expenditures:				
Facilities	23,180	-	23,180	-
Total Expenditures	2,727,998	128,990	2,856,988	2,718,941
Revenues Over (Under) Expenditures	(335,786)	(98,644)	(434,430)	(241,249)
Transfers from (to) other fund	(98,644)	98,644	-	-
Net Change in Fund Balance	(434,430)	-	(434,430)	(241,249)
FUND BALANCE, July 1,	979,702	-	979,702	1,220,951
FUND BALANCE, June 30,	$ 545,272	$ -	$ 545,272	$ 979,702

See accompanying notes.

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Governmental Funds	$ (434,430)
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.	17,738
Some revenues will not be collected in time to pay for obligations of the current period; therefore, they are not considered available revenues in the governmental funds and are, instead, reported as deferred inflows of resources.	91,639
The change in the long-term portion of compensated absences is reported in the Statement of Activities. This does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	(9,741)
Change in pension and OPEB expenses related to deferred items.	(186,555)
Change in Net Position (Deficit) - Governmental Activities	$ (521,349)

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Carson Montessori Charter 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 is a political subdivision of the State of Nevada and 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.

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 Grants Fund

The Special Grants Fund is a special revenue fund. The revenues are legally restricted to expenditures for special education and other specified 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.

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.

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 and OPEB, as discussed in Notes 7 and 8.

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. 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 year ended June 30, 2023. The original and final budgets are compared to the actual revenues and expenditures and are presented in the accompanying required supplementary information. The School combines its General and Special Grants funds into one reporting unit for budgetary purposes.

Deposits

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

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 acquisition 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, 2023, 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 the principal's termination or retirement. No other employees are permitted to receive a payout.

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.

NOTE 3 – CASH

The School's cash balances as of June 30, 2023 were $633,113, which were held in two institutions in Carson City, Nevada. Bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer. Total bank balances as of June 30, 2023 were $694,428; the uninsured bank balances of $194,428 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, 2023, 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.

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 $295,000 of the June 30, 2023 fund balance in the General Fund for anticipated costs toward securing a new facility. The School's current facilities restrict opportunities for growth in student enrollment. In addition, the budgeted FY24 excess of expenditures over revenues of $247,050 is an assignment of the June 30, 2023 fund balance.

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, 2023 is shown below:

Governmental Activities:	Balance July 1, 2022	Increases (Decreases)	Balance June 30, 2023
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	40,660	20,615	61,275
	126,711	20,615	147,326
Less accumulated depreciation	101,180	2,877	104,057
Capital Assets, net	$ 25,531	$ 17,738	$ 43,269

Depreciation expense of $2,877 for the year ended June 30, 2023 has not been allocated to the School's functions/programs.

NOTE 6 – OPERATING LEASES

The School's principal facilities are leased under the terms of cancellable annual and month-to-month lease contracts. Rental expense under the lease contracts was $190,400 for the year ended June 30, 2023. The minimum rental expense under the leases is expected to be approximately $177,000 for the fiscal year ending June 30, 2024.

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 School. 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.

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, and on or after July 1, 2015. 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, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% 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.

Vesting

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. Regular members who entered the System on or after July 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 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.

Contributions

Contribution provisions are specified by state statute and may be amended only by action of the State legislature. Contribution rates are based on biennial actuarial valuations and are 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. As of June 30, 2023, all participants were in the EPC plan.

The required contribution rate for the EPC plan for the year ended June 30, 2023 was 29.75%. The School's contributions to the Plan were $218,467 and $205,726 for the years ended June 30, 2023 and 2022, respectively.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board's adopted policy target asset allocation as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%
	100%	

Net Pension Liability

At June 30, 2023, the School reported a liability of $3,336,002 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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 the School's share of contributions in the PERS pension plan relative to the total contributions of all participating reporting units and members. At June 30, 2022, the School's proportion of the regular plan was .01848%, compared to its .01743% proportion measured as of June 30, 2021, a difference of .00104.

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 7.25%. 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 or 1.00 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	$ 5,121,854	$ 3,336,002	$ 1,862,406

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.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2022, 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	7.25% per year.
Salary increases	4.20% to 9.10% depending on service.
Inflation rate	2.50% per year.
Productivity pay increase	0.50%
Other assumptions	Same as those used in the June 30, 2022 funding actuarial valuation.

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, 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. 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.

Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the School recognized pension expense of $397,596. As of June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 431,957	$ 2,383
Changes in assumptions	428,533	-
Net difference between projected and actual earnings on pension plan assets	40,701	-
Changes in proportion and differences between the School's contributions and proportionate share of contributions	243,549	128,432
The School's contributions subsequent to the measurement date	218,467	-
	$ 1,363,207	$ 130,815

The School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2024	$ 181,346
2025	151,325
2026	117,357
2027	484,484
2028	79,413
	$ 1,013,925

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Retirees of the School may receive continuing health coverage, or other postemployment benefits (OPEB) through the Nevada Public Employees' Benefits Program (PEBP) or through the School's healthcare plan offered to its active employees.

Plan Descriptions

Nevada Public Employees' Benefits Program

As of June 30, 2023, the School has no former employees or retirees for whom it currently is required to pay any subsidy toward retiree health coverage in PEBP, so no liability under PEBP has been recorded. The School will review this determination annually.

The School's Healthcare Plan

The School administers a single-employer defined benefit healthcare plan. This plan provides postemployment healthcare benefits to retirees of the School. Any retiree who participates in the Nevada Public Employees' Retirement System (PERS) may purchase coverage for themselves and dependents at the same premium rate which is charged to the School's active employees. 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. The School's contributions were $-0- for FY 23.

As of June 30, 2023. Plan membership consisted of 33 active plan members, 1 inactive plan member, and 1 who has waived coverage.

Retirees are not permitted to continue the School's medical coverage after becoming eligible for coverage under Medicare. It was assumed that no implicit liability exists for dental or vision benefits provided to retirees, or that it is insignificant.

Actuarial Methods and Assumptions

The School's net OPEB liability was measured as of June 30, 2023, using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.0%
Municipal Bond Index	S&P Municipal Bond 20 Year High Grade
Discount Rate	4.13%
Healthcare Inflation	5.8% fluctuating down to 3.9% by 2076.
Retirement Age	From 45 to 75
Mortality	NV PERS 2021 Experience Study
Mortality Improvement	MW Scale 2022

Mortality rates used were those based on the September 2021 experience study of Nevada PERS and were adjusted by applying the MacLeod Watts Scale 2022 on a generational basis from 2010 forward.

Sensitivity of the OPEB Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liability of the School's plan, as well as what the liability would be if they were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%).

	1% Decrease in Discount Rate to 3.13%	Current Discount Rate 4.13%	1% Increase in Discount Rate to 5.13%
Net OPEB liability	$ 46,354	$ 41,237	$ 36,662

The following presents the net OPEB liabilities of the School's Plan and PEBP, as well as what the liabilities would be if they were calculated using a 1% decrease and a 1% increase in the healthcare cost trend rate.

	1% Decrease in Current Trend	Current Trend	1% Increase in Current Trend
Net OPEB liability	$ 34,245	$ 41,237	$ 49,881

OPEB Expense and Deferred Outflows of Resources and Inflows Related to OPEB

For the year ended June 30, 2023, the School recognized OPEB expense of $4,945; reported deferred outflows of resources of $2,488, and deferred inflows of resources of $25,632.

Change in Net OPEB Liability

The following table depicts the School's changes in the net OPEB liability for the year ended June 30, 2023:

Balance, July 1, 2022	$ 34,521
Changes for the Year:	
Service cost	5,262
Interest cost	1,627
Expected vs. actual experience	-
Changes of assumptions	(173)
Net Changes	6,716
Balance, June 30, 2023	$ 41,237

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.

NOTE 10 – PUPIL-CENTERED FUNDING PLAN FOR FINANCING EDUCATION

During the 2019 State legislative session, Senate Bill 543 created the new Pupil-Centered Funding Plan (PCFP), effective July 1, 2021. The PCFP replaces the Nevada Plan formula, which had been in existence since the late 1960's. Under the PCFP all state and local funding for education flow through the newly created State Education Fund (SEF), a special revenue fund of the State of Nevada.

The PCFP is comprised of a statewide base per pupil funding amount, determined for the biennium during its respective legislative session. Certain cost adjustment factors are then applied to equitably adjust the per pupil funding for each school district and charter school, resulting in an adjusted base per pupil funding. This per pupil amount may then be increased for certain auxiliary services provided to pupils, such as transportation and food services. This component of the PCFP funding is unrestricted General Fund revenue.

Additional weighted funding included in the PCFP are restricted amounts for certain student groups, including English learners, at-risk, and gifted and talented students. Special education funding is not currently part of the PCFP. The funding is based on the number of special education students in each district or charter school, subject to certain limitations and/or provisions.

The PCFP funding for the School for the fiscal year ended June 30, 2023 is comprised of the following:

Adjusted base funding		$ 2,169,895
Local Special Education		117,472
English Learners		16,360
At-Risk		11,331
		2,315,058
Other payments:		
SB 463	20,544	
Other	245	20,789
Total Pupil-Centered Funding Plan		$ 2,335,847

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NPL
(NET PENSION LIABILITY)
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA
LAST TEN FISCAL YEARS*

Plan Year Ended	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion of the Net Pension Liability	0.01848%	0.01743%	0.01678%	0.01862%	0.01764%	0.01706%	0.01538%	0.01347%	0.01220%
School's proportionate share of the Net Pension Liability	$ 3,336,002	$ 1,589,662	$ 2,336,965	$ 2,539,339	$ 2,405,386	$ 2,268,580	$ 2,070,195	$ 1,543,188	$ 1,271,124
School's covered employee payroll	$ 1,457,346	$ 1,395,685	$ 1,236,137	$ 1,253,306	$ 1,243,329	$ 1,256,655	$ 932,193	$ 942,193	$ 811,724
School's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	228.91%	113.90%	189.05%	202.61%	193.46%	180.53%	222.08%	163.79%	156.60%
Plan fiduciary net position as a percentage of the Total Pension Liability	75.10%	86.51%	77.04%	76.46%	75.23%	74.42%	72.20%	75.10%	76.30%

*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.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA
LAST TEN FISCAL YEARS*

	Determined for the Year Ended June 30,								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017** *(As Restated)*	**2016** *(As previously reported)*	**2015**
Statutorily required contribution	$ 218,467	$ 205,726	$ 183,075	$ 171,856	$ 174,006	$ 177,314	$ 130,431	$ 263,814	$ 209,019
Contributions in relation to the statutorily required contribution	218,467	205,726	183,075	171,856	174,006	177,314	130,431	263,814	209,019
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
School's covered employee payroll	$ 1,457,346	$ 1,395,685	$ 1,236,137	$ 1,253,306	$ 1,243,329	$ 1,256,655	$ 924,386	$ 942,193	$ 811,725
Contributions as a percentage of covered employee payroll	14.99%	14.74%	14.81%	13.71%	14.00%	14.11%	14.11%	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.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

	2023	2022	2021	*Initial* 2020
Total OPEB Liability				
Service cost	$ 5,262	$ 8,712	$ 7,904	$ 7,534
Interest	1,627	1,373	1,337	1,133
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(5,728)	-	-
Changes in assumptions	(173)	(24,118)	2,694	609
Benefit payments	-	-	-	-
Net change in Total OPEB Liability	6,716	(19,761)	11,935	9,276
Total OPEB Liability, beginning	34,521	54,282	42,347	33,071
Total OPEB Liability, ending	41,237	34,521	54,282	42,347
Plan Fiduciary Net Position				
Employer contributions	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	-	-	-	-
Net change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position, beginning	-	-	-	-
Plan Fiduciary Net Position, ending	-	-	-	-
School's Net OPEB Liability	$ 41,237	$ 34,521	$ 54,282	$ 54,282
Covered payroll	$ 1,436,123	$ 1,430,270	$ 1,236,137	$ 1,196,481
School's Net OPEB Liability as a % of covered payroll	2.87%	2.41%	4.39%	3.54%

*GASB Statement No. 75 requires ten years of information to be presented. However, until all 10 years of data is available the School presents information for those years for which the information is available.

CARSON MONTESSORI CHARTER SCHOOL

BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local Sources:					
Investment income	$ 250	$ 1,400	$ 1,745	$ 345	$ 415
Charter school fees	-	-	-	-	21,036
Pass through from CCSD	50,000	50,000	-	(50,000)	-
	50,250	51,400	1,745	(49,655)	21,451
State Sources:					
Pupil-Centered Funding Plan	2,293,090	2,294,000	2,335,847	41,847	2,267,837
Special Education funding	50,000	50,000	-	(50,000)	75,027
	2,343,090	2,344,000	2,335,847	(8,153)	2,342,864
Federal Sources:					
E-rate funds	1,900	800	-	(800)	1,476
Federal grants	-	15,000	84,966	69,966	111,901
	1,900	15,800	84,966	69,166	113,377
Total Revenues	2,395,240	2,411,200	2,422,558	11,358	2,477,692
EXPENDITURES					
Regular Programs					
Instruction:					
Salaries	1,092,250	1,133,300	1,095,946	37,354	1,065,557
Benefits	595,245	637,000	616,439	20,561	585,974
Purchased services	16,200	16,000	14,069	1,931	14,959
Supplies	38,000	32,800	30,166	2,634	42,030
	1,741,695	1,819,100	1,756,620	62,480	1,708,520
Student Transportation:					
Salaries	-	400	-	400	144
Benefits	-	-	-	-	14
Purchased services	-	1,700	398	1,302	-
	-	2,100	398	1,702	158

Continued on next page.

CARSON MONTESSORI CHARTER SCHOOL

BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022)

	2023 BUDGET		2023		2022
	ORIGINAL BUDGET	**FINAL BUDGET**	**ACTUAL**	**VARIANCE TO FINAL BUDGET**	**ACTUAL**
Other Support Services:					
Salaries	$ 325,154	$ 311,000	$ 335,167	$ (24,167)	$ 292,164
Benefits	162,550	152,000	175,071	(23,071)	147,341
Purchased services	401,387	439,770	397,958	41,812	399,039
Supplies	32,500	57,225	39,354	17,871	39,893
Other	-	-	250	(250)	864
	921,591	959,995	947,800	12,195	879,301
Total Regular Programs	2,663,286	2,781,195	2,704,818	76,377	2,587,979
Special Programs					
Instruction:					
Salaries	52,400	65,800	65,773	27	66,345
Benefits	26,905	30,200	30,247	(47)	41,952
Purchased services	25,000	40,000	32,970	7,030	22,665
	104,305	136,000	128,990	7,010	130,962
Facilities Acquisition and Construction					
Purchased services	-	23,500	23,180	320	-
Contingency	30,000	7,000	-	7,000	-
Total Expenditures	2,797,591	2,947,695	2,856,988	90,707	2,718,941
Net Change in Fund Balance	(402,351)	(536,495)	(434,430)	102,065	(241,249)
FUND BALANCE, July 1,	910,417	1,220,951	979,702	(241,249)	1,220,951
FUND BALANCE, June 30,	$ 508,066	$ 684,456	$ 545,272	$ (139,184)	$ 979,702

SILVA, SCEIRINE
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

David E. Silva, CPA
David T. Sceirine, CPA
Melinda R. Torvinen, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carson Montessori Charter School (a Political Subdivision of the State of Nevada) (the School) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 15, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Silva, Sceirine & Assoc, LLC

Reno, Nevada
December 15, 2023

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

No potential violations were reported in the financial statements for the year ended June 30, 2022.

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, 2023.

Prior Year

There were no recommendations of the magnitude for inclusion in the report as of or for the year ended June 30, 2022.