



January 13, 2021

Board of Directors
City Garden Montessori School
St. Louis, Missouri

We have audited the financial statements of City Garden Montessori School (School) for the year ended June 30, 2020 and issued our report thereon dated January 13, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City Garden Montessori School are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of depreciation is based on management's estimate of the useful lives of each asset. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The concentration of support during the year ended June 30, 2020 in Note 3 shows that 39.8% of the School's operating revenue is attributable to four donors.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Journal Entry report summarizes all misstatements detected as a result of our audit. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 13, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board of directors and management of City Garden Montessori School and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Kerby Eck & Brauckel LLP

Client: **00791 - City Garden Montessori Charter**
 Engagement: **2020 AUDIT - City Garden Montessori School**
 Period Ending: **6/30/2020**
 Trial Balance: **30-00 - Trial Balance**
 Workpaper: **31-01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To tie out beginning fund balances				
1301	Building Improvements		214,295.23	
1521	Fixed Assets - Building		22,960.94	
1302	Accumulated Depreciation			58,333.02
2001	IFF Loan			129,341.38
3111	Fund Bal			22,960.94
3111	Fund Bal			26,620.83
Total			237,256.17	237,256.17
Adjusting Journal Entries JE # 2				
To reclass principal on IFF loan.				
		75-02; 30A-05		
2001	IFF Loan		6,994.41	
6521.3	Capital Outlay:Building Improvement,State			6,994.41
Total			6,994.41	6,994.41
Adjusting Journal Entries JE # 3				
To book CY depreciation				
		60-01		
6625	Depreciation Expense		57,110.70	
1302	Accumulated Depreciation			57,110.70
Total			57,110.70	57,110.70
Adjusting Journal Entries JE # 4				
adjusting revenue based on restrictions				
		90-14		
5192.11	Philanthropy- All, LocalDonations,Local		6,500.00	
5192.11	Philanthropy- All, LocalDonations,Local		20,000.00	
5192.11	Philanthropy- All, LocalDonations,Local		25,000.00	
5192.11	Philanthropy- All, LocalDonations,Local		80,000.00	
5192.901	Philanthropy- All, LocalDonations-Restricted,Local			6,500.00
5192.901	Philanthropy- All, LocalDonations-Restricted,Local			20,000.00
5192.901	Philanthropy- All, LocalDonations-Restricted,Local			25,000.00
5192.901	Philanthropy- All, LocalDonations-Restricted,Local			80,000.00
Total			131,500.00	131,500.00
Adjusting Journal Entries JE # 5				
removing intercompany rev/exp				
5190.P01	Intercompany Revenue,Local		253,788.00	
6391.P01	Purchased Services:Preschool Intercompany,Local			253,788.00
Total			253,788.00	253,788.00
Adjusting Journal Entries JE # 6				
Correcting misposted JE				
		75-03		
2001	IFF Loan		122,346.97	
6624.3	Long Term Interest,State		541.64	
1531	Leasehold Improvements			122,888.61
Total			122,888.61	122,888.61
Adjusting Journal Entries JE # 7				
capitalizing bldg costs				
1301	Building Improvements		107,021.94	
6521.91	Capital Outlay - 4209 Building, Local			107,021.94
Total			107,021.94	107,021.94
Adjusting Journal Entries JE # 8				
Allocating preschool revenue and expenses.				
		30A-04		
5182.P01	Tuition-Pre K, Before/After CarePreschool Tuition,Local		234,679.86	
5182.P21	Tuition-Pre K, Before/After CarePreschool Tuition- Deposit,Local		29,894.06	
P5196	Preschool Tuition		8.00	
P5196	Preschool Tuition		37.50	
P6151	Classified Salaries		130,709.43	
P6231	Soc Security		8,095.32	
P6232	Medicare		1,893.26	

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Account	Description	W/P Ref	Debit	Credit
P6241	Employee Insurance		12,665.32	
P6411	General Supplies		1,519.85	
5182.P01	Tuition-Pre K, Before/After CarePreschool Tuition,Local			8.00
5182.P91	Tuition-Pre K, Before/After CarePreschool Tuition- Scholarships,Local			37.50
6151.1	Salaries:Classified Salaries:Classified Salaries,Local			126,160.75
6161.1	Salaries:Classified Salaries:Part-time Classified Salaries,Local			4,548.68
6231.1	Employee Benefits:Social Security,Local			8,095.32
6232.1	Employee Benefits:Medicare,Local			1,893.26
6241.1	Employee Benefits:Employee Insurance,Local			12,665.32
6411.P11	Supplies- Instruction:Supplies & Materials Preschool,Local			379.37
6411.P21	Supplies- Instruction:Supplies & Materials Preschool 2,Local			1,140.48
P5196	Preschool Tuition			264,573.92
Total			419,502.60	419,502.60
Adjusting Journal Entries JE # 9				
allocating before/after scholarships prorata to before school rev and after school rev				
5181.11	Tuition-Pre K, Before/After CareAfter School Care,Local		12,709.07	
5181.21	Tuition-Pre K, Before/After CareBefore School Care,Local		2,026.08	
5181.91	Tuition-Pre K, Before/After CareBefore\After Care Scholarships,Local			14,735.15
Total			14,735.15	14,735.15
Adjusting Journal Entries JE # 10				
separating Ed Jones cash from investments				
50A-01 pg. 32				
1150	Ed Jones Mutual Funds		14,888.68	
1149	Ed Jones Cash			14,888.68
Total			14,888.68	14,888.68
Adjusting Journal Entries JE # 11				
modifying restricted donations				
90-03				
5192.11	Philanthropy- All, LocalDonations,Local		541,984.00	
5192.901	Philanthropy- All, LocalDonations-Restricted,Local		400,000.00	
5192.11	Philanthropy- All, LocalDonations,Local			400,000.00
5192.901	Philanthropy- All, LocalDonations-Restricted,Local			541,984.00
Total			941,984.00	941,984.00