

**CITY GARDEN
MONTESSORI SCHOOL**

**INFORMATION REQUIRED FOR
STATE REPORTING**

June 30, 2020

CITY GARDEN MONTESSORI SCHOOL

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Independent Auditor’s 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
City Garden Montessori School

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 consolidated financial statements of City Garden Montessori School (a nonprofit organization) and subsidiaries which comprise the consolidated statements of assets, liabilities and net assets – modified cash basis as of June 30, 2020, the related consolidated statement of support, revenues, expenses and changes in net assets – modified cash basis, and the consolidated statement of functional expenses – modified cash basis for the year then ended, as well as the related notes to the consolidated financial statements, and have issued our report thereon dated January 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the City Garden Montessori 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 opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Garden Montessori School’s internal control. Accordingly, we do not express an opinion on the effectiveness of City Garden Montessori 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 consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 through 2020-004, that we consider to be significant deficiencies.

Compliance and Other Matters

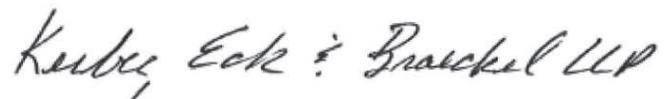
As part of obtaining reasonable assurance about whether City Garden Montessori School's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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*.

City Garden Montessori School's Response to Findings

City Garden Montessori School's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City Garden Montessori School's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Litchfield, Illinois
January 13, 2021

Schedule of Audit Findings and Responses

City Garden Montessori School Year ended June 30, 2020

2020-001 – Bidding Policy

Condition: City Garden Montessori School (School) currently has a policy to seek bids from at least three different vendors for purchases in excess of \$5,000. This policy is not being consistently followed by the School.

Criteria: To be effective, an internal control system must be consistently implemented and maintained.

Cause: Due to the School's recent growth, the School often has purchases in excess of \$5,000, so the School's bidding procedure policy isn't as feasible as when initially implemented.

Effect: The effect of not properly implementing and maintaining an internal control system increases the risk of fraud and/or error.

Recommendation: We recommend that the School adhere to its current bidding policy or create a new policy with an increased dollar threshold to be consistently followed, as agreed upon by the School's management and those charged with governance.

Views of Responsible Official: The School's management agrees that this is a deficiency in internal control and will work with the Board to create a new bidding policy.

2020-002 – Outstanding Reconciling Items

Condition: The School currently has long-outstanding reconciling items on its monthly bank reconciliations.

Criteria: Accurate bank reconciliations are essential to ensuring that all revenues and expenses are properly accounted for, as well as for limiting fraud risk.

Cause: Because the School annually reports cash and fund balances to the Missouri Department of Elementary and Secondary Education (DESE), the School was unsure of how to correct long-outstanding reconciling items.

Recommendation: We recommend that the School consults with DESE to determine the necessary steps to correct cash and fund balances on the future Annual Secretary of the Board (ASBR) submissions.

Views of Responsible Official: The School's management agrees that this is a deficiency in internal control and plans to consult with DESE to determine the proper procedures to correct cash and fund balances on future ASBR submissions.

CITY GARDEN MONTESSORI SCHOOL

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

2020-003 – Contributions with Donor Restrictions

Condition: The School does not have a designated system or process in place for contributions with donor restrictions (“restricted donations”).

Criteria: Proper tracking of restricted donations and related qualifying expenditures is essential for accurate financial reporting and compliance.

Cause: The School’s continued growth has resulted in increased restricted donations in recent years. In the past there were limited restricted donations so formal policies and procedures regarding these donations were not necessary.

Recommendation: We recommend that the School’s management and those charged with governance collaborate to create a policy for tracking restricted donations and related qualifying expenditures on an ongoing basis.

Views of Responsible Official: The School’s management agrees that this is a deficiency in internal control and plans to implement procedures to better track restricted donations and related qualifying expenditures.

2020-004 – Quarterly Searchable Expenditure and Revenue Document

Condition: The School did not post a quarterly searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursements for the current calendar or fiscal year on the school website or other form of social media as required by Section 160.066, RSMo.

Criteria: The School is required to follow applicable RSMo statutes.

Cause: As this is the first year the policy was in effect, the School unintentionally neglected to post its quarterly documents.

Recommendation: We recommend that the School post, at least quarterly, information required by Section 160.066, RSMo.

Views of Responsible Official: The School’s management agrees that this is a deficiency in internal control and plans to implement procedures to abide by Section 160.066, RSMo.



Independent Accountants' Report on Compliance with Specified Requirements of Missouri Laws and Regulations

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

We have examined City Garden Montessori School's compliance with the requirements of Missouri laws and regulations regarding accurate disclosure by City Garden Montessori School's records of average daily attendance and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2020. Management is responsible for City Garden Montessori School's compliance with those requirements. Our responsibility is to express an opinion on City Garden Montessori School's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether City Garden Montessori School complied, in all material respects, with the specified requirements above. An examination involves performing procedures to obtain evidence about whether City Garden Montessori School complied with the specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on City Garden Montessori School's compliance with specified requirements.

In our opinion, City Garden Montessori School complied, in all material respects, with the aforementioned requirements, included in the accompanying schedule of selected statistics, for the year ended June 30, 2020.

This report is intended solely for the information and use of the Board of Directors, management, the Missouri Department of Elementary and Secondary education, and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kerber, Eck & Braeckel LLP

Litchfield, Illinois
January 13, 2021

CITY GARDEN MONTESSORI SCHOOL

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

Entity Number: 115-911

1. Calendar (Sections 160.041, 171.029, 171.031, and 171.033, RSMo)

Report each unique calendar the district/charter school has defined by sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
6955	K	8	N/A	6.5000	129	838.50

2. Attendance Hours

Report the total attendance hours of PK-12 students allowed to be claimed for the calculation of average daily attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
6955	PK	687.00	0.00	0.00	0.00	0.00	687.00
	K	23,470.95	0.00	0.00	0.00	3,263.00	26,733.95
	1	26,402.20	0.00	0.00	0.00	2,626.00	29,028.20
	2	22,498.75	0.00	0.00	0.00	3,250.00	25,748.75
	3	26,123.79	0.00	0.00	0.00	2,593.50	28,717.29
	4	21,513.19	0.00	0.00	0.00	2,457.00	23,970.19
	5	13,296.82	0.00	0.00	0.00	1,878.50	15,175.32
	6	13,362.14	0.00	0.00	0.00	916.50	14,278.64
	7	10,417.03	0.00	0.00	0.00	1,235.00	11,652.03
	8	13,501.84	0.00	0.00	0.00	435.50	13,937.34
Grand Total	K-8	171,273.71	0.00	0.00	0.00	18,655.00	189,928.71

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
6955	PK	3.00	0.00	0.00	3.00
	K	30.00	0.00	0.00	30.00
	1	34.00	0.00	0.00	34.00
	2	28.00	0.00	0.00	28.00
	3	33.00	0.00	0.00	33.00
	4	27.00	0.00	0.00	27.00
	5	17.00	0.00	0.00	17.00
	6	17.00	0.00	0.00	17.00
	7	13.00	0.00	0.00	13.00
	8	17.00	0.00	0.00	17.00
Grand Total	K-8	219.00	0.00	0.00	219.00

CITY GARDEN MONTESSORI SCHOOL

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

4. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
6955	64.00	25.00	0.00	0.00	89.00

5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program - Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experienced Program	N/A
	Dual enrollment	N/A
	Homebound instruction	N/A
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	N/A

CITY GARDEN MONTESSORI SCHOOL

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

Section	Question	Answer
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	FALSE
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	N/A
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	N/A
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	N/A
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	TRUE
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	N/A
5.12	The amount spent for approved professional development committee plan activities was:	N/A
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	FALSE

CITY GARDEN MONTESSORI SCHOOL

SCHEDULE OF SELECTED STATISTICS – UNAUDITED

All above "false" answers must be supported by a finding or management letter comment.

Finding #: 2020-3; 2020-5

Management Letter Comment #: N/A

6. Transportation

City Garden Montessori School did not participate in the transportation program during the year ended June 30, 2020.