

September 6, 2022

To: Board of Directors

From: Carrie Smith

On August 29, 2022, I spoke with Ms. O'Brien from the IRS to correct a tax deposit that was listed for the 2<sup>nd</sup> quarter of 2022 and should have been the 1<sup>st</sup> quarter. During this conversation, she said Monticello Montessori owed the following past due taxes as of August 29th.

3rd qtr 2015	\$1,000.72
4th qtr 2015	\$572.57
1st qtr 2016	\$9,159.62
2nd qtr 2016	\$11,820.63
3rd qtr 2016	\$1,663.73
3rd qtr 2017	\$15,065.44
4th qtr 2017	\$45.76
1st qtr 2018	\$9,159.53
2nd qtr 2018	\$78.65
3rd qtr 2018	\$31.58
4th qtr 2019	\$20,396.09
2nd qtr 2020	\$227.09
TOTAL	\$69,221.41

I told her that I started in May and had not received notices for any of these past due amounts. She said the IRS sends a notice and may not send additional notices of past due amounts, but penalties and interest continue to accrue. She also said there were missing 941 quarterly reports for Monticello Montessori for the 4<sup>th</sup> quarter of 2016, the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2017, the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2019, the 4<sup>th</sup> quarter of 2020, and the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2021.

I contacted our auditors, and they had a copy of the front page of the 941 reports for 2016, 2017 and 2019. They did not have a copy of the 2020 or 2021 reports. I found old reports from our software and was able to complete the reports for 2020 and 2021. Based on my review, Monticello Montessori owes the following from the missing 941s plus any penalties and interest that may have accrued.

Missing 941s for	Wages	FICA	Medicare	Fed With	Total	Paid	Difference
2016 4th qtr	177,946.44	22,065.36	5,160.45	5853.88	33,079.69	35,429.22	(2,349.53)
2017 1st qtr	172,937.30	21,444.23	5,015.18	5,877.04	32,336.45	33,839.72	(1,503.27)
2nd qtr	181,461.95	22,501.28	5,262.40	6,435.64	34,199.32	34,503.50	(304.18)
2019 1st qtr	213,038.06	26,416.72	6,178.10	7,976.05	40,570.87	10,212.46	30,358.41
2nd qtr	219,497.36	27,217.67	6,365.42	13,608.81	47,191.91	42,271.26	4,920.65
2020 4th qtr	269,155.31	33,375.26	7,805.50	11,068.06	52,248.82	52,240.76	8.06
2021 1st qtr	285,938.56	35,456.38	8,292.22	12,244.07	55,992.67	39,064.27	16,928.40
2nd qtr	288,531.90	35,777.96	8,367.43	12,501.14	56,646.52	36,278.35	20,368.17
							68,426.70

Based on this information, Monticello Montessori owes at least \$137,648.11 in taxes to the IRS. There will probably be additional penalties and interest.