



Momentum Academy

Proposal for Audit and Tax Services

Year Ending June 30, 2024

Extensions for Years Ending
June 30, 2025, and 2026

May 7, 2024

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May 7, 2024

Board of Directors and Management
Momentum Academy
3716 Morgan Ford Rd.
St. Louis, MO 63116

We would like to thank the Board for the opportunity to bid on the annual audit and tax services for the Momentum Academy (the “Academy”) for the fiscal year ending June 30, 2024. We have included in this proposal the fees to perform these services for an additional 2 years. As your auditor, we will:

- Perform the audit of your financial records in accordance U.S. generally accepted auditing standards and the statements applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States.
- Perform procedures as prescribed by the Missouri Department of Elementary and Secondary Education (DESE) on attendance and transportation records and Schedule of Selected Statistics.
- Prepare the financial statements from the work performed to include entity-wide financial statements, footnotes, and supplementary information as required by the Missouri Department of Elementary and Secondary Education under the close supervision of management.
- Opine in the Independent Auditors’ Report on the School’s financial statements being fairly presented in all material respects in accordance with modified cash basis of accounting.
- Perform the audit of your federal expenditures in accordance with the Single Audit Act and the provisions of the Uniform Guidance when exceeding federal expenditure thresholds.
- Report on the internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Report any findings to management and present the audit reports to the Board of Directors.
- Prepare and file the IRS Form 990 and any other required state and local tax forms.

Marr and Company, P.C. has the staff, expertise, and capacity to perform these services for the Academy and is committed to exceeding your expectations in terms of the quality of the service provided and the timing of our final reports. Marr and Company, P.C. is a locally owned firm that specializes in performing audits on governmental and not-for-profit organizations. We have developed an audit department with specialized experience and advanced education to provide these services. Our business model is to form partnerships with our clients and become an integral part of their team, while maintaining our independence. The Momentum Academy would be an ideal fit for our firm. We look forward to building a strong business partnership for the years to come.



Philip DeRocher
Philip DeRocher, CPA

Scope Section

Marr and Company, P.C. (the “Firm”) recognizes that auditing a non-profit organization operating as a charter school is an industry-specific service that requires specialized experience and knowledge. With continually changing rules and regulations, it is essential that the Academy chooses the right audit firm. The Firm has developed a unique audit approach which is complemented by the technical expertise of our audit team and its communication exhibited during the engagement. The following factors set us apart from the competition:

*C*ommunication

We value the communication process and emphasize planning and organization to facilitate a smooth audit. We will be in regular contact with the Board of Directors and any key personnel with progress updates and discussion of any potential issues if they arise. Our approach, should we encounter a financial statement or compliance issue, is to research all acceptable alternatives and discuss with the organization which approach would be most beneficial to the Academy.

*A*udit Philosophy

We take pride in providing a quality and timely product for our clients. We have developed an effective audit approach to maximize the benefit that our clients receive when engaging us to provide audit services. We believe the pride we take in our work is similar to the pride and passion you have for your students and staff.

In addition to the audit services we provide, we are also available throughout the year to assist with any accounting questions that may arise, generally at no additional cost. If the circumstances require a significant time commitment on our behalf, we will discuss and seek approval from management prior to commencing. If new accounting and/or auditing pronouncements become effective, we will notify management and are open for consultation.

We utilize an educational approach to our audit engagements to help clients improve their internal controls and be proactive with regard to new regulations, accounting standards and compliance requirements associated with the Academy. In addition to a typical audit of the Academy’s financial statements, a Marr and Company audit engagement provides value-added observation regarding controls and other matters that are deemed beneficial to the organization. Our recommendations, along with any audit findings, will be discussed with management in a fashion that is both timely and insightful. We have found that these proactive discussions assist management in achieving better oversight of the Academy.



Scope Section (continued)

Technical Expertise

Our firm's professionals thoroughly understand the inter-working, compliance, and regulatory environment of a political subdivision. We customize and develop our audit approach to each individual client and consider the needs of the users as well as the inherent risks associated with the Academy. We also assist our clients in understanding the overall audit process in addition to the compliance requirements and the regulatory environment in which they operate. This includes new and proposed regulations and the impact they may have on the Academy. In addition, we can offer suggestions to help improve the internal controls of the organization and identify any areas of concern that should be considered for compliance with the laws and regulations.

Engagement Team Qualifications and Experience

All of the professional staff at Marr and Company, P.C. complete 40 hours of (CPE) continuing professional education in courses to meet the requirements established by the appropriate state board of accountancy. The engagement team working on the audit for the Academy and their respective qualifications are as follows:

Engagement Team

Engagement Partner	Philip DeRocher, CPA
Quality Control Partner	Clarkson Hanner, CPA
Team Member	Amanda Fruend
Team Member	Ben Gruenke
Team Member	Nina Gavoli

Partners

Philip DeRocher obtained both a Bachelors and Master's degree in accounting from the University of Northern Iowa. Mr. DeRocher began his career with McGladrey and Pullen, LLP and spent four years performing audits for the firm. During his time at McGladrey and Pullen, he was promoted to senior associate and oversaw many engagements including not-for-profit and governmental entity audits. He furthered his experience at Keller & Owens, LLP where he spent more than three years performing and managing primarily not-for-profit and governmental entity audits. He joined the audit department of Marr and Company, P.C. in 2012 as an audit manager. Mr. DeRocher is experienced in a variety of industries including nonprofit, governmental, employee benefit plans, financial institutions, and manufacturing.



Scope Section (continued)

Engagement Team Qualifications and Experience (continued)

Clarkson Hanner graduated from Southwest Missouri State University in Springfield with a Bachelor of Science degree in Accounting and a Master of Business Administration degree. Prior to joining the firm, Mr. Hanner was a staff auditor for KPMG, LLP in Kansas City, Missouri. He joined Marr and Company, P.C. in 2004 as a senior auditor and was promoted to audit manager in January 2013. Mr. Hanner is experienced in several industries including nonprofits, governmental entities, and manufacturing. He has audited nonprofit entities since 2002.

Team Members

Amanda Freund obtained both a Bachelor's and Master's degree in Accounting from the University of Kansas. Prior to joining the firm, Ms. Freund worked as a senior auditor for Ernst & Young in Kansas City, Missouri and as a senior auditor for PMB Helin Donovan in Austin, Texas. She joined Marr and Company, P.C. in August of 2021 as an audit staff member. Ms. Freund is experienced in a variety of industries including nonprofit, employee benefit plans, financial institutions, and manufacturing.

Ben Greunke obtained a Bachelor of Science in Business Administration with emphasis in accounting from Rockhurst University. Prior to joining the firm, Mr. Greunke worked as a senior auditor for CliftonLarsonAllen LLP in St. Louis, Missouri. He joined Marr and Company, P.C. in August of 2022 as an audit staff member. Mr. Greunke is experienced in several industries including financial institutions, employee benefit plans and governmental entities.

Nina Gavoli obtained a Bachelor's degree in both Accounting and Business Administration from Graceland University, along with a Master's degree in Accounting from The University of Missouri - Kansas City. Prior to joining the firm, Ms. Gavoli worked as a senior auditor for CBIZ/Mayer Hoffman McCann P.C. in Kansas City, Missouri. She joined Marr and Company, P.C. in February 2024 as an audit staff member. Ms. Gavoli is experienced in several industries with an emphasis in not-for-profit and real estate entities.



Audit Approach

The Audit Process is divided into five segments:

1. Planning: June/July

We will review prior year audit working papers, prior year reports, significant contracts, and conduct interviews with the Board and other personnel. During this phase, we obtain an understanding as to the design of internal controls and provide a detailed list of audit requests to include examples and templates. A pre-fieldwork meeting can be held with the Board and management to discuss any additional audit requirements or risks.

2. Field Work: September/October

Field work will be scheduled at your convenience and conducted at your location. We will perform testing on the accuracy of the financial statements as it relates to our sample. We will utilize analytical procedures to identify areas with fluctuations that exceed our expectations based on historical performance, board approved budgets and industry standards. Our procedures will substantiate the numbers in the financial statements and test the appropriateness of the significant accounting policies disclosed in the notes to the financial statements.

3. Report Preparation and Review

At the completion of the fieldwork, we will draft the financial statements and related footnotes. We will ensure the most recent accounting principles are being applied and that the footnotes are complete and accurate. We will provide a draft for management's review and approval.

4. Final Report Issuance: November

After management has approved the draft of the report, we will have a meeting with the Board to discuss the report. We will provide the Board with a letter summarizing the audit process and disclosing any findings or recommendations that we have. After the Board has approved all deliverables, we will ask management to provide us with a signed representation letter prepared by our team that summarizes the significant representations made during the audit. The report will be finalized and delivered no later than November 30th each year.

The tax return preparation will be done throughout the audit process and completion of the return will be done after the audit report is approved for final delivery. We will provide a draft for management's review and for board distribution and approval. Once we receive the signed 8879 form, the return will be e-filed with IRS prior to its deadline.

5. Post-Audit Support: Year-round

We are available throughout the year to assist management with any unusual or complicated accounting issues should they arise. If we determine a policy or regulatory change will have a significant impact on the Academy, we will perform all necessary research and meet with management to discuss all appropriate options.



Profile of the Firm

Marr and Company, P.C. is a local, full-service accounting firm located in the south Kansas City area for more than 50 years. The office is centrally located at 1401 E. 104th Street, Suite 100, Kansas City, Missouri 64131 and has a diversified staff of twenty experienced employees. We have QuickBooks Advisors and a QuickBooks Online Pro Advisor on staff.

Services provided to clients include, but are not limited to, attest (audits/reviews/compilations), tax preparation and consultation, payroll, bookkeeping and accounting. The majority of our current attest clients are not-for-profit and governmental organizations in the Kansas City metro area with annual revenues ranging from \$100,000 to \$225,000,000.

Firm Qualifications

As stable members of the business community in south Kansas City for more than half of a century, the Firm remains a local full-service professional services corporation. The Firm and all certified public accountants within the Firm are licensed to practice within the State of Missouri.

✓ Professional Affiliations/Memberships

- Missouri Society of Certified Public Accountants (MOCPA)
- Nonprofit Connect
- Missouri Chamber of Commerce and Industry
- American Institute of Certified Public Accountants' (AICPA)
 - Private Companies Practice Section (PCPS) Firm Practice Center
 - Government Audit Quality Center (GAQC)
- Kansas City Society of Association Executives (KCSAE)

✓ Auditors' Independence

All employees are independent of the Academy, as defined within the generally accepted auditing standards. The Firm has not previously had a professional relationship involving the Momentum Academy.



Profile of the Firm (continued)

Firm Qualifications (continued)

✓ Quality Control Policies and Peer Review

The Firm maintains written quality control policies and procedures that meet or exceed those required by professional standards. The Firm's quality control policies are subjected to the "peer review" program, as required every three years. The results of the two most recently completed peer reviews are included on pages 10-13.

✓ Secure Source File and Transfer

The Firm takes privacy and security very seriously to ensure your organization's data is not compromised. The Firm has two options for secure audit-related file transfer –

- upload directly to our secure web-based client portal system or
- transfer utilizing Citrix's ShareFile web-based technology.

✓ Firm's Staff Rotation Policy

Our commitment to you is that you will see the same audit team year in and year out. As a result, we have had no turnover in our audit department in the last 5+ years. The Audit Partners work closely with all members of the audit team to provide continuity in service throughout the term of the engagement. The Firm will perform all of the work on your engagement. We will not utilize the services of a subcontractor.

✓ Firm's Not-for-Profit Experience and For-Profit Experience

The Firm's attest clients over the past 50 years are in both the not-for-profit sector, as well as the private for-profit sector. The not-for-profits organizations range from membership associations to foundations, as well as health and welfare organizations and community outreach programs. Our private for-profit entities are members of the following industries: manufacturing, professional services, and construction.



School Audit Experience and References

<u>Client Name</u>	<u>Address</u>	<u>City, State Zip</u>	<u>Contact Person:</u>	<u>Number</u>	<u>Client Longevity</u>
<u>Missouri Public Schools</u>					
Belton School District #124	110 W. Walnut	Belton, MO 64012	Bob Poisal	816-489-7004	Since FY 2017
Park Hill School District	7703 NW Barry Road	Kansas City, MO 64153	Susan Bartlett	816-359-4000	Since FY 2021
<u>Local Education Agencies</u>					
Academy for Integrated Arts	7910 Troost Ave	Kansas City, MO 64131	Tricia DeGraff	816-444-1720	Since FY 2020
Brookside Charter School	1815 East 63 rd Street	Kansas City, MO 64130	Roger Offield	816-531-2192	Since FY 2022
DeLaSalle High School	3737 Troost Avenue	Kansas City, MO 64109	Sean Stalling	816-561-4445	Since FY 2018
Ewing Marion Kauffman School	6401 The Paseo	Kansas City, MO 64131	Matt Overbaugh	816-268-5660	New 2024
Frontier Schools	6800 Corporate Drive	Kansas City, MO 64120	Ibrahim Keles	816-241-6200	Since FY 2023
Genesis School	3800 East 44 th Street	Kansas City, MO 64130	Kevin Foster	816-921-0775	Since FY 2022
Gordon Parks Elementary School	3715 Wyoming Street	Kansas City, MO 64111	Kirsten Lipari-Bramen	816-753-6700	Since FY 2015
Hope Leadership School	2800 Linwood Boulevard	Kansas City, MO 64128	Michelle James	816-921-1213	Since FY 2012
Kansas City Girls Preparatory Academy	5000 East 17 th Street	Kansas City, MO 64127	Tom Krebs	816-268-2573	Since FY 2021
KC International Academy	414 Wallace Avenue	Kansas City, MO 64125	Bane Ballou	816-242-4206	Since FY 2016
KIPP Kansas City	2700 E. 18 th Street	Kansas City, MO 64127	Julie Cook	816-241-3994	Since FY 2017
The Leadership School	1785 Pennsylvania Avenue	St. Louis, MO 63133	Kimberly Townsend	314-409-2308	Since FY 2023
<u>Private Educational Institutions</u>					
Bishop Ward High School	708 North 18th Street	Kansas City, KS 66102	Fritz Percca	913-371-1201	Since FY 2009
Millennium School of San Francisco	245 Valencia Street	San Francisco, CA 94103	Roberto D'Erizans	415-992-8520	Since FY 2022
<u>Local Government Entities & Relevant Organizations</u>					
Children's' Center for the Visually Impaired	3101 Main Street	Kansas City, MO 64111	Michelle Zimmerman	816-841-2284	Since FY 2023
Clay County Children's Services Fund	7001 N. Locust, Ste. D-205	Gladstone, MO 64118	Kathy Macken	816-702-8686	Since FY 2023
Cooperating School Districts of Greater Kansas City (CSDGKC)	4900 Main Street, #155	Kansas City, MO 64112	Dr. Kenny Southwick	816-753-7275	Since FY 2015

All references listed above were or will be performed by the engagement team referenced in this proposal. Additional references are available upon request.

Additional Data

As a local full-service professional services corporation, the Firm can be engaged to perform additional accounting, consultation, or other non-attest services as required by the Momentum Academy and would be under a special engagement.

Fees

Our proposed fees for the audit (including the federal single audit) and tax preparation services of the Momentum Academy are as follows:

<u>Fiscal Year Ending:</u>	<u>Audit</u>	<u>Tax</u>
June 30, 2024	\$16,750	\$1,750
June 30, 2025	\$17,000	\$1,850
June 30, 2026	\$17,250	\$1,950

The above fees do not include out-of-pocket expenses related to the audit (including travel, postage, confirmation service provider fees, etc.) and will be billed at our cost.

Our fees are based upon the amount of estimated time to be expended by each professional at billing rates established based on experience. These fees are based on anticipated cooperation from the Academy's personnel and the assumption that unexpected circumstances will not be encountered during the work performed. Our current standard hourly rates are as follows:

Partner	\$250/hour
Senior Staff Member	\$180/hour
Staff Member	\$140/hour
Clerical	\$100/hour

Please note that this engagement does not include any services not specifically described in this proposal.

CERTIFICATION: I am entitled to represent Marr and Company, P.C., empowered to submit this proposal and authorized to sign a contract with the Momentum Academy.

Philip DeRocher

Philip DeRocher, CPA





Report on the Firm's System of Quality Control

June 29, 2021

To the Partners of Marr and Company, P.C. and the
Peer Review Committee of the Missouri Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Marr and Company, P.C. in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firms' Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

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Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Marr and Company, P.C. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Marr and Company, P.C. has received a peer review rating of *pass*.

KPM CPAs, PC

KPM CPAs, PC

