

**ACADEMY FOR INTEGRATED ARTS
BOARD of DIRECTORS MEETING
MINUTES**

July 28, 2022
4:00 p.m.

7910 Troost Ave., Kansas City, Missouri

This was a virtual meeting held via Zoom.

Present: Emily Brown, Secretary
Lynne Brown, Member
Peter Brown, Member
Brad Epstein, Chairman
Andy Fromm, Member
Patrick Lenoir, Member
Cara Newell, Treasurer (to 4:35)
Jennifer Waddell, Member (4:20)

Also Present: Tricia DeGraff, Executive Director
Karren Colbert, Principal
Phoebe Bassue, Operations

I. CALL TO ORDER AND ROLL CALL

Brad Epstein called the meeting to order at 4:05

II. COMMUNITY FORUM

The board will hear comments from community members. These comments may relate to any item on the agenda or other issues which need to be brought to the attention of the Board. Individual comments are limited to five minutes. Time allotted for the community forum will be fifteen minutes.

III. FINANCIAL REPORT

Budget report-Cara Newell (attachment)

IV. CONSENT AGENDA ITEMS

- Approval of the minutes from the June 23, 2022 board meeting
- Approval of the warrant list (check registry and purchasing card record)
- Approval of the financial report:
Motion: Peter Brown
Second: Lynne Brown
Vote: 7-0

V. ACTION ITEMS

- Motion to hire Freshelle Asberry, Student Support Coach, Samelia Williams, Assistant Teacher and Candice Bondon, School Nurse:
Motion: Education Committee
Vote: 7-0

- Approval of the Budget for the 2022-2023 School Year:
Motion: Finance
Vote: 7-0
- Approval of Staff Handbook
Motion: Lynne Brown
Second: Cara Newell
Vote: 8-0
- Approval of Student Handbook:
Motion: Jennifer Waddell
Second: Lynne Brown
Vote: 8-0
- Approval of the Audit, Attestation, and Tax Return engagement letters from Marr and Company;
Motion: Finance Committee
Vote 8-0
- Approval of the Property and Casualty Insurance renewal:
Motion: Finance Committee
Vote: 8-0

VI. EXECUTIVE DIRECTOR'S REPORT

- Monthly Update-Tricia DeGraff (attachment)

VII. DISCUSSION ITEMS/COMMITTEE REPORTS

- Education Committee met on July 13th (attachment)
- Audit/Finance met on July 21st (attachment)
- Governance Committee met on July 19th (attachment)
The board retreat will have to be rescheduled. Emily will send out a Doodle poll.

VIII. NEW BUSINESS

The Back to School Breakfast for Teachers and Staff will be held on August 5th at 8:00 a.m. Board members are invited to attend and should let Lynne Brown know if they plan to attend.

IX. EXECUTIVE SESSION

Motion to enter into executive session for the purpose of conducting business related to personnel as specified in Section 610/021 of the Missouri Sunshine Law: Peter Brown

Second: Jennifer Waddell

Roll call on the motion:

Emily Brown---yes

Lynne Brown---yes

Peter Brown---yes

Brad Epsten---yes

Andy Fromm---yes

Patrick Lenoir---yes

Jennifer Waddell---yes

Vote: 7 yes, 0-no

Discussion of personnel matter

Motion to adjourn Executive Session: Jennifer Waddell

Second: Peter Brown

Roll call on the motion:

Emily Brown---yes

Lynne Brown---yes

Peter Brown---yes

Brad Epsten---yes

Andy Fromm---yes

Patrick Lenoir---yes

Jennifer Waddell---yes

Vote: 7 yes, 0 no

Motion to resume regular meeting: Jennifer Waddell

Second: Peter Brown

Vote: 7-0

Motion to revise agenda to include rescinding offer of employment: Peter Brown

Second: Lynne Brown

Vote: 7-0

Approval to rescind previous offer of employment:

Motion: Jennifer Waddell

Second: Peter Brown

Vote: 7-0

X. ADJOURNMENT

Motion to adjourn: Jennifer Waddell

Second: Brad Epsten

Vote: 7-0

Meeting adjourned at 5:20 p.m.

Next Board Meeting is on August 25, 2022 at 4:00 p.m.

Respectfully submitted,



Emily Brown

Secretary



Brad Epsten

Chairman



Academy for Integrated Arts

Executive Director's Report

July 25, 2022

Enrollment 2021-2022

Grade	8/23	9/16	10/22	12/3	1/21	2/18	3/18	4/22	5/20	6/1
PK	11	12	12	12	12	11	11	11	11	11
TK	4	3	4	4	4	4	4	4	4	4
K	46	44	43	43	43	43	44	43	43	43
1st	42	41	41	40	38	38	40	40	40	40
2nd	37	39	40	39	37	38	39	38	38	38
3rd	35	38	37	37	36	36	36	36	36	36
4th	39	37	37	37	36	36	36	36	36	36
5th	25	25	25	24	23	23	23	23	23	23
6th	16	16	17	18	18	18	18	17	17	17
Total	255	255	256	254	247	247	251	248	248	248

Staff related updates

- As shared over the last two months, based on our current staff plan, we will be able to implement co-teaching in grades PK - 3rd. This will include a combination of certified teachers, apprentice teachers and assistant teachers. We will be able to implement various models of team teaching in grades 4th - 6th.
- We have three new hires for the following positions:
 - School nurse
 - Student success coach
 - Assistant teacher
- We still have active job postings for extended day teachers.

General Updates

- Three AFIA staff members attended the week long Orton Gillingham training at Horizons Academy.
- Over 20 AFIA staff members attended the arts integration symposium this week (July 26 - 27).
- Over 15 AFIA staff members attended Greg Tang math professional development this summer.
- Our Instructional Leadership Team engaged in our annual retreat (July 11 - 13). We spent most of our time focused on action planning related to the implementation of our team teaching model.
- AFIA was awarded a grant from the Hall Family Foundation to support the implementation of our team teaching model.
- Our leadership team worked with a consultant from Insignia on Strategic Implementation Planning (funded by School Smart KC).
- In an effort to increase student applications, we are running a new social media campaign.

Enrollment Update for 2022 - 2023

Date	Grade	Waitlisted	Pending	Accepted	Declined	Rescinded	Returning	Current Anticipated Enrollment 22-23
7-28-22	PK	45	1	16	0	0	0	16
	TK	0	2	8	2	1	0	8
	K	0	6	25	54	15	13	38
	1st	0	2	14	10	8	35	49
	2nd	0	0	13	13	2	33	46
	3rd	0	3	15	9	6	30	45
	4th	0	4	14	7	4	29	43
	5th	0	1	7	5	1	29	36
	6th	0	0	6	5	5	18	24
	Total	45	19	118	105	42	187	305

ACADEMY FOR INTEGRATED ARTS
FINANCE COMMITTEE MEETING
Draft AGENDA

Thursday, July 21, 2022
8:30 a.m.

The meeting will be held via Zoom. To join the meeting, please type <https://zoom.us> into your web browser. You will be prompted to enter the meeting ID: 917 1862 9229 and the password: cqvjE5.

- I. Call to order
- II. Approve agenda for this meeting (July 21, 2022)
- III. Approve minutes from June 16, 2022 meeting
- IV. Financial Update and Review (*including all documents to be submitted to Epicenter*)
 - Actual financial results
 - Financial forecast
 - Cash receipt list
 - Grant/donation activity
 - Cash Disbursements
 - Accounts Payable detail
 - ADA WADA monthly report
- V. Financial processes and procedures review update.
- VI. Facilities - Review maintenance schedule. Discuss property manager; handy person. Discuss street security – including potential discussions with Homes Association and city council representatives. Update on security system potential improvements
- VII. Approval of Invoices >\$10,000
Ratification of Literacy Lab invoices via email.
Approval of Property and Casualty Insurance renewal.
- VIII. Discuss Finance Committee task schedule draft.
- IX. Other business
- X. Adjournment.



June 2022 Financials

PREPARED **JULY 2022** BY



- **Executive Summary - 3**
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Executive Summary: As compared to the budget, AFIA ended the year in a stronger position than planned; specifically, \$353,000 more cash.

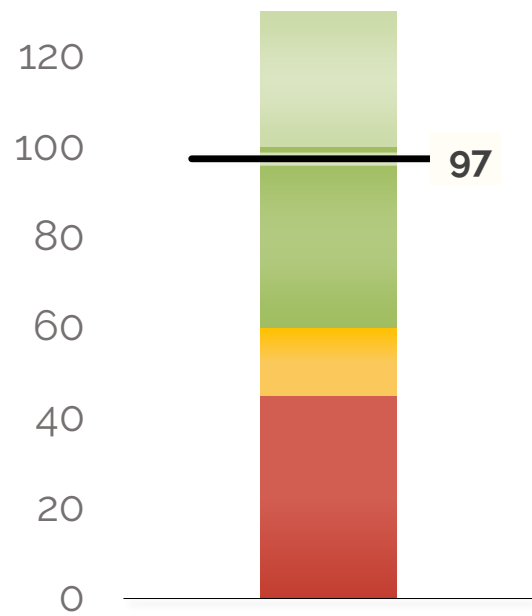


	SY 2022 Actual	SY 2022 Budget	Variance	
Revenue	\$4.2m	\$4.1m	\$168k	+168k
Expenses	\$4.2m	\$4.4m	\$197k	+197k
Net Loss	-\$2k	-\$367k	\$365k	365k
Cash Flow Adjustments	-\$12k	0	-\$12k	-12k End of Year Insurance liabilities
Change in Cash	-\$14k	-\$367k	\$353k	353k

Key Performance Indicators

Days of Cash

Cash balance at year-end divided by average daily expenses

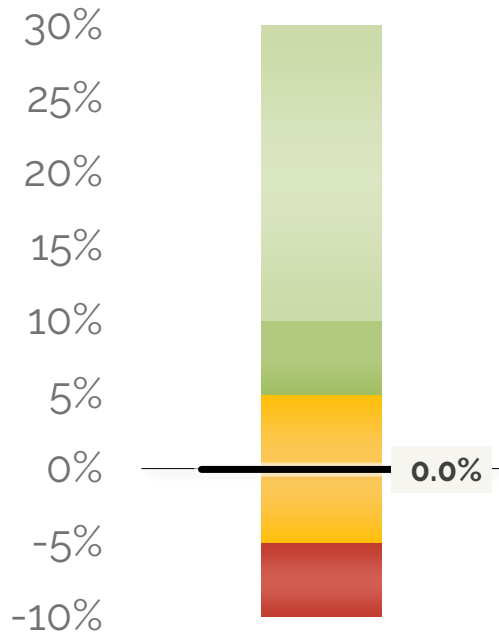


97 DAYS OF CASH AT YEAR'S END

The school ends the year with 97 days of cash. This is above the recommended 60 days

Gross Margin

Revenue less expenses, divided by revenue

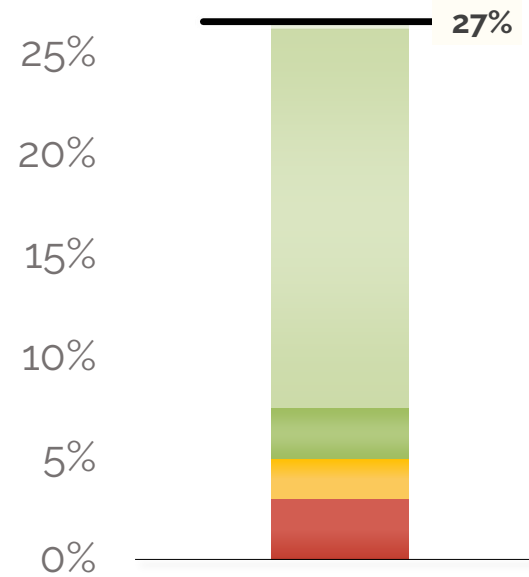


0.0% GROSS MARGIN

The forecasted net income is -\$2k, which is \$365k above the budget. It yields a 0.0% gross margin.

Fund Balance %

Forecasted Ending Fund Balance / Total Expenses



26.52% AT YEAR'S END

The school is projected to end the year with a fund balance of \$1,123,124. Last year's fund balance was \$1,125,066.

Detailed Year End Actual vs. Budget

Fiscal Year Ended June 30, 2022

	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	
Revenue				
Local Revenue	327,937	284,835	43,103	
State Revenue	2,184,105	2,299,644	(115,540)	C
Federal Revenue	1,053,493	1,060,335	(6,842)	
Grants/Donations	451,616	420,000	31,616	B, D
Earned Fees	215,717	-	215,717	C
Total Revenue	4,232,869	4,064,814	168,054	
Expenses				
Salaries	2,011,172	2,215,648	204,476	A
Benefits and Taxes	551,239	617,065	65,826	A
Staff-Related Costs	53,285	49,912	(3,373)	
Rent	300,000	300,000	-	
Occupancy Service	251,012	271,273	20,261	
Student Expense, Direct	280,666	300,458	19,792	
Student Expense, Food	252,214	193,400	(58,814)	
Office & Business Expense	291,881	202,258	(89,623)	E
Transportation	243,342	282,041	38,699	
Total Ordinary Expenses	4,234,811	4,432,055	197,244	
Total Expenses	4,234,811	4,432,055	197,244	
Net Loss	(1,943)	(367,241)	365,298	
Cash Flow Adjustments	(12,337)	-	(12,337)	
Change in Cash	(14,280)	(367,241)	352,961	

Variance explanations: + or - impact on cash

A + \$270,000	Salaries and Benefits – Unable to fill a few new positions relating to the implementation of the team teaching model. Also not able to backfill the nurse position vacated early in the year. It should be noted that AFIA has been able to fill nearly all budgeted positions for SY2023.
B + \$125,000	Kauffman grant – received in June. However, it is related to expenses that will be incurred next fiscal year.
C + \$100,000	Net State and KCPS MOU revenues – State revenue was difficult to estimate both from a budgeting and forecasting perspective. In April Missouri passed an emergency rule allowing schools to use the higher of current or pre-pandemic WADA; this was a positive for AFIA. However, as all schools used their higher WADA numbers, per WADA payment decreased significantly (Per WADA budget \$8,360 vs. actual \$8,110). This was offset by the KCPS MOU payment of \$216,000 which was not budgeted.
D - \$90,000	Grants (excluding Kauffman above): Did not meet our budget for SY2022. This was identified in the forecasting process several months ago.
E - \$90,000	Office and Business Expense - \$30,000 relating to Infinite Campus student information data system (funded by SSKC grant); \$24,000 – Covid testing prior to state testing program implementation.

The forecasting process worked as intended to provide accurate and timely information needed to make informed financial decisions during the year.

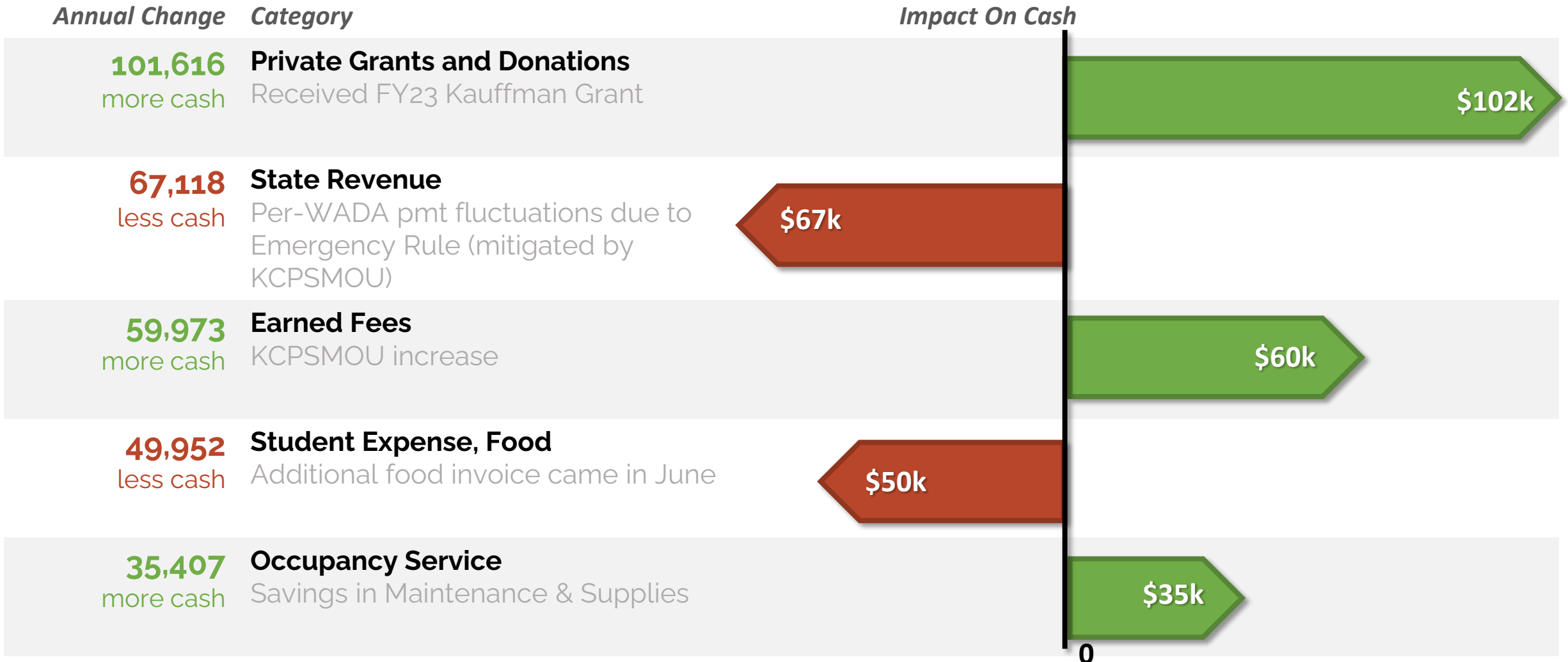
Revenue: As noted on page 5, State and KCPS MOU revenue were, somewhat of a moving target. However, May's forecast was only off by \$7,000 in total with respect to those two revenue streams. Also, May's forecast, did not anticipate the early arrival of the Kauffman grant (merely a timing issue).

Expenses: May's forecast expenses were within 0.4% of actual.

			Variance More Cash (Less Cash)		May Forecast	Variance More Cash (Less Cash)
	Actual	Budget		Actual		
Revenue						
Local	328	285	43	328	309	19
State	2,184	2,300	(116)	2,184	2,251	(67)
Federal	1,053	1,060	(7)	1,053	1,067	(14)
Grants/Donations	452	420	32	452	350	102
KCPS MOU	216	-	216	216	156	60
Total Revenue	4,233	4,065	168	4,233	4,133	100
Expenses						
Salaries	2,011	2,216	205	2,011	1,995	(16)
Benefits/Taxes	551	617	66	551	556	5
Staff-Related Costs	53	50	(3)	53	55	2
Rent	300	300	-	300	300	-
Occupancy Service	251	271	20	251	286	35
Student Direct	281	300	19	281	312	31
Student Indirect	252	194	(58)	252	202	(50)
Office & Business	292	202	(90)	292	298	6
Transportation	244	282	38	244	215	(29)
Total Expenses	4,235	4,432	197	4,235	4,219	(16)
Net Income (Loss)	(2)	(367)	365	(2)	(86)	84
July 1 Cash Balance	1,143	1,143	-	1,143	1,143	-
Change in payroll liab	(12)	-	(12)	(12)	-	(12)
June 30 Cash Balance	1,129	776	353	1,129	1,057	72
Days Cash	97	64		97	91	

Key Differences between June Actual and May Forecast

Year End June actual cash balance was more than May forecast by **\$72k**. *Key changes:*



Monthly Income Statement

													Actual
Income Statement	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Revenue													
Local Revenue	31,230	27,515	26,155	24,790	30,107	25,471	30,677	29,923	26,061	26,511	5,177	44,320	327,937
State Revenue	177,320	172,660	212,422	182,877	183,543	186,968	186,430	181,111	199,097	184,618	130,973	186,085	2,184,105
Federal Revenue	0	21,205	9,607	22,931	77,857	40,110	309,422	22,299	126,257	172,187	68,473	183,146	1,053,493
Private Grants and Donations	42,755	535	10,500	47,707	2,011	34,398	1,600	8,303	8,411	11,019	149,661	134,716	451,616
Earned Fees	2,803	792	635	3,677	46	2,397	91,229	15,843	11,372	14,846	12,135	59,943	215,717
Total Revenue	254,108	222,706	259,319	281,982	293,564	289,346	619,357	257,479	371,198	409,181	366,419	608,210	4,232,869
Expenses													
Salaries	151,228	224,322	179,536	166,480	160,432	166,103	150,268	156,185	157,848	162,195	160,894	175,681	2,011,172
Benefits and Taxes	39,673	44,475	41,177	40,507	40,106	57,688	41,754	48,310	43,283	43,873	64,893	45,500	551,239
Staff-Related Costs	6,694	1,731	4,636	5,860	542	13,446	2,046	3,105	3,000	4,482	5,063	2,680	53,285
Rent	25,000	25,000	25,000	25,000	25,000	0	50,000	25,000	25,000	25,000	25,000	25,000	300,000
Occupancy Service	16,907	22,003	35,321	19,830	20,461	17,440	23,436	24,474	23,010	17,411	13,926	16,794	251,012
Student Expense, Direct	14,853	10,657	37,701	25,008	26,182	32,106	9,125	9,822	23,378	22,559	14,663	54,611	280,666
Student Expense, Food	0	5,809	18,061	25,587	23,200	42,204	5,720	30,067	22,345	1,495	2,522	75,205	252,214
Office & Business Expense	11,451	48,850	22,001	49,289	26,499	16,799	16,585	12,336	24,489	13,691	25,171	24,718	291,881
Transportation	1,413	0	0	14,960	1,700	77,334	14,932	151	46,102	20,286	573	65,890	243,342
Total Ordinary Expenses	267,220	382,847	363,434	372,522	324,122	423,120	313,866	309,451	368,454	310,992	312,705	486,079	4,234,811
Total Expenses	267,220	382,847	363,434	372,522	324,122	423,120	313,866	309,451	368,454	310,992	312,705	486,079	4,234,811
Net Income	-13,112	-160,141	-104,116	-90,540	-30,558	-133,774	305,491	-51,972	2,744	98,190	53,714	122,130	-1,943
Cash Flow Adjustments	-3,968	-18,823	13,922	-4,235	-5,212	10,480	-102	202	-2,757	-2,006	479	-318	-12,337
Change in Cash	-17,080	-178,964	-90,193	-94,775	-35,770	-123,294	305,389	-51,769	-12	96,184	54,193	121,812	-14,280

	<i>Previous Year End</i>	<i>Current</i>
	<i>6/30/2021</i>	<i>6/30/2022</i>
Assets		
Current Assets		
Cash	1,142,902	1,128,622
Total Current Assets	1,142,902	1,128,622
Total Assets	1,142,902	1,128,622
Liabilities and Equity		
Liabilities		
Current Liabilities		
Other Current Liabilities	17,835	5,498
Total Current Liabilities	17,835	5,498
Total Long-Term Liabilities	0	0
Total Liabilities	17,835	5,498
Equity		
Unrestricted Net Assets	1,125,066	1,125,066
Net Income	0	-1,943
Total Equity	1,125,066	1,123,124



QUESTIONS?

Please contact your EdOps Finance Specialist:

Paul Greenwood

paul@ed-ops.com

415.359.3995

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P&C Renewal Cost				Increase	
		<u>SY21-22</u>	<u>SY22-23</u>	<u>\$</u>	<u>%</u>
P and C Package					
	Building		\$ 27,230		
	Business personal property		\$ 1,157		
	Business Income		\$ 2,950		
	General Liability		\$ 3,640		
	Blanket Computer coverate		\$ 575		
	Crime		\$ 51		
	Commercial Auto		\$ 1,037		
	Employee Benefits Liab		\$ 300		
	Sexual/Physical abuse		\$ 916		
	Boiler and Machinery		\$ 829		
	Terrorism		\$ 940		
SubTotal		\$ 37,138	\$ 39,625	\$ 2,487	7%
Umbrella/Excess Liability		\$ 2,100	\$ 2,299	\$ 199	9%
Educators liablilty		\$ 6,146	\$ 7,539	\$ 1,393	23%
Workers Comp		\$ 18,331	\$ 19,541	\$ 1,210	7%
Cyber		\$ 1,931	\$ 3,795	\$ 1,864	97%
Student Accident Primary and catastrophic		\$ 2,028	\$ 2,582	\$ 554	27%
		\$ 67,674	\$ 75,381	\$ 7,707	11%

School: Academy for Integrated Arts Calendar: 21-22 AFIA

	Grade	Student Membership		Absent Days	Present Days	ADM	ADA	Unexcused Absences		Percent In Attendance
		Count	Days					Days	Avg. Daily	
	PK	12	1867	272.00	1595.00	11.60	9.91	128.94	0.81	85.43%
	TK	4	610	121.72	488.28	3.79	3.03	70.70	0.44	80.05%
	K	48	6915	722.35	6192.65	42.96	38.45	366.51	2.27	89.55%
	1	49	6420	716.11	5703.89	39.89	35.45	394.38	2.43	88.85%
	2	46	6112	717.65	5394.35	37.97	33.52	403.09	2.47	88.26%
	3	40	5828	520.90	5307.10	36.21	32.94	264.13	1.62	91.06%
	4	41	5858	594.59	5263.41	36.39	32.70	287.24	1.76	89.85%
	5	24	3777	276.28	3500.72	23.46	21.74	126.80	0.79	92.69%
	6	19	2778	219.27	2558.73	17.26	15.91	130.96	0.82	92.11%
Total	9	283	40165	4160.87	36004.13	249.53	223.65	2172.75	13.41	89.64%

AFIA data in DESE web apps as of July 19, 2022
WADA
258.067

Please note that the student count number includes all students who attended AFIA at any time during the 21-22 school year. This number also includes students who ended the year at AFIA in May 2021, but did not return in August 2021. For state reporting purposes, these students must remain in our SIS after they are withdrawn and will appear in this report during the 21-22 school year.

ADM: Average Daily Membership

ADA: Average Daily Attendance

WADA: Weighted Average Daily Attendance



July 13, 2022

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

This letter is to confirm and specify the terms of our tax engagement with the Academy for Integrated Arts (the “Academy”) for the year ended June 30, 2022, and clarify the nature and extent of the tax services we will provide.

Our engagement is designed to perform the following services.

1. Prepare Form 990 with supporting schedules.
2. Prepare any state returns as requested by you in writing.
3. Prepare any bookkeeping entries we find necessary in connection with preparation of these returns.
4. Prepare and post any adjusting entries.

This engagement letter does not cover the audit of the financial statements, which will be covered under a **separate** engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge or experience to oversee the bookkeeping and tax services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

The firm may, from time to time, and depending on the circumstances, use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We may share your tax return information with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third- party service providers.

In accordance with federal law and under no circumstances will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the due date of the return. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any of your original records and will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven-year period, we are free to destroy our records related to this engagement.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone or by turning over information about those communications to the government, you, your employees, or agents, may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return.

Engagement Administration, Fees, and Other

Our fees for tax services will be **\$1,500** plus out-of-pocket expenses. All invoices are due and payable upon presentation.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

We have the right to withdraw from this engagement, at our discretion, if you fail to provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

If you have any questions or need any additional information, please do not hesitate to call.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Signature: _____ Title: _____

Name: _____ Date: _____



July 13, 2022

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for the Academy for Integrated Arts (the “Academy”), a nonprofit organization, for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the Academy, which comprise the statement of assets, liabilities and net assets - modified cash basis as of June 30, 2022, and the related statements of support, revenue and expenses - modified cash basis, functional expenses – modified cash basis, and cash flows - modified cash basis for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. Statement of assets, liabilities and fund balances-modified cash basis by fund
2. Statement of receipts, disbursements and changes in fund balance- modified cash basis by fund
3. Schedule of receipts collected by source-by fund
4. Schedule of disbursements paid by object-by fund
5. Schedule of expenditures of federal awards (SEFA)

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Academy or to acts by management or employees on behalf of the Academy. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Academy's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the Academy and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of these procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Academy's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the Academy's federal and state information returns for the year ended June 30, 2022 for the State of Missouri and the IRS based on information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Academy in conformity with modified cash basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will issue a **separate** engagement letter contract for the tax preparation services.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, schedule of expenditures of federal awards, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with modified cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (1) a description of the modified cash basis, including a summary of significant accounting policies, and how the modified cash basis differs from GAAP, (2) informative disclosures similar to those required by GAAP, and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Academy from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Academy involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Academy received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Academy complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, debt, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Academy; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Marr and Company, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Missouri DESE or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Marr and Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by Missouri DESE. If we are aware that an auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The estimated fee for audit-related services will be **\$12,075** (includes \$3,950 additional fee for single audit) for the year ending June 30, 2022. Incidental out-of-pocket expenses related to the audit have not been included in the above fee and will be billed at our cost. Our estimated fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our Single audit. Our report will be addressed to Board of Directors of the Academy. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Academy for Integrated Arts

July 13, 2022

Page 8

We appreciate the opportunity to be of service to the Academy for Integrated Arts and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Marr and Company

Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Officer Signature & Title

Date



July 13, 2022

Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for Academy for Integrated Arts (the “Academy”).

We will examine management’s assertions that the Academy complied with the requirements of Missouri laws and regulations regarding attendance and pupil transportation records, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2022. The objectives of our examination are to (1) obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri Department of Elementary and Secondary Education (“DESE”); and (2) to express an opinion as to whether management’s assertions that the Academy complied with the aforementioned requirements are fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report as a part of the audited financial statement reporting package upon completion of our examination. Our report will be addressed to the Board of Directors of the Academy. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Board of Directors, Academy’s management, and the Missouri DESE and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Schedule of Selected Statistics is free from material misstatement based on the requirements by the Missouri DESE. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for the presentation of the Schedule of Selected Statistics in accordance with the requirements by the Missouri DESE; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Schedule of Selected Statistics is presented in accordance with the requirements of the Missouri DESE. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The fees for these services were included in the signed engagement letter for the audit of the financial statements.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.

Very truly yours,



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

By: _____

Title: _____

Date: _____

AFIA Finance Committee Meeting Task Schedule (Draft)

FINANCIAL OVERSIGHT

Category	Task	Which Meeting(s)	Comment
Financial Report Review	Actual and Updated Forecast vs. Budget	Monthly	
	Cash Receipts	Monthly	
	Grants/Donations	Monthly	
	Cash Disbursements	Monthly	
	Accounts Payable	Monthly	
	ADA WADA	Monthly	
	Esser Funds	Quarterly: Oct; Jan; April; July	
Performance Review	Commission Financial Indicators	Monthly	I believe these are mostly included in reports above
	Strategic Plan	Semi-Annually Jan; July	
Budget	Salary and benefits	Jan-April	Discuss concern that we are making offers with salary increase before budget is approved.
	All other	March-June	
Disbursements >\$10,000 (With those >\$25,000 presented to Board for approval)	Routine: P&C Insurance Medical/Benefits Rent Bus Service Food Service EdOps	Annually	Establish consistent policy for these. Rent and transportation separate line items so board approves when budget approved?
	Restricted grant related commitments	As required	Fin Comm should approve prior to grant being accepted
	Non-Routine	As required	
Audit and Tax	Approve Audit Engagement	Annually	All should be presented to the Board for their review and approval
	Approve Audit	Annually	
	Approve Tax Return	Annually	
Financial Controls	Financial Policy Manual Review	Annually July-August	
	Financial Procedures Manual review	Annually July-August	
	Observe attendance data recording	Annually February	Per resolution adopted by Fin Com
	Credit Card Agreement	Annually July	

AFIA Finance Committee Meeting Task Schedule (Draft)

FACILITIES

Category	Task	Which Meeting(s)	Comment
Lease agreement	Review lease agreement with AFIA Holding Company	Annually – May	In Oct 2022 will need to revise lease agreement once NMTC transactions winds up. Monthly rent should go from \$25,000 to \$12,500
Maintenance and Repair	Review schedule	As needed. At least quarterly	
Security and Safety	Assess any potential risks	As needed. At least quarterly	

PROCEDURAL

Category	Task	Which Meeting(s)	Comment
AFIA School	Approve agenda	Monthly	
	Approve minutes	Annually	
	Set meeting schedule	Annually - June	
AFIA Supporting Foundation	Obtain Board signatures for Statement of Joint Consent	Annually - November	
AFIA Holding Company	Obtain Board signatures for Statement of Joint Consent	Annually - June	

P&C Renewal Cost				Increase	
		<u>SY21-22</u>	<u>SY22-23</u>	<u>\$</u>	<u>%</u>
P and C Package					
	Building		\$ 27,230		
	Business personal property		\$ 1,157		
	Business Income		\$ 2,950		
	General Liability		\$ 3,640		
	Blanket Computer coverate		\$ 575		
	Crime		\$ 51		
	Commercial Auto		\$ 1,037		
	Employee Benefits Liab		\$ 300		
	Sexual/Physical abuse		\$ 916		
	Boiler and Machinery		\$ 829		
	Terrorism		\$ 940		
SubTotal		\$ 37,138	\$ 39,625	\$ 2,487	7%
Umbrella/Excess Liability		\$ 2,100	\$ 2,299	\$ 199	9%
Educators liablilty		\$ 6,146	\$ 7,539	\$ 1,393	23%
Workers Comp		\$ 18,331	\$ 19,541	\$ 1,210	7%
Cyber		\$ 1,931	\$ 3,795	\$ 1,864	97%
Student Accident Primary and catastrophic		\$ 2,028	\$ 2,582	\$ 554	27%
		\$ 67,674	\$ 75,381	\$ 7,707	11%

DBL Enterprises LLC

Bill Lillis-Owner

13133 Summit Court

KCMO

Academy for Integrated Arts

7910 Troost

Phoebe Devorce-Bassue

816-444-1720

<u>Description</u>	<u>Estimate</u>
Room 155 Wall Paint(Labor Only)	\$192.00
Room 151 Walls and Pole Paint (Labor Only)	\$780.00
Room 150 Wall Paint (Labor Only)	\$300.00
Room 149 Wall Paint (Labor Only)	\$780.00
Room 148 Wall Paint (Labor Only)	\$400.00
Room 147 Wall Paint and Concrete Caulk (Labor Only)	\$360.00
Primary Boys Bathroom Wall Paint (Labor Only)	\$240.00
Primary Girls Bathrrrom Wall Paint (Labor Only)	\$240.00
Primary Hallway Wall Paint (Labor Only)	\$900.00
Room 157 Walls and Pole Paint (Labor Only)	\$561.60
Room 163 Walls and Bathroom Paint (Labor Only)	\$1,080.00

Room 165 Wall Paint (Labor Only)	\$840.00
Room 168 Wall Paint (Labor Only)	\$780.00
Room 179 Wall Paint (Labor Only)	\$240.00
Add Door Frames Paint (Labor Only)	\$2,208.00
46 @ \$48.00	
Wall Outside of Gym Paint (Labor Only)	\$300.00
Gym Wall Paint (Labor Only)	\$2,200.00
Gym Boys Bathroom Wall Paint (Labor Only)	\$259.20
Gym Kitchen and Storage Wall Paint (Labor Only)	\$480.00
North Ramp Walls and Rail Paint (Labor Only)	\$600.00
South Ramp Walls and Rail Paint (Labor Only)	\$600.00
Open Classroom Wall Paint (Labor Only)	\$720.00
Upper El Boys Bathroom Wall Paint (Labor Only)	\$240.00
PK/K Hall Wall Paint (Labor Only)	\$192.00
Recess Hallway Wall Paint and Fix Corner (Labor Only)	\$720.00
Wood Stairs Rail Paint (Labor Only)	\$552.00
Poles in Lobby Paint (Labor Only)	\$144.00
6 @ 24.00	
Estimated Paint Cost	\$1,701.69

\$18,616.49

Thank You
Bill Lillis

Area	Maintenance/Repair	Notes
Roof	<p>Repair Needed - <i>Open flashing at the scupper and a few tears in the membrane on the slope at the Southwest corner of the building.</i></p> <p><i>Cost to perform the repair the small holes in the membrane would be \$350.00 time and material not to exceed.</i></p> <p><i>There is no charge for the repair to the scupper.</i></p>	<p>https://drive.google.com/file/d/1ReP6ePTVKyqYvdyauDs7Rmz4G5QN5XOI/view?usp=sharing</p>
Atronics	<p>Front door can remain open due to an updraft. If someone leaves the building, another person can just walk in.</p>	<p>Phoebe contacted Atronics to see if they can do a survey & give us some ideas on how to increase security. Suggested adding a 2nd fob entry system to inner front doors. They are researching & will get back to us.</p>
Building Exterior	Painting	<p>Phoebe emailed Zach w/ JE Dunn to get info on paint.</p>
Painting	<p>The plan was to paint 1/3 of the building each year, but realized that some areas need to be painted yearly.</p>	<p>Bill Lillis company will begin painting on July 18.</p>
Lawncare/Snow Removal	<p>Due to gas prices, submitted a amended contract with increased pricing</p>	<p>Will be reviewed at July Finance Committee Meeting</p>
HVAC	<p>Do we need to change to BCI for management of the control system?</p>	<p>BCI is conducting its analysis to see if it would be worth it to switch.</p>
Plumbing	<p>Needed to install Pressure Relief Valve (PRV)</p>	<p>This has been completed.</p>
Property Management	<p>Needed</p>	<p>Kessinger/Hunter assisting</p>
Maintenance Schedule	<p>Phoebe will complete</p>	



Accounts Payable Aging Summary

As of 6/30/2022

Academy for Integrated Art

CLIENT: Academy for Integrated Art

REPORT DATE: 7/15/2022 6:34:25 PM ET

Payee	Current	1-30	31-60	61-90	>90	Total
AT&T U-Verse 1111	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.99)	(\$25.99)
BCI Mechanical Inc.	\$362.40	\$0.00	\$0.00	\$0.00	\$0.00	\$362.40
City Wide Facility Solutions	(\$959.92)	\$0.00	\$0.00	\$0.00	\$0.00	(\$959.92)
Eddies Lawncare & Snow Removal	\$450.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00
Lathrop & Gage, LLP	\$429.00	\$0.00	\$0.00	\$0.00	\$0.00	\$429.00
Lexington Plumbing and Heating Company	\$4,081.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,081.00
Mid-America Library Alliance	\$1,140.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,140.00
Missouri Network Alliance LLC	\$92.00	\$92.00	\$0.00	\$0.00	\$0.00	\$184.00
NCS Pearson	\$0.00	\$0.00	\$0.00	\$0.00	(\$49.58)	(\$49.58)
Newsela Inc.	\$8,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,800.00
Office Depot	\$68.19	\$240.64	\$0.00	\$0.00	\$0.00	\$308.83
Philadelphia Insurance Companies	\$16,754.68	\$0.00	\$0.00	\$0.00	\$0.00	\$16,754.68
Seesaw Learning, Inc.	\$1,072.50	\$0.00	\$0.00	\$0.00	\$0.00	\$1,072.50
Total:	\$32,289.85	\$332.64	\$0.00	\$0.00	-\$75.57	\$32,546.92

AFIA DRAFT MONTHLY DONATIONS REPORT

Donors	SY22 Forecast	Actual thru May 2022	Remaining	Acknow ledged	Comment
AFIA Supporting Foundation	\$75,000	\$75,000	\$0	█	
Missouri Department of Health Senior Services (Covid testing)	60,000	44,291	15,709	n/a	Request to reimburse June costs will not be received until July.
Deffenbaugh	25,000	25,000	0	█	
Gottlieb	25,000	25,000	0	█	
Murien McBrien Kauffman matching	8,700	8,700	0	Yes	
Ewing Marion Kauffman Foundation	0	125,000		█	
SSKC (Early Learners)	26,400	26,400	0	Yes	
SSKC (Data Cohort)	29,266	19,510	9,756	Yes	Information for final payment has been submitted.
MO Arts Council	7,036	7,036	0	n/a	
Newell	2,500	2,500	0	█	
Bomba (Library Books)	8,000	8,000	0	Yes	
Bomba (Unrestricted)	20,000	20,000	0	Yes	
Brown Peter and Lynne	1,658	2,213	-555	Yes	
Hand Naomi and Peter	2,500	2,500	0	Yes	
Kirkpatrick Herman	2,000	2,000	0	Yes	
Lathrop (Library Books)	500	500	0	Yes	
Lathrop (Unrestricted)	1,000	1,000	0	Yes	
Sherman Family (Literacy Lab)	33,000	33,000	0	Yes	
Sherman Family (Staff Retention Stipend)	15,200	15,200	0	n/a	
Wedlan David	3,000	3,000	0	Yes	
Wilke Wayne	5,000	5,000	0	Yes	
Other	551	766	-215		
To be determined	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u>\$351,311</u>	<u>\$451,616</u>	<u>\$24,695</u>		



July 13, 2022

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

We are pleased to confirm our understanding of the services we are to provide for the Academy for Integrated Arts (the “Academy”), a nonprofit organization, for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the Academy, which comprise the statement of assets, liabilities and net assets - modified cash basis as of June 30, 2022, and the related statements of support, revenue and expenses - modified cash basis, functional expenses – modified cash basis, and cash flows - modified cash basis for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor’s report on the financial statements:

1. Statement of assets, liabilities and fund balances-modified cash basis by fund
2. Statement of receipts, disbursements and changes in fund balance- modified cash basis by fund
3. Schedule of receipts collected by source-by fund
4. Schedule of disbursements paid by object-by fund
5. Schedule of expenditures of federal awards (SEFA)

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Academy or to acts by management or employees on behalf of the Academy. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Academy's attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the Academy and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Academy's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of these procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Academy's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Academy's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will prepare the Academy's federal and state information returns for the year ended June 30, 2022 for the State of Missouri and the IRS based on information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Academy in conformity with modified cash basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will issue a **separate** engagement letter contract for the tax preparation services.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statements, related notes, schedule of expenditures of federal awards, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with the preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with modified cash basis of accounting; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (1) a description of the modified cash basis, including a summary of significant accounting policies, and how the modified cash basis differs from GAAP, (2) informative disclosures similar to those required by GAAP, and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Academy from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Academy involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Academy received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Academy complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with the modified cash basis of accounting. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the modified cash basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the modified cash basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, debt, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Academy; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Marr and Company, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Missouri DESE or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Marr and Company's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by Missouri DESE. If we are aware that an auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Clark Hanner is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The estimated fee for audit-related services will be **\$12,075** (includes \$3,950 additional fee for single audit) for the year ending June 30, 2022. Incidental out-of-pocket expenses related to the audit have not been included in the above fee and will be billed at our cost. Our estimated fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our Single audit. Our report will be addressed to Board of Directors of the Academy. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

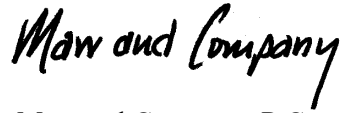
The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Academy for Integrated Arts

July 13, 2022

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We appreciate the opportunity to be of service to the Academy for Integrated Arts and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the RESPONSE section and return this letter to us in the enclosed envelope or instead can be scanned and emailed to clark@marrandcompany.com.



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Officer Signature & Title

Date



July 13, 2022

Board of Directors
Academy for Integrated Arts
7910 Troost Ave.
Kansas City, MO 64131

This letter is to confirm and specify the terms of our tax engagement with the Academy for Integrated Arts (the “Academy”) for the year ended June 30, 2022, and clarify the nature and extent of the tax services we will provide.

Our engagement is designed to perform the following services.

1. Prepare Form 990 with supporting schedules.
2. Prepare any state returns as requested by you in writing.
3. Prepare any bookkeeping entries we find necessary in connection with preparation of these returns.
4. Prepare and post any adjusting entries.

This engagement letter does not cover the audit of the financial statements, which will be covered under a separate engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge or experience to oversee the bookkeeping and tax services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

The firm may, from time to time, and depending on the circumstances, use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We may share your tax return information with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information, and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers.

In accordance with federal law and under no circumstances will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the due date of the return. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any of your original records and will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven-year period, we are free to destroy our records related to this engagement.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone or by turning over information about those communications to the government, you, your employees, or agents, may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain

rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return.

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Engagement Administration, Fees, and Other

Our fees for tax services will be **\$1,500** plus out-of-pocket expenses. All invoices are due and payable upon presentation.

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorneys' fees.

We have the right to withdraw from this engagement, at our discretion, if you fail to provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

If you have any questions or need any additional information, please do not hesitate to call.



Marr and Company, P.C.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Academy for Integrated Arts.

Signature: Title:

Name: Date:

**ACADEMY FOR INTEGRATED ARTS
GOVERNANCE COMMITTEE MEETING
AGENDA**

July 19, 2022
8:30 a.m. to 9:30 a.m.

Zoom Web Meeting Details

<https://us06web.zoom.us/j/91718629229?pwd=eXRjdHc5Q2tCK1RuU0w4anhKRjNKQT09>

Meeting ID: 917 1862 9229

Passcode: cqvjE5

- I. Call to Order
- II. Board Training
 - a. Retreat Planning for 10/6/22
 - i. Committee Purpose Statements will be reviewed and revised if needed
 - ii. Strategic Planning – update on implementation planning
 - b. DEI training opportunities
 - c. Sponsor recommended number of hours
- III. Board Recruitment
 - a. Create a one-page document that advises what the Board is looking for in a member and what the expectations are
 - b. Staff recommendations
- IV. Board Member Information
 - a. Plan for updating board member information on annual basis/when a new member joins (biographies, addresses, etc)
- V. Other Business
- VI. Adjournment

**ACADEMY FOR INTEGRATED ARTS
GOVERNANCE COMMITTEE MEETING
AGENDA**

July 19, 2022
8:30 a.m. to 9:30 a.m.

Zoom Web Meeting Details

<https://us06web.zoom.us/j/91718629229?pwd=eXRjdHc5Q2tCK1RuU0w4anhKRjNKQT09>

Meeting ID: 917 1862 9229

Passcode: cqvjE5

I. Call to Order: 8:34am

II. Board Training

- a. Retreat Planning for 10/6/22
 - i. Two members have a conflict with the 10/6/22 date – Governance Committee Chair will address at July Board meeting
 - ii. Committee Purpose Statements will be reviewed and revised if needed
 - iii. Strategic Planning – update on implementation planning
 - II> ED is working with consultant on turning this into more of an implementation plan
 - III> 3 pillars – ED will share by end of week and update metrics to align with new performance contract
- b. DEI training opportunities
 - i. ED to work with Jennifer Waddell on training options
- c. Sponsor recommended number of hours
 - i. Sponsor advised Board members need to do training but there is not a specific target number of hours

III. Board Recruitment

- a. Create a one-page document that advises what the Board is looking for in a member and what the expectations are
 - i. Governance Chair to put together a template for recruitment
- b. Staff recommendations

IV. Board Member Information

- a. Plan for updating board member information on annual basis/when a new member joins (biographies, addresses, etc.)

i. Add this to the onboarding process with a form for a new board member to complete

II> Board President will work with Operations Director on form

b. Governance Chair needs to review the packet and revise

V. Other Business

a. New President will lead Board meetings moving forward and complete the agenda

VI. Adjournment 9:13am

**ACADEMY FOR INTEGRATED ARTS
EDUCATION COMMITTEE AGENDA**

July 13, 2022

3:00 PM – 4:30 PM

7910 Troost Ave., Kansas City, Missouri

This meeting will be held over Zoom.

<https://us06web.zoom.us/j/91718629229?pwd=eXRjdHc5Q2tCK1RuU0w4anhKRjNKQT0>

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Meeting ID: 917 1862 9229

Passcode: cqvjE5

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Washington DC)

+1 346 248 7799 US (Houston)

+1 720 707 2699 US (Denver)

+1 253 215 8782 US (Tacoma)

Meeting ID: 917 1862 9229

Passcode: 414140

I. CALL TO ORDER

II. DISCUSSION ITEMS

- Updates on staff hiring/resignation
- Update on implementation planning connected to AFIA's strategic plan
- Other updates

III. Meeting Adjournment