

MOWERY
&
SCHOENFELD

Annual Report

FY2023



Clients and friends,

As my team knows, this report is one of my favorite pieces we come out with every year. For our clients, it's a way to see what we're working on beyond the phone calls and emails they might be more familiar with. For our employees, it's a way to gain introspection on the past year—to look back at glossy images of things we're proud of as we head into another busy season, where long hours and immovable deadlines can make accountants operate more myopically.

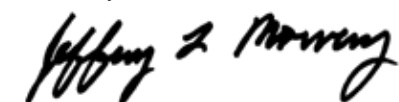
But for me, the Annual Report offers a different kind of reflection. I can see the pieces of the Firm that have remained steadfast throughout the years, but we're a far cry from the little office in Vernon Hills. Now we have 20 partners, over 160 employees, and offices in Lincolnshire and Chicago, Illinois, downtown Miami, and the Philippines. Mowery & Schoenfeld is becoming something altogether different, and yet, so much of what first created our Firm stays the same.

As we enter our 28th year of business, Mowery & Schoenfeld holds onto our core values of People, Client Service, and Growth. These three beliefs are what has moved us from a small start-up into a Top 200 Firm. But in 2023, we added a new tenet: **Adaptability**.

Remaining adaptable is more than just a strategy—it's a fundamental aspect of our approach. Just as the world around us continues to change, our commitment to adaptability ensures we not only navigate challenges but also seize new opportunities. As our client base grows, we continue to explore more ways to better support them like advancing our technology, expanding our services, and exploring the potential of our people. By committing ourselves to employees and partners who are hardworking, enthusiastic, and dedicated, I have found the best opportunities come from listening to those around us—those innovative thinkers who can transform challenge into growth.

To the clients who have just signed on and to those who have been with us since the beginning, we thank you for your continued support. As we move forward, our dedication to an adaptive and empowered workforce remains unwavering, reinforcing our commitment to delivering excellence in every service Mowery & Schoenfeld offers.

Sincerely,



Jeffery L. Mowery,
Managing Partner and Co-Founder



Our story.

Mowery & Schoenfeld, LLC is an accounting, advisory, and IT services firm headquartered in Lincolnshire, Illinois, with satellite offices in the Chicago Loop, downtown Miami, and the Philippines. **Made up of 20 partners and over 160 total employees, Mowery & Schoenfeld ranks among the top ten firms in Illinois.**

Our Firm was founded in 1996 by members of large firms looking for a new, more personal way to do accounting. With a focus on building a community of the highest-quality accountants—and by partnering each day with our diverse network of clients—we realize this vision.

The Firm's first growth milestone was a 2008 move to new office space in Lincolnshire to accommodate our nearly 20 employees. Shortly after, Jeff Mowery was named Managing Partner with the clear focus of Firm growth. Then, in August 2009, we completed our first acquisition, doubling our revenue and adding 18 team members. At the same time, we recognized the need to prioritize our people. With ambitious growth goals, attracting and retaining top talent became of the utmost importance.

Our efforts were rewarded in 2011 when we were first named one of Accounting Today's Best Firms to Work For. Among other awards, we have proudly earned this designation for ten consecutive years.

From 2012 through 2015, our growth was dynamic, averaging a merger each year. Revenue grew from \$5.8M in 2012 to \$12.5M in 2017, when we were named one of Inc.'s 5000 Fastest Growing Private Companies in America, as well as Best of the Best and Fastest Growing Firms by Inside Public Accounting, and Member Firm of the Year by Geneva Group International. In August of 2020, we merged with Xamin, a technology and cybersecurity firm who operates as a subsidiary of Mowery & Schoenfeld.

In 2014, we took on a new initiative to become a greater steward of our community. M&S Cares now sets aside over 800 service hours during the summer work weeks for team members to come together and give back. With a focus on "Helping Charities Help Children," we celebrate ongoing partnerships with Arden Shore, Feed My Starving Children, Keeping Families Covered, Bernie's Book Bank, Girl Scouts of Northern Illinois, and others.

Our founders and leadership team remain accessible and involved in the growth and support of all staff members. Our Firm is committed to offering exposure to multiple disciplines and projects, while providing the systems and support employees need. We pride ourselves on being nimble, entrepreneurial, and looking at all projects and engagements through the lens of our clients.

Company Update Hochfelder & Weber Merger

“This merger marks a significant milestone in our growth strategy and underscores our commitment to delivering unparalleled service to our clients.”

Jeff Mowery



We are delighted to welcome the talented team at Hochfelder & Weber into the Mowery & Schoenfeld family. This strategic move is aimed at combining the strengths and expertise of both firms to provide an even higher level of service and support to our clients.

As a distinguished CPA firm based in Chicago with a remarkable 91-year legacy, Hochfelder & Weber has established themselves as experts in serving high-net-worth individuals and families, family offices, and private companies.

Working together, our firm is committed to professionalism, responsiveness, and quality. Hochfelder & Weber brings expertise in manufacturing and distribution, professional service firms, advertising and radio broadcasting enterprises, and not-for-profit organizations—areas where we are eager to expand our capabilities. We are confident this merger will bring about exciting opportunities for growth and innovation that will benefit our clients.

2023 Snapshot.

\$36 million
total revenue

160+
team
members

800+
volunteer
hours

Top 200
U.S. Firm

1,200
books
donated

INSIDE
public accounting
**fastest
GROWING
FIRMS**
2023

INSIDE
public accounting
**TOP 200
FIRMS**
2023

As of 12/31/2023

Our services.

We focus on helping clients solve problems each day. While we strive to maintain our personal touch and entrepreneurial spirit, our services must be diverse and specialized to meet the needs of our clients. Our offices are divided into the following service areas, each designed to meet clients where they are and help them achieve financial success in the future.

Tax Services

- Business
- Specialized
- High Net Worth
- Estate, Gift, and Trust
- State and Local

Transaction Advisory

- Preparing for Sale
- Due Diligence
- Tax Planning
- Transaction Structuring
- Quality of Earnings
- Post-Transaction Support
- Search Funds

Assurance

- Audit, Review, and Compilation
- Forecasts
- Projections
- Agreed-Upon Procedures

Client Advisory

- On-Site and Cloud-Based Solutions
- People and Technology Solutions
- Outsourced CFO Advisory

International Services

- Cross-Border Tax Structuring
- International Individual Tax Planning
- Focus on U.S. - Latin America Transactions
- Business Consulting

Wealth

- Investment Management
- Financial Planning
- Estate Planning
- Insurance Consulting
- Retirement Advisory

Technology

- Advisory & Outsourced CISO
- Risk Consulting
- Managed Governance, Risk, and Compliance
- Cybersecurity Consulting
- Cloud Services
- Managed IT

Meet Our Leadership.



Jeffery Mowery,
Managing Partner, Co-Founder



Tom Keenan,
Assurance Partner



Keith Schoenfeld,
Wealth Partner, Co-Founder



Michael Kidd,
*Director of Transaction
Advisory, Partner*



Mike Deering,
*Director of Taxes,
Tax Partner*



Anthony Cullotta,
Assurance Partner



Matt Schoenfeld,
*Director of Admin,
Administrative Partner*



Stefan Beal,
*Director of Assurance,
Assurance Partner*



Matt Schoenholtz,
*Director of Client Advisory Services,
Client Advisory Services Partner*



Emo Dellanina,
*Client Advisory
Services Partner*



Fernando Lopez,
International Tax Partner



**Ricardo
Aramburo Williams,**
*Director of Latin America Services,
International Services Principal*



Brian Figenholtz,
Tax Partner



Matt Smith,
Tax Partner



Bob Olson,
Tax Partner



Tim Long,
Assurance Partner



Jed Ang,
*Director of International
Operations, Tax Partner*



Brandon Potocki,
Tax Partner



Nicole Lindley,
Tax Partner



Jim Wascher,
Tax Partner



Kristy McCullough,
Wealth Management Partner



Colleen Chandler,
Chief Investment Strategist



Jeff Brandt,
CEO of Xamin



Christine Konkol,
Director of Human Resources



Andy Coutts,
Director of Quality Control



Stephanie Gandsey,
Director of Marketing



Chris Madden,
Director of IT

2023 Promotions

Caitlin Hancks,
Tax Manager

Ian Hanke,
Senior Tax Manager

Jess Howland,
Tax Manager

Stephanie Jackson,
Administrative Manager

Adam Mowery,
Transaction Advisory Manager

Jim Odegard,
Senior Tax Manager

Seth Ryan,
Transaction Advisory Manager

Hale Goetz,
Content Marketing Manager

Kate Sora,
Design Marketing Manager

Sami Sroka,
Assurance Manager

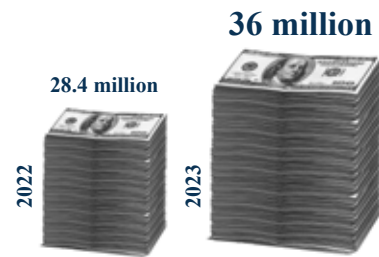
Rebecca Weinewuth,
Senior Assurance Associate

Industry Growth Trends.

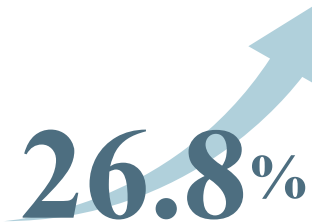
In 2023, accounting firms across the US continued to experience robust growth, with estimated industry revenue reaching almost \$145 billion. The increase in demand for advisory services fueled by complex regulatory changes has shifted the industry towards advisory, allowing a diversification of revenue streams and the ability to offer higher-value services to clients.

Throughout this spread, we'll take a look at the ways Mowery & Schoenfeld has seen growth and hear from our experts on why they think our Firm and our clients have found success.

Our yearly revenue went from:



Which means we saw a growth increase of:

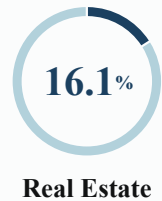
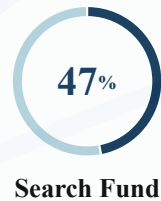


All of our departments work together to contribute to Mowery & Schoenfeld's impressive growth. Although Tax continues to hold our largest percent of revenue at 44%, we've seen immense growth in our Wealth Management department, whose year over year growth stands at 1717%.

Our Biggest Industries



Our Fastest-Growing Industries



“Businesses shouldn't let the complexity of state and local taxes dictate how they choose to operate and how they compete. At Mowery & Schoenfeld, we stay apprised of the ever-shifting legislative landscape and deliver proactive solutions to our clients, ensuring that the burdens of compliance are minimized. As trusted advisors, it's our responsibility to help identify opportunities for tax planning and optimization as our clients expand their business into new markets.”

Michael Szewc,
Senior State & Local Tax Manager

“We're seeing continual demand for advisory services that help business owners and CEOs make business decisions based on accurate and timely financial information. Business owners and leaders consistently want to understand the value of their business, seize on opportunities to maximize profit, and collaborate on strategic planning opportunities. We are finding some of our greatest success stories occur when there is great collaboration between the CFO advisory function and the CEO.”



Matt Schoenholtz,
Client Advisory Services Partner



“Have you heard the phrase ‘change is the only constant’? Digital disruption and global connectivity provided a new dimension to that phrase. For multinational companies, families, and investors, rapid change is the only constant today. The ability to adapt to those changes is what determines who thrives and who is left behind in this fast-paced world.”

Ricardo Aramburo Williams,
International Tax Principal

Wealth

Mowery & Schoenfeld Wealth Management achieved remarkable success and meaningful milestones in 2023 thanks to the collective dedication, passion, and unwavering commitment that define our team. We were deeply honored this year to be named to Accounting Today's Top 150 Firms by Assets Under Management. At the heart of this success lies the invaluable partnership with our clients, whose aspirations are the driving force behind everything we do.

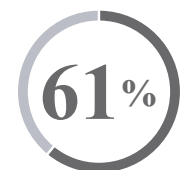
As the global economic market continues to shift and change, the role of a wealth management partner transcends traditional investment management.

It requires an ensemble of experts who can navigate the complex web of investments, financial planning, taxes, estate planning, and risk mitigation. Central to our success has been our tax and accounting services seamlessly integrated into our wealth management process. This holistic and collaborative approach enables us to deliver excellence in portfolio management paired with a sophisticated approach to financial planning ensuring that every aspect of financial well-being is carefully considered and optimized.

Our mission remains steadfast: to help our clients achieve success by providing personalized guidance and customized solutions using an entrepreneurial, visionary approach so they can make informed decisions with confidence and clarity. As I reflect on our achievements and look to the future, I am filled with optimism and excitement for the opportunities and continued success that lie ahead.



Kristy McCullough,
Wealth Management Partner



Our Assets Under Management has seen a 61% spike in growth from \$177 million to \$285 million in 2023, including 38% growth in clients.

Our services.

Investment Management

- Individual Bond Portfolios
- Individual Stock Portfolios
- Publicly Traded Mutual Funds & Exchange Traded Funds
- Private Equity
- State and Local

Insurance Consulting

- Term & Whole Life Policies
- Long-Term Care
- Health Insurance
- Medicare Insurance
- Property & Casualty

Financial Planning

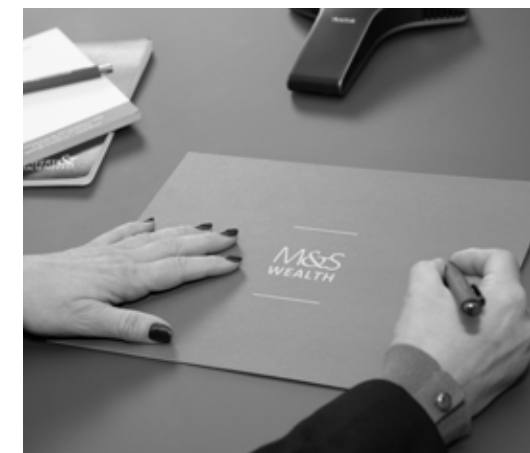
- Cash Flow Analysis
- Retirement Goal Setting
- Education Savings Strategies
- Social Security Optimization / Medicare
- Charitable Planning and Gifting Strategies
- Employee Compensation & Benefits
- Comprehensive Tax Advisory

Estate Planning

- Review of Current Estate Plan
- Wills, Trusts, Powers of Property & Healthcare
- Proper Titling of Assets
- Confirm Beneficiary Designations
- Coordination with Attorney
- Estate Tax Planning

Retirement Advisory

- AOK 401(k)
- Corporate 401(k) Retirement Plan Services



In 2023, Mowery & Schoenfeld Wealth announced our inclusion in the list of the Top Firms by Assets Under Management from *Accounting Today*. This report ranks CPA firms involved in financial planning by assets under management using data gathered by their editors from the planners themselves, broker-dealers, and independent market research services.

The common thread throughout those who made the list was this advice to their clients: *Stay the course*. At Mowery & Schoenfeld Wealth, we believe consistency and discipline are the cornerstones of successful wealth management.

This recognition further validates our position as a trusted and respected wealth management firm in the industry. By combining our extensive industry knowledge with a client-centric approach, we have built a reputation for providing innovative, tailored solutions that meet the unique financial needs and objectives of our clients.





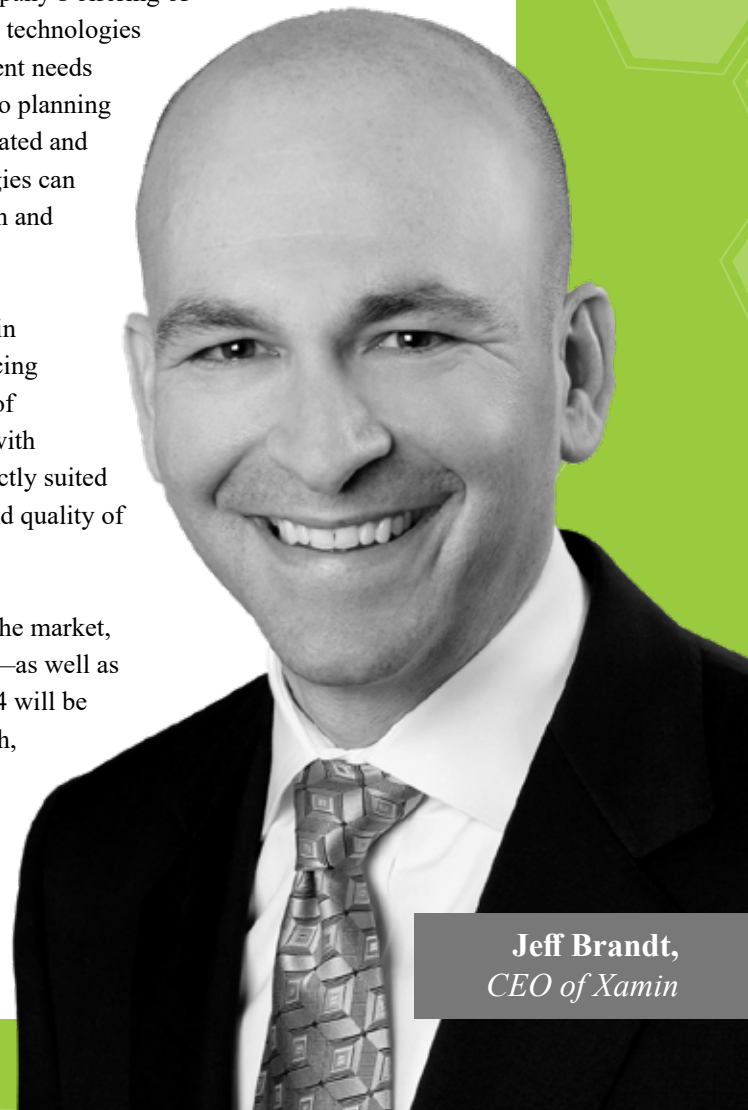
After twenty years of leadership under the company’s founders, I was brought in as Xamin’s new CEO at the end of 2023 to help grow Xamin as both a valued and valuable technology services company.

As Xamin’s new CEO, I’m committed to a perpetual growth strategy driven by client-centric innovation, value-added selling, and niche marketing supported by a company culture of service excellence, professionalism, and profit-driven decisions. As such, I feel extremely lucky to have been folded into the Xamin team. They have built an extremely robust operational structure here that is effective, scalable, and compliant with the demanding AICPA SOC 2 certification requirements. By expanding the range of supported products and technologies, thoroughly training our technical staff, and executing a more comprehensive and aggressive business-development plan, I am confident in Xamin’s ability to succeed.

Along with myself, Suraj Prakash joined the team as Xamin’s new CTO. In this newly created role, Suraj will manage the company’s offering of Products & Technologies, continually evaluating new technologies (software and hardware) to anticipate and address client needs and open new sources of profitable revenue. He is also planning the 2024 launch of Xamin’s Tech Lab, a carefully curated and controlled environment where cutting-edge technologies can be tested, trialed, and trained for before market launch and client deployment.

Additionally, Ben Fishbune, who has worked at Xamin across the company’s tech, compliance, and client-facing positions for over fifteen years, was promoted to VP of Operations. Ben’s enthusiasm for supporting clients with timely solutions and top-tier service makes him perfectly suited for the role, where he’ll be overseeing the delivery and quality of our clients’ care.

In 2023, Xamin made some hard choices to adapt to the market, but the team held strong. Because of their hard work—as well as the support of Mowery & Schoenfeld—I believe 2024 will be an exciting year for Xamin as we look towards growth, innovation, and new opportunities.



Jeff Brandt,
CEO of Xamin

Our services.

Advisory & Outsourced CISO

- Develop IT Strategy
- Compliance Requirements
- Audit and Exam Readiness
- Regulatory Framework Expertise
- Comprehensive Risk Assessments
- Policy and Procedure Oversight

Managed Governance, Risk, and Compliance

- Vendor Management
- Incident Response Management
- Enterprise Risk and KRI Tracking
- Regulatory Compliance with AI

Cloud Services

- Managed Cloud
- Public Cloud
- Cloud Road Mapping and Assessment
- Cloud Migration
- Cloud Security
- M365
- Cloud Backup and Recovery

Cybersecurity Consulting

- Comprehensive IT Risk Assessment
- External Penetration Testing
- Internal Penetration Testing

Managed IT

- Infrastructure Management
- Network Management
- Device Management
- End User Support
- DRaaS

Risk Consulting

- Comprehensive IT Risk Assessment
- Compliance Regulation Readiness Assessments
CIS, FFIEC, CMMC, etc.
- Information Risk Assessment

Cybersecurity

- Managed Detection and Response
- Managed NextGen Firewall and UTM
- End User and Workstation Security
- Endpoint Security
- Vulnerability Management and Remediation
- Security Awareness Training



Xamin was honored to win the 2023 Fortress Cyber Security Awards in the Organizational Excellence category, an award is bestowed upon organizations demonstrating outstanding performance, innovation, and leadership in the cybersecurity domain. Our success can be attributed to our exceptional team comprised of highly skilled cybersecurity experts who possess extensive industry knowledge.

As the digital landscape continues to change, we remain steadfast in our mission to provide comprehensive cybersecurity solutions. The Organizational Excellence award serves as a reaffirmation of our commitment to excellence as we continue to empower clients with confidence in their business’s cybersecurity.



What we *value.*

Our People

We recognize the collective strength and success of our Firm depends on the skills, diversity, and dedication of its workforce. We understand the importance of fostering a workplace culture where employees are valued and supported, and employees are given opportunities for both personal and professional development.

Client Service

We are committed to delivering exceptional service to clients, proactively understanding their needs, providing effective solutions, and maintaining strong communication to ensure satisfaction. As a Firm, we prioritize building long-term relationships where our clients' success is our success.

Growth

As a Firm, we are always looking for ways to grow, both developmentally and through expansion of employees and services. We value innovation, learning, and the pursuit of new opportunities to stay competitive and adapt to evolving market dynamics.

Adaptability

This year, we added Adaptability to our core values—a trait that has always been a part of our culture, but that we have grown to better understand the importance of through the years. At Mowery & Schoenfeld, we see change as an opportunity for improvement. We recognize the ever-changing political and economic environment as well as the need for our Firm to be flexible and responsive as we embrace change, adjust strategies, and stay nimble in the face of challenges.



Our recruiting efforts.



Job Shadow

For college students who are not yet ready to commit to accounting but want insight into more tangible career options, we launched a job shadow program in 2022 with the goal to provide early, real life exposure to the profession. For two days, our job shadow attendees talk with partners about their paths, have lunch with recent grads, and take workshops to help them solidify what it is they want out of their careers—and how they can get there.



Internship

Our internships are structured enough to provide the same work exposure as our first-year associates, yet flexible enough to meet educational and career needs. When we hire interns for the summer, we're looking to give them experience in multiple specialized accounting fields to help them confidently choose a focus before they return to school. Throughout their 10-week stay with us, interns are paired with a mentor and buddy to provide support and feedback and get to enjoy monthly firm events, summer volunteer days, and company parties with the rest of the Firm.



Residency

For those who have completed prior internships and are headed into their fourth or fifth year of schooling, we offer a more immersive work experience. Residency offers the opportunity to work as a junior associate in the summer or late winter busy season months. These select individuals work as part of client service teams on billable engagements, allowing them to gain valuable, real work experience before graduation.

Our award lineup.

“Mowery and Schoenfeld has always allowed me to dictate my career path by giving me the opportunities to explore all aspects of public accounting through the various departments of the firm and supplying the training and mentorship to support me. Developing through the dual internship program and spending time as an associate working with the Audit, CAS, and TAS managers and partners has assisted me to become a valued advisor to our clients.”

Tyler Lohrmann, Client Advisory Services Manager



“The mentorship program at M&S has helped me transition from an intern to a full-time associate. By building a relationship with my mentor, I better understand the business process, can ask questions, manage my workload, and receive feedback. This has allowed me to adapt to the continuously changing working environment.”

Ivana Cuvalo, Tax Associate





In charity, there is no excess.

We call the Chicagoland area home, and one of our corporate priorities is to make a positive impact on our community. As we continue to embrace remote and hybrid work, we realized we needed to rethink our approach. In 2023, M&S Cares re-engineered the way our Firm participates in charity as we focused on maximizing our impact with strategically scheduled volunteer opportunities, leveraging our recruiting, job shadow, intern, and remote new hire programs. Each month following tax season, we focused on one big initiative in support of our mission—helping charities help children. **The results were over 800 service hours donated across eight months.**



M&S saw the return of our Family Day, where we hosted our team and their families for a volunteer session and lunch party at Bernie's Book Bank. In conjunction with this event, we donated over 1,200 books!



As part of our Remote New Hire event in November, we invited our remote workforce to our office for a two-day in-person session of bonding, training, and volunteering! Our team spent an afternoon together at Feed My Starving Children in Libertyville.



“ We are incredibly grateful to Mowery & Schoenfeld for their ongoing support and partnership over the past 10 years. They always step up to host annual diaper drives, coordinate period kit packing events for their employees, sponsor our events, and help to raise awareness about the public health issues we are working hard to address.”

Ann Marie Mathis,
Founder & CEO - Keeping Families Covered



In August, we invited local Girl Scouts to our office to learn about personal finance. They earned over 90 entrepreneurship and business badges!

We participated in our first ever Wrappy Hour with Keeping Families Covered in October, where our team headed to their HQ to pack diaper bags for their clients and enjoy snacks and laughs with each other after.

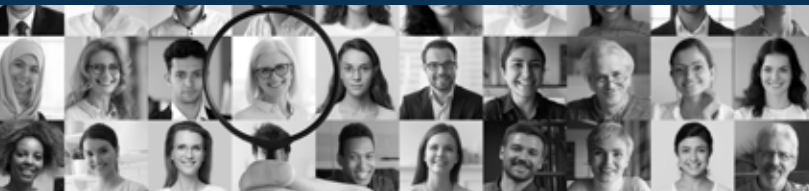




2024 GOAL 01

Achieve the Ideal Synergy of Talent and Responsibilities

Our foremost goal is to ensure we have the right people in the right seats. To achieve this, we are conducting thorough assessments of individual capabilities and refining job roles accordingly. Our Firm is filled with capable individuals, but only when they are placed in roles that leverage their skills, strengths, and expertise, will they be able to perform at their best and become the next generation of leaders.



2024 GOAL 02

Create Best-in-Class Internal Processes and Client Delivery

Our commitment is to continuously improve our internal processes to enhance the quality and efficiency of our client services. We are actively seeking feedback from both our team and clients to identify areas for improvement. Through regular training programs, we are equipping our staff with the latest tools and techniques to streamline our workflows to provide a service that not only meets but exceeds our clients' expectations.



2024 GOAL 03

Position Clients for Long-Term Success

Our primary aim is to go beyond addressing immediate financial concerns and strategically position our clients for enduring success. As our Firm continues to grow, we also want to offer services that expand what expertise clients come to us with, so that Mowery & Schoenfeld can act as a partner at every juncture.



2024 GOAL 04

Continue Active Pursuit of Growth Opportunities

We are steadfast in our commitment to actively seek and capitalize on growth opportunities. This involves staying attuned to market trends, identifying emerging sectors, and maintaining a proactive approach to business development. We're not just waiting for opportunities; we're actively creating them by leveraging our expertise and networks to propel our Firm towards sustained and meaningful growth.





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