

**AUDIT PROPOSAL
FOR
FINANCIAL AND
COMPLIANCE AUDIT
SERVICES**

ZUPKA & ASSOCIATES

PREPARED FOR:

**CITY OF HUDSON
SUMMIT COUNTY
1140 TEREX RD.
HUDSON, OHIO 44236**

FOR THE FISCAL PERIODS

**JANUARY 1, 2025 THROUGH
DECEMBER 31, 2029**

**CONTRACT # DD958-60ADE
Tier 2**

SUBMITTED BY:



ZUPKA & ASSOCIATES
Certified Public Accountants

**4141 ROCKSIDE ROAD, SUITE 200
SEVEN HILLS, OHIO 44131
(216) 475-6136**

Date Submitted: October 1, 2025

**Submitted by: _____
Kyle Dougherty, Managing Partner**

October 1, 2025

Ms. Courtney Shalosky
Assistant Chief Auditor
Auditor of State
Conference Center, Ste 154
6000 Frank Ave NW
North Canton, OH 44720

Mr. Jeffrey Knoblauch
Assistant City Manager/Finance Director
City of Hudson
1140 Terex Rd.
Hudson, OH 44236

RE: Letter of Transmittal

Dear Ms. Shalosky and Mr. Knoblauch:

In accordance with the Request for Proposal (RFP), the firm of Zupka & Associates, hereinafter referred to as the Firm, is pleased to submit our proposal contained herein.

The Firm understands the work to be completed for the City of Hudson will include a financial and compliance audit for the fiscal periods January 1, 2025 through December 31, 2029. The audits will be performed within the specified time period in the RFP and will comply with all specifications and requirements in the RFP. In addition, we affirm that this proposal is a firm and irrevocable offer for 90 days.

We believe the Firm's 40 years of experience in governmental and non-profit audits, including prior audits of cities and similar governmental entities, makes us uniquely qualified for this audit.

Kyle Dougherty, CPA, is Managing Partner of Zupka & Associates and the authorized representative to bind the firm regarding this proposal. The Firm's office is located at 4141 Rockside Road, Suite 200, Seven Hills, Ohio 44131. Please contact me at (216) 475-6136 or via e-mail at admin@zupkacpa.com.

Personnel listed in this proposal will be assigned to this engagement. Other professional staff will be assigned to this engagement only with the approval of the City of Hudson. The proposal contained herein is structured with no minority participation.

As Partner-in-Charge, I certify that the completion of this information has been thoroughly reviewed for bidding, all required items are completed, and representations and certifications made by us are verified and true. I also certify that, upon knowledge of information which would materially alter the truth or completeness of any representations or certifications contained within this proposal, the Firm will provide notification to the City of Hudson in a timely manner.

Sincerely,

Kyle Dougherty, CPA
Partner-in-Charge

ZUPKA & ASSOCIATES
PROPOSAL FOR AUDITING SERVICES FOR THE
CITY OF HUDSON

TABLE OF CONTENTS

	<u>Page</u>
<u>Mandatory Elements</u>	
<u>Required Affirmations</u>	
1. CPA Licensure Laws	1
2. CPE Requirements	1
3.a. Peer Review	1
3.b. Peer Review	1
4. Ohio Ethics Laws	1
5. Rules and Laws Regarding Conflicts of Interest	1
6. Unresolved Findings for Recovery	1
7.a. Independence - Nonaudit Services Provided	1
7.b. Independence - Nonaudit Services NOT Provided	1
8. Independence - Entity's Components	1
9.a. Independence - Entity's Components – Nonaudit Services Provided	2
9.b. Independence - Entity's Components – Nonaudit Services NOT Provided	2
10. Personal and External Impairments	2
11. Inappropriate Public Office Contact	2
12. Subcontractors	2
13. Irrevocable Offer	2
<u>Other Required Elements</u>	
<u>Public Office, Contract Period, and Scope</u>	3
Public Office	3
Contract Period	3
Scope of Work	3
Applicable Auditing Standards	3
Ohio Compliance Supplement	3
Required Reports	4
Engagement Timetable	4
Communication	4
Proposal Length	4
Firm Contact	4
<u>Scope of Work</u>	
<u>Detailed Scope of Work</u>	5
A. Engagement Preparation	
Planning	5
Risk Assessment Procedures/Internal Control	5-7
Audit Sampling - Substantive Testing	7
Auditing of Information Systems	8
B. Financial Audit Section	
Cash, Investments, and Investment Related Activity	9
Revenues and Receivables	9
Expenses and Accounts Payable	9
Payroll and Related Liabilities	10
Capital Assets	10
Debt/Leases	10
Net Position/Fund Balance	10
Trial Balance	10
C. Compliance and Single Audit Section	11
D. Report Preparation and Completion Procedures	11
Our Firm's Innovations for the City of Hudson	12-13
<u>Schedule of Audit Hours</u>	14
Specific Hours Assigned to Each Proposed Section	
Qualified Staff Assigned to Each Proposed Section	
Peer Review – Letter of Acceptance	15
Proposed Audit Engagement Team	16
Resumes and Qualifications	17-19
Firm Governmental Experience	20-21
<u>Exhibits</u>	
Proposed Engagement Timetable	22
IPA Nonaudit Services/GAO Independence Notification/Evaluation	23

MANDATORY ELEMENTS

Required Affirmations

PUBLIC OFFICE: City of Hudson

COUNTY: Summit

CONTRACT NUMBER: DD958-60ADE

CONTRACT PERIOD: 1/1/2025 - 12/31/2029

To be considered, **the proposal must address every one of the elements**. When these are not fully addressed, proposals will be considered non-responsive to the RFP and will not be evaluated further. Please ensure these affirmations are the first element of your firm's proposal and indicate your firm's agreement with the affirmation by checking the respective box for each affirmation.

1.	<u>CPA Licensure Laws</u> Our firm is licensed by the Ohio Accountancy Board to do business in Ohio and will remain in compliance with Ohio CPA licensure laws and rules.	☒ Affirmed
2.	<u>CPE requirements</u> Our firm and all assigned key professional staff are, and will remain, in compliance with governmental qualification standards, including governmental continuing education requirements.	☒ Affirmed
3.a.	<u>Peer Review (Opt. 1)</u> Our firm has undergone an external quality control peer review, conducted in accordance with generally accepted government auditing standards, within the last three years and received a pass rating. The current report is on file with the Auditor of State's Office.	☒ Affirmed ☐ N/A
3.b.	<u>Peer Review (Opt. 2)</u> In accordance with GAGAS 3.97, our firm is not yet required to have an external quality control peer review, conducted in accordance with generally accepted government auditing standards. When required, our firm will have the appropriate peer review conducted and provide a copy of the report to the Auditor of State's Office.	☐ Affirmed ☒ N/A
4.	<u>Ohio Ethics Laws</u> Our firm and all assigned key professional staff are, and will remain, in compliance with the requirements of Ohio's Ethics Law, as applicable and found at § 2921.42 and in Chapter 102 of the Ohio Revised Code.	☒ Affirmed
5.	<u>Rules and Laws Regarding Conflicts of Interest</u> Our firm and all assigned key professional staff are, and will remain, in compliance with laws and rules regarding conflicts of interest.	☒ Affirmed
6.	<u>Unresolved Findings for Recovery</u> Our firm is not subject to any unresolved finding for recovery issued by the Auditor of State under Ohio Rev. Code § 9.24, or our firm has taken appropriate remedial steps required under R.C. § 9.24. Our firm agrees that if this statement is deemed to be false, the contract shall be declared "void ab initio" between the parties, and <u>City of Hudson</u> will not be obligated to pay for goods or services rendered under the contract. Any funds paid under the contract shall be remitted by our firm to <u>City of Hudson</u> or an action for recovery of such payments may result.	☒ Affirmed
7.a.	<u>Independence - Nonaudit Services Provided (Opt. 1)</u> ➤ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to <u>City of Hudson</u> over the previous five (5) years from the date of our proposal or are expected to be provided during the contract term; ➤ Our firm and all assigned key professional staff are independent of <u>City of Hudson</u> as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for <u>City of Hudson</u> nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	☐ Affirmed ☒ N/A
7.b.	<u>Independence - Nonaudit Services NOT Provided (Opt. 2)</u> ➤ Our firm and all assigned key professional staff are independent of <u>City of Hudson</u> as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm has not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for <u>City of Hudson</u>; and ➤ If selected, our firm will not provide nonaudit services to <u>City of Hudson</u> during the term of the contract that would require our firm to perform management functions or make management decisions for the entity, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	☒ Affirmed ☐ N/A
8.	<u>Independence - Entity's Components</u> ➤ Our firm and all assigned key professional staff are independent of the entity's components listed in Section III (G); of the Request for Proposal.	☐ Affirmed ☒ N/A

9.a.	<u>Independence - Entity's Components - Nonaudit Services Provided (Opt. 1)</u> ➤ Our firm has listed and described in our proposal any and all nonaudit services that have been provided to <u>City of Hudson</u>'s components listed in Section III(G) of the Request for Proposal over the previous five (5) years from the date of our proposal, or are expected to be provided during the contract term; ➤ Our firm and all assigned key professional staff are independent of <u>City of Hudson</u>'s components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm and all assigned key professional staff are, and will remain, in compliance with GAO rules relating to auditor independence; and ➤ In providing such nonaudit services, our firm did not perform management functions, make management decisions for <u>City of Hudson</u>'s components nor led reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude our firm would be auditing our own work.	☐ Affirmed ☒ N/A
9.b.	<u>Independence - Entity's Components - Nonaudit Services NOT Provided (Opt. 2)</u> ➤ Our firm and all assigned key professional staff are independent of <u>City of Hudson</u>'s components as defined by U.S. Government Accountability Office's <i>Government Auditing Standards</i>; ➤ Our firm has not provided nonaudit services affecting the audit periods that involved performing management functions or making management decisions for <u>City of Hudson</u>'s components; and ➤ If selected, our firm will not provide nonaudit services to <u>City of Hudson</u>'s components during the term of the contract that would require our firm to perform management functions or make management decisions for <u>City of Hudson</u>'s components, or would lead reasonable third parties, with knowledge of the relevant facts and circumstances, to conclude that our firm would be auditing our own work.	☐ Affirmed ☒ N/A
10.	<u>Personal and External Impairments</u> ➤ Our firm and all assigned key professional staff have no personal or external impairments to independence due to relationships with <u>City of Hudson</u>, and have listed and described in our proposal all our firm's professional relationships that could affect our impartiality or the appearance of impartiality involving the <u>City of Hudson</u> or any of its agencies/agencies or components /agencies, components or oversight unit, as applicable for the past five (5) years from the date of the proposal; ➤ If appropriate, our proposal has included a statement explaining why such relationships do not constitute an independence issue relative to performing the proposed audit. ➤ Our firm shall give <u>City of Hudson</u> and the Auditor of State written notice of any professional relationships entered into during the period of this agreement, relative to parties connected to this proposed engagement that could affect our impartiality or the appearance of impartiality. ➤ Prior to entering into any new agreement to provide any nonaudit service to <u>City of Hudson</u> during the term of the contract, our firm will notify the Auditor of State through completion of the IPA Nonaudit Service GAO Independence Notification/Evaluation (Exhibit E of the RFP). By filing this form, our firm asserts the non-audit service does not impair our firm's independence.	☒ Affirmed
11.	<u>Inappropriate Public Office Contact</u> Our firm and all assigned key professional staff have not made, and will not make, any contact with personnel of the <u>City of Hudson</u> regarding this request for proposal other than allowed by Section I. C. of the RFP.	☒ Affirmed
12.	<u>Subcontractors</u> If subcontractors are engaged, our firm will ensure the subcontractor(s) have met all applicable elements listed in the affirmations above.	☐ Affirmed ☒ N/A
13.	<u>Irrevocable Offer</u> Our firm's proposal is a firm and irrevocable offer for 90 days.	☒ Affirmed



ZUPKA & ASSOCIATES

OTHER REQUIRED ELEMENTS

FOR THE AUDIT OF THE CITY OF HUDSON

Public Office, Contract Period, and Scope

Public Office

In compliance with the requirements set forth in the Request for Proposal for the City of Hudson, the firm of Zupka & Associates is herein submitting our proposal for your consideration to provide auditing services to the City of Hudson.

Contract Period

This proposal to provide auditing services to the City of Hudson is for the contract period January 1, 2025 through December 31, 2029, and is being submitted on October 1, 2025, prior to 2:00 p.m., the required date and time due, as outlined in the Request for Proposal.

Scope of Work

The Auditor of State and the City of Hudson have requested that an IPA express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles by the City of Hudson. Applicable standards and guidance from the Auditor of State Bulletin will be utilized by the Firm in forming this opinion as outlined on pages 5 through 13.

Upon selection for this engagement, the Firm will express an opinion on the fair presentation of the City's financial statements in conformity with the accounting principles generally accepted in the United States of America. The Firm will follow applicable standards and any applicable AOS guidance in forming this opinion.

Also, the Firm will adhere to the reporting guidance from AU-C Sections 725 regarding supplementary information, and 730 regarding required supplementary information for this engagement as applicable for each engagement period.

An audit of the City of Hudson's federal financial assistance is required, in compliance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The Firm, if selected, will express an opinion on the fair presentation of the City's Schedule of Expenditures of Federal Awards, based on auditing procedures applied during the audit of the financial statements in relation to the financial statements taken as a whole. Please refer to page 11, Section C., Compliance and Single Audit Section, for detailed information regarding this matter.

If awarded this contract, should the Firm become aware that the City of Hudson is subject to audit requirements that may not be encompassed in the terms of the contract, we shall communicate this situation immediately to the Auditor of State, that in accordance with the established contract, certain relevant legal, regulatory, or contractual requirements may not be met.

Applicable Auditing Standards

The audit shall be performed in accordance with auditing standards generally accepted in the United States of America as set forth by the American Institute of Certified Public Accountants, the most recent standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards*, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, hereafter referred to as Uniform Guidance.

Ohio Compliance Supplement

For each audit period, compliance testing utilizing applicable areas of the most current version of the *Ohio Compliance Supplement* (OCS) will be performed to design and implement the audit steps specific to the City of Hudson. All sections utilized will be documented in a logical manner to facilitate a review to verify that all applicable areas have been completed.

The Firm assures its adherence to all federal, state, or local compliance requirements that are material to the City of Hudson and as required by Generally Accepted Government Auditing Standards.



ZUPKA & ASSOCIATES

OTHER REQUIRED ELEMENTS

FOR THE AUDIT OF THE CITY OF HUDSON

Required Reports

Upon completion of the audit, a comprehensive Audit Report consisting of the elements described below shall be submitted to the Auditor of State's Office in an electronic print definition file. The required reports for this engagement are as follows:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles utilized by the City, including required and other supplementary information.
2. A combined report on compliance and internal control required by *Government Auditing Standards*.
3. A management letter, separate from other electronically submitted reports.
4. A combined report on compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (including, as applicable, a report on the supplementary Schedule of Expenditures of Federal Awards).
5. A Schedule of Findings and Questioned Costs.

In addition to the reports to management, which applicable audit standards may require, should the Firm become aware of illegal acts or indication of illegal acts, all findings will be reported to Ms. Courtney Shalosky, Chief Auditor in the East Region at 1-800-443-9272.

Engagement Timetable

Please see page 22 of this Proposal for our engagement timetable.

Communication

Zupka & Associates will lead the entrance conference the week of February 2, 2026, at the City's office to discuss audit procedures with Mr. Jeffrey Knoblauch, Finance Director, Mr. Jeffrey Anzevino, Mayor, President of City Council, members of the City's Audit Committee or its equivalent, and other key employees of the City. During this meeting, the Firm will lead discussions relative to prior engagement problems and establish planning and control mechanisms for deciding on, and monitoring, the interim work to be performed to the completion of audit fieldwork. In addition, written task assignments, review procedures, and progress reporting responsibilities will be prepared.

The exit conference is scheduled to be held the week of June 16, 2026, with Mr. Jeffrey Knoblauch, Finance Director, Mr. Jeffrey Anzevino, Mayor, President of City Council, members of the City's Audit Committee or its equivalent, and other key employees of the City to summarize the results of the fieldwork, review significant findings, and discuss the audit report. At this point, the City's representatives will be provided an opportunity to respond to the audit comments. We will be in constant communication with Mr. Jeffrey Knoblauch and his staff, and the City's Audit Committee or its equivalent, throughout the audit process to communicate our progress and any potential audit problems.

The Firm will be in contact with the Auditor of State throughout the term of the engagement with the progress of the audit, including any possible changes to the single audit, ORC compliance, and any new SAS or GASB implementation issues which we will communicate in writing prior to any modification in the scope of the audit.

Proposal Length

This technical proposal is no more than 30 pages, as specified in the RFP.

Firm Contact

Kyle Dougherty, CPA, is Managing Partner of Zupka & Associates and the authorized representative to bind the firm regarding this proposal. The Firm is located at 4141 Rockside Road, Suite 200, Seven Hills, Ohio 44131. Our office phone number is 216-475-6136, fax number is 216-475-1006, and our e-mail address is admin@zupkacpa.com.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

Detailed Scope of Work

Auditor will obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.

Partner/Manager will report on the financial statements, as required by the Statements on Auditing Standards, in accordance with the auditor's findings.

Engagement Team will obtain an understanding of the City's environment to establish scope of the financial and compliance audit. See detailed listing in the Financial Audit Section.

These objectives will be met through the audit approach outlined on the following pages with the qualified and experienced audit engagement team assigned to this engagement.

The Firm will adhere to compliance with guidelines established by the AICPA's recent auditing standards, including SAS No. 147 and 148, as well as any new SAS and GASB statements that will become effective for the contract period.

A. Engagement Preparation

Planning

1. Obtain a general understanding of management's reputation and integrity and an understanding of the financial condition, and operating environment through discussions with management, predecessor auditors, and review of prior audit working papers, prior audit reports, and minutes of City Council.
2. Meet with Mr. Knoblauch, Finance Director, and key employees of the City's staff to set the audit scope and determine the staffing needed and time deadlines.
3. Prepare analytical worksheets, risk assessment analysis, and materiality computations. We will evaluate the analytical worksheets to determine the nature and scope necessary for audit procedures.
4. Perform materiality determination for each opinion unit of the City's financial statements.
5. Evaluate whether that materiality judgment remains appropriate as the audit progresses.

Risk Assessment Procedures/Internal Control

In accordance with auditing standards, risk assessment procedures will be performed to:

1. Discuss among the Engagement Team the susceptibility of the City's financial statements to material misstatements or material noncompliance due to fraud or error.
2. Inquire of management and others within the City, which may include those charged with governance, employees involved in initiating, authorizing, processing, or recording transactions, and in-house legal counsel.
3. Identify areas where special audit consideration may be needed, such as related party transactions and any unusual transactions or going concern issues, etc.
4. Perform analytical procedures (preliminary and final) as required by AU-C Section 520 in planning the audit for each opinion unit of assets, liabilities, deferred outflows/inflows of resources, revenues, and expenses. We will develop expectations about plausible relationships that are reasonably expected to exist. We will then compare the expectations to recorded amounts and, if unexpected results occur, consider those results in identifying risks of material misstatement.
5. Observe, inspect, and evaluate audit evidence to support the reasonableness of management's assumptions and management's oral and written representations. Such audit procedures include observation of the City's activities and operations, inspection of documents, reading reports, visits to sites, and walk-through procedures.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

A. **Engagement Preparation** (Continued)

Risk Assessment Procedures/Internal Control (Continued)

To obtain an understanding of the City's internal control, including information systems and technology environment, the following will be performed:

1. Evaluate the design of controls to determine whether they have been implemented and are free of material weaknesses and controls are effective through inquiry and questionnaires with responsible employees and walkthroughs of the control process for each significant audit area.
2. Assess the risk of material misstatement of the financial statements whether due to error or fraud and design the nature, timing, and extent of further audit procedures to reduce audit risk to an appropriately low level, based on our understanding of the five elements of internal control:
 - control environment;
 - risk assessment;
 - communication/information;
 - monitoring;
 - control activities
3. Perform control testing as deemed necessary, based on the results of our risk assessment. To determine whether a control, individually or in the aggregate, is relevant to the audit, the Firm's audit team will consider the following factors:
 - materiality.
 - significance of the related risk.
 - nature and structure of the City.
 - diversity and complexity of operations.
 - applicable legal and regulatory requirements, including the Ohio Compliance Supplement and Uniform Guidance and requirements.
 - circumstances and the applicable component of internal control.
 - nature and complexity of service organizations utilized by the City, as applicable.
 - whether and how a specific control, individually or in combination with other controls, prevents or detects and corrects material misstatements.
4. Review City policy on scanned documents and test controls over the electronic process accordingly.
5. Test controls over the City's information systems as discussed in the following section entitled "Auditing of Information System".

Review Mechanisms for Fraud Risk Assessment and Monitoring Process

1. Review City Council minutes for any items that might indicate that the City may be experiencing any imminent threats, such as a threat of a major source of funding being terminated or significantly reduced, difficulty generating cash flow from activities, etc.
2. In accordance with SAS requirements, inquire of management and others within the City about the risks of fraud and their knowledge of fraud or suspected fraud.
3. Consider the results of the analytical procedures performed while obtaining an understanding of the City.
4. Hold a fraud risk discussion among engagement team members as part of obtaining an understanding of the City.
5. Review programs and controls the City has implemented to address identified fraud risks or otherwise help detect and prevent fraud, and how those programs and controls are monitored.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

A. Engagement Preparation (Continued)

Risk Assessment Procedures/Internal Control (Continued)

Evaluate Risk of Material Misstatement

1. Identify inherent and control risks throughout the process of obtaining an understanding of the City and its environment, including relevant controls that relate to the risks, and considering the classes of transactions, account balances, and disclosures in the financial statements.
2. Relate the identified risks of potential errors and fraud at the relevant assertion level.
3. Consider whether the risks are of a magnitude that could result in a material misstatement of the financial statements.
4. Consider the likelihood that the risks could result in a material misstatement of the financial statements.
5. Select an audit approach that is appropriately tailored to respond to the assessed level of risk, such as limited, basic, or extended procedures. These procedures will include control tests as previously discussed and/or substantive tests, as discussed in the following section entitled, "Audit Sampling – Substantive Testing".

Audit Sampling - Substantive Testing

The Firm's substantive testing is developed on a non-statistical sampling approach. The Firm's audit team will, based upon our assessment of control risk, inherent risk, and risk of material misstatement:

1. Establish materiality levels for performance materiality and planning materiality.
2. Test materially significant items, including individually significant and unusual items in their entirety, based upon planning materiality and performance materiality.
3. Analyze the remaining balance to determine the desired percent of coverage. If the remaining balance exceeds the calculated planning materiality, additional audit procedures will be considered, including confirmation of material revenue and expenses, examination of supporting documentation, and analytical review testing, such as trend analysis and comparison of budget to actual.
4. Select and test, in general, a representative sample utilizing a random selection. As applicable, the auditor will then project the results to the population.
5. Perform, as practical, compliance attribute testing of federal, state, and local requirements simultaneously with the substantive tests of transactions.
6. Audit procedures to be modified according to significant audit areas and assertions for:
 - Account balances
 - Account transactions
 - Disclosures
 - Accounting estimates
 - Audit areas that have fraud risk or other significant risk

Some assistance with the preparation of schedules may be requested of the City as the audit progresses.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

A. Engagement Preparation (Continued)

Auditing of Information Systems

Audit planning to include the following actions:

1. Communication with the City's Innovation and Technology department on the procedures by which the City uses information systems and how initial transactions are recorded, processed, and reported.
2. Based on the above noted procedures, the audit team will determine whether the City has established effective controls that adequately respond to the risks that arise from users dependent on information technology (IT) by review of the general controls identified below, and which cover:
 - the data processing personnel as a group, as well as specific computerized accounting activities of those employees;
 - authorizing transactions and approving changes to computer programs;
 - controlling access to programs and data files;
 - the role of information systems in processing data;
 - systems maintenance;
 - implementation of additional hardware and software;
 - computer operations;
 - system software;
 - data files;
 - separation of duties; and
 - disaster recovery.
3. The City utilizes Software Solutions Inc (SSI) software for its financial accounting; therefore, we will review the controls identified below for the noted system.
4. Application controls as they relate to:
 - Specific computerized accounting applications;
 - The data involved in processing and reporting transactions;
 - Authorizing transactions; and
 - Access controls.
5. User controls as to the production of manual checks to ensure the completeness and accuracy of computer output against source documents or other input.

If considered necessary, we will utilize the expertise of an IT specialist in planning the audit, performing computer-assisted audit techniques, as well as testing the general or applications controls.

In the performance of our audit, we will utilize our computer systems for many steps in the audit process. Some of these applications include statistical audit sampling, analytical procedures, spreadsheet preparation, and report narratives.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

B. Financial Audit Section

Cash, Investments, and Investment Related Activity

1. Ascertain cash and investments by each opinion unit in the financial statements are on hand physically or held in safekeeping by others on behalf of the City.
2. Determine that investments are either authorized by law, contract, or the investment policy of the City.
3. Accomplish the above objectives through audit of the following information provided by Mr. Jeffery Knoblauch, Finance Director: schedule of cash and investment balances at the opening and closing of the current period by a review of bank reconciliations, bank and investment confirmations including confirmation with OPCS, authorization in the minutes of City Council, vouching of significant investment purchases and proceeds from significant investments, a recomputation of gain or losses from sale of investments (when applicable) and an audit of unusual transactions, if any are identified through this audit.

Revenue and Receivables

1. Identify the City's major sources of revenue and consider the materiality and audit risk associated with each. The City's income tax revenue, property tax revenue, grants and contributions, and charges for services represent a significant percentage of the City's total revenue and will be a major focus of our audit work. The City's property taxes are assessed as low risk since appraisal, billing, collection, and distribution are performed by the Summit County Auditor and the Summit County Treasurer.
2. Determine that revenues that are available and measurable in the audit period have been recorded and amounts uncollected at the end of the period presented as receivables, are valid. Also, verify that these revenues and receivables are presented and classified properly as to amount, fund, and account in the financial statements, and related disclosures are adequate.
3. Ascertain the above objectives through auditing the City's collection procedures, practices and policies, comparative financial analysis of revenues, testing of controls, examining supporting documentation, confirmation with other governmental units, and performing a search for unrecorded receivables.
4. In addition, we will audit significant collection points of the City that collect a material amount of the City's revenues. As part of our audit for these collection points, we will review internal controls and segregation of duties.
5. Review the service organization control reports, including user control considerations of RITA and Lifeforce Management, since the City contracts with RITA and Lifeforce to administer its income taxes and ambulance filling, respectively, to determine whether we will rely on the service organizations' controls. If RITA or Lifeforce do not have a SOC-1 report available, we will perform additional testing.

Expenses and Accounts Payable

1. Identify the City's major expenses and consider the materiality and audit risk associated with each. The City's general government, transportation, and security of persons and property expenses represent a material percentage of the City's total expenses. These expenses largely consist of payroll related costs and will be a major focus of our audit work as noted under the "Payroll and Related Liabilities" section.
2. Ascertain recorded expenses and related accounts payable and cash disbursements are for goods and services authorized and received.
3. Verify that expenses for goods and services and related disbursements and liabilities have been presented and classified properly as to account, fund, budget category, period amount, and fund type in the financial statements, and related disclosures are adequate.
4. Accomplish these objectives through auditing the City's purchasing procedures, comparative financial analysis of expenses, testing of controls, examining supporting documentation, performing a search for unrecorded liabilities, and budgetary analysis of expenses.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

B. Financial Audit Section (Continued)

Payroll and Related Liabilities

1. Determine payroll expenses and related liabilities are made only for work authorized, performed, and computed, using rates in accordance with contracts and relevant laws and regulations, and related disclosures are adequate.
2. Verify payroll and related liabilities are recorded correctly as to amount and period and distributed properly by account, fund, and budget category in the financial statements and related disclosures are adequate.
3. Audit the accounting and financial reporting for pensions and other post-employment benefits in compliance with GASB Statement No. 68 and GASB Statement No. 71, GASB Statement No. 73, GASB Statement No. 74, and GASB Statement No. 75.
4. Accomplish the above objectives through inquiries with Raj Sangha, Payroll Manager, regarding regulations pertinent to wages, comparative financial analysis of payroll expenses, testing of controls, reconciling payroll recorded to 941 forms and W-2 forms, third party confirmations, and performing reasonableness tests for compensated absences and pension expense.

Capital Assets

1. Ascertain capital assets and related depreciation in the financial statements represent a complete and accurate listing of the capitalized cost of assets, purchased, constructed, or leased, and physically on hand, and that the related disclosures are adequate.
2. Audit construction-in-progress for any projects currently undergoing renovation or projects anticipated in subsequent fiscal years of this contract.
3. Physical observation of capital assets based on materiality, and establish scope and risk level.
4. Accomplish these objectives by reviewing and examining supporting documentation for asset additions, retirements, or adjustments to each account, testing for clerical accuracy, and comparative financial analysis of capital expenditures and depreciation expense.

Debt/Leases

1. Determine debt and leases are identified, authorized, and recorded in the proper fund and account, including any new issuances are properly presented in the financial statements and that related disclosures are adequate.
2. Accomplish these objectives through inquiry, review of the minutes of City Council, review of leases and debt-related supporting documentation, compliance with debt covenants, confirmation of amounts with the trustee and report future cash commitments relating to leases.

Net Position/Fund Balance

1. Determine components of net position/fund balance and changes in net position/fund balance are properly computed and are described, classified, and disclosed appropriately in the financial statements.
2. Accomplish these objectives by analyzing the changes in net position/fund balance, reading minutes of City Council to identify authorizations for constraints on fund balance and restrictions on net position, and considering the propriety of accounting treatment and disclosure.

Trial Balance

1. Determine if opening balances contain misstatements that materially affect the current period's financial statements and if accounting policies have been properly accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.
2. Trace activity to the general ledgers for the audit period and review journal entries for reasonableness.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

C. Compliance and Single Audit Section

1. Perform an examination of the City's compliance with requirements of the Ohio Revised Code and other applicable guidelines. Any areas of non-compliance will be disclosed to City representatives.
2. Verify grant administration and records, and grant revenue and expenses in accordance with grant provisions and related laws and regulations.
3. Test sections of the Ohio Revised Code for direct laws, indirect laws, and statutorily mandated tests and stewardship.
4. Perform audits of federal programs, in accordance with the Uniform Guidance, including testing of compliance requirements of major programs.
5. We are familiar with the City's major programs funded from the U.S. Department of Transportation and the U.S. Department of Treasury, as we have audited these programs in audits of other cities and similar entities.
6. While preparing this proposal, an assumption was made that 1 major program will be audited in fiscal year 2025 and for the fiscal years the City qualifies as a low-risk entity. –
7. The testing of major programs in subsequent years of the contract will be dependent upon funding consideration and whether the City qualifies as a low risk entity.

The table below indicates the number of major programs anticipated during the period of this contract.

	Fiscal Year	Number of Major Programs Anticipated
•	2025	1
•	2026	1
•	2027	1
•	2028	1
•	2029	1

8. The above noted statement was prepared noting the dollar amount of Type-A programs being \$1,000,000, with the audit coverage of low-risk programs being 20%, and audit coverage for non-low risk entities being 40% of federal funds expended.

D. Report Preparation and Completion Procedures

1. Determine if the required financial report (GAAP report) was submitted timely to the Auditor of State's Hinkle System, and reconcile to supporting accounting records.
2. Obtain representation letters and review legal letters for pending litigation. We will also review minutes of City Council and inquire of management for possible subsequent events.
3. Review all audit procedures performed and determine if preliminary risk assessments need to be modified. We will evaluate misstatements identified during the audit and discuss them with management, if necessary. We will also prepare a summary of all recommendations, citations, deficiencies, and material weaknesses, if necessary, and discuss them with management. A quality control review will be performed by our Quality Control Manager prior to finalization.
4. Prepare an audit report for the audit period, including financial statements, notes, and any items of non-compliance and/or audit findings. We will review the Management's Discussion and Analysis prepared by the City. The audit report will be issued in an electronic print definition file (PDF) to the Auditor of State's Office by the applicable deadline. A listing of required reports that will be issued for this engagement can be found on page 4 of this proposal in the section "Other Required Elements - Required Reports".



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

Our Firm's Innovations for the City of Hudson

The Firm has 40 years of experience in governmental accounting and auditing and providing conversion and Annual Comprehensive Financial Report services to local governmental entities, including cities and counties. Our firm's knowledge of and prior experience working with cities of various size and cities that provide varied services, including cities with various cash collection points, makes us uniquely qualified to provide the City of Hudson with a highly efficient and comprehensive audit.

The Firm is committed to serve its clients with the utmost professionalism and striving to meet our clients' needs and meet each contractual obligation in a timely and professional manner. Our rating with the Auditor of State reflects our timely reporting as well as the quality of our reporting, and we have been successful in submitting all our local governmental audits timely in the last reporting periods.

Providing clients with the highest level of service is a priority; therefore, we ensure the Firm's scheduling maximizes our staff's attention and energies to meet our contractual obligations with minimal disruption to each client's operations.

In order to achieve this goal, with the intent of minimizing disruption to Mr. Knoblauch and his staff, we will communicate with the City of Hudson in January 2026 and provide the City with a detailed list of information that will be needed for the audit.

During the course of this contract, the Firm's efficiency will be enhanced by the combined years of the Firm's audit team experience, as well as the knowledge of the City gained during the first year audit, thus requiring fewer hours to conduct subsequent year audits. This is reflected in the Schedule of Professional Fees and Expenses being submitted in conjunction with this technical proposal under separate cover, as required by the Request for Proposal.

In order to conduct our audit of the City with the utmost efficiency, our Firm will first communicate prior to conducting any testing of the individual departments of the City regarding performance of the following procedures:

1. Obtain each department's contact individual to whom all audit documentation requests should be directed;
2. Submit requests a few weeks prior to on-site visit at the individual department, thereby allowing the department ample time to gather the information;
3. Requests will cover the majority of the items required for audit testing purposes, including major accounting cycle processes, cash accounts and bank reconciliations, capital assets, credit/vendor/procurement activity, payroll/benefits activity, any ORC requirements, computer software/IT controls, and any Single Audit activity;
4. All requests will also be forwarded to the City's Finance office so the Finance office is aware of which departments are being tested;
5. Testing of each department will vary, depending upon the size of the department, but it is anticipated that most department on-site visits will range from 4 to 8 hours;
6. Any additional testing may be done off-site or the department will be contacted if another on-site visit is needed;
7. Any proposed findings or management letter comments will be discussed with the individual department and the Finance office prior to finalizing the audit.

Audit engagements are scheduled with each client's specific needs and staffing in mind. The Firm's audit team is available to work on-site at our client's offices. In addition, the Firm utilizes electronic workpapers and an online file sharing portal, allowing the fieldwork to be performed on-site and remotely, depending upon the client's preference, while conducting all audits with the utmost efficiency and also reducing any potential disruption to our clients.

We service multiple City clients that utilize Software Solutions Inc (SSI) and have audited those entities for multiple years and are familiar with the financial software, which will be reflected in the efficiency of the audit.



ZUPKA & ASSOCIATES

SCOPE OF WORK

FOR THE AUDIT OF THE CITY OF HUDSON

Our Firm's Innovations for the City of Hudson (Continued)

All team members are knowledgeable about the accounting and financial reporting requirements of currently effective and upcoming GASB statements through various continuing education, including seminars sponsored by the Auditor of State and the Governmental Accounting Standards Board, and other accredited CPE programs, and are prepared to audit financial statements and related disclosures required by the GASB statements, including recently effective statements such as GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102, *Certain Risk Disclosures*, and upcoming GASB Statement No. 103.

As part of the services our Firm provides its audit clients, assistance with the preparation and timely filing of the required Data Collection Form is provided to all clients for whom a single audit is required.

The Firm will continue to remain updated with any authoritative legislation that impact the City's future revenues and operating costs.



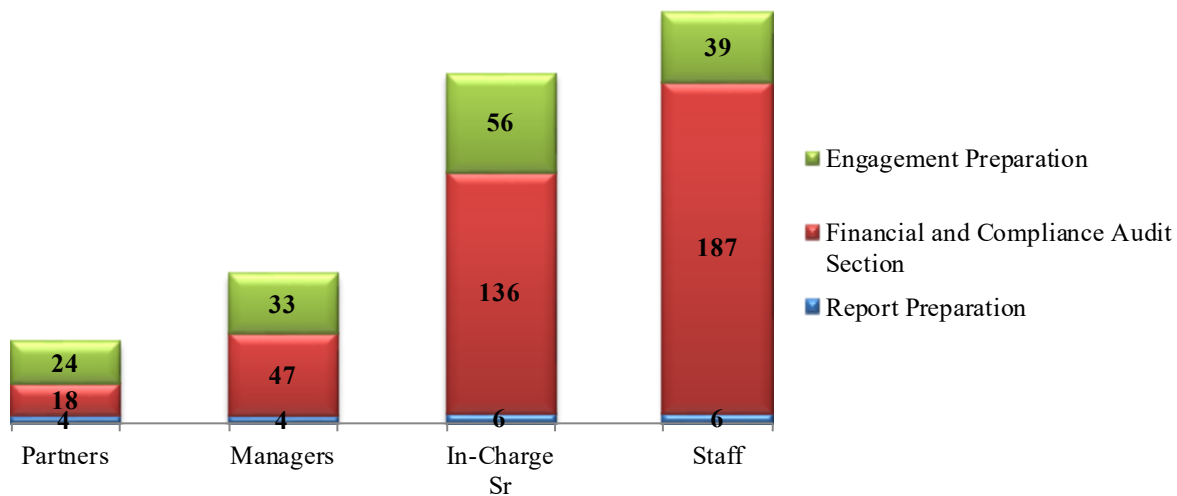
ZUPKA & ASSOCIATES

SCHEDULE OF AUDIT HOURS FOR THE AUDIT OF THE CITY OF HUDSON

FOR THE CONTRACT PERIOD JANUARY 1, 2025 THROUGH DECEMBER 31, 2029

Audit Phase	Total Hours	Partner Kyle Dougherty	Quality Control	In-Charge Senior	Staff Accountants
			Becky Gnatowski		
			Senior Audit Manager		
			Jeff Rinehart		
Engagement Preparation:					
Planning	18	4	6	6	2
Risk Assessment	24	6	8	8	2
Analytical Procedures	10	1	1	2	6
Fraud Risk Assessment Documentation	8	2	1	3	2
IT Controls, Evaluation, and Testing	10	1	1	4	4
I/C Evaluation and Testing	42	2	3	17	20
Entrance, Progress, and Exit Conferences	4	2	0	2	0
Supervision and Review	24	6	12	6	0
General Auditing Procedures	2	0	0	2	0
Minutes, Ordinance, and Laws	10	0	1	6	3
Financial Audit Section:					
Cash and Investments	16	0	1	7	8
Revenues, Receivables, and Receipts - Governmental Funds	28	1	2	12	13
Service Revenue and Receivables - Proprietary Funds	76	4	6	30	36
Expenses for Goods and Services and Accounts Payable and Other Liabilities	50	1	4	12	33
Payroll and Related Liabilities	48	1	4	13	30
Inventories and Prepaids	12	0	1	4	7
Capital Assets and Expenditures	44	1	2	18	23
Debt and Debt Service Expenditures	16	1	2	5	8
Equity and Financial Statement Reconciliations	6	1	1	2	2
Insurance	8	0	1	3	4
Trial Balances	16	1	2	5	8
Compliance Audit Section:					
Ohio Revised Code:					
Direct Laws	10	1	2	3	4
Indirect Laws and Statutorily Mandated Tests	10	1	2	3	4
Stewardship	8	1	1	3	3
Single Audit	40	4	16	16	4
Report Preparation and Completion Procedures	20	4	4	6	6
Total Hours	560	46	84	198	232

Total Project Hours





ZUPKA & ASSOCIATES

PEER REVIEW

LETTER OF ACCEPTANCE



AICPA®

Peer Review
Program

Administered by The Ohio Society of CPAs

February 24, 2023

Kyle Dougherty
James G. Zupka CPA, Inc.
5240 E 98th St Ste 1
Cleveland, OH 44125-2456

Dear Kyle Dougherty:

It is my pleasure to notify you that on February 24, 2023, the Ohio Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Jodey L. Altier, CPA, Chair
OSCPA Peer Review Committee
peerreview@ohiocpa.com
(614) 764-2727, option 5

cc: Ronald Thompkins, James Zupka

Firm Number: 900010102789

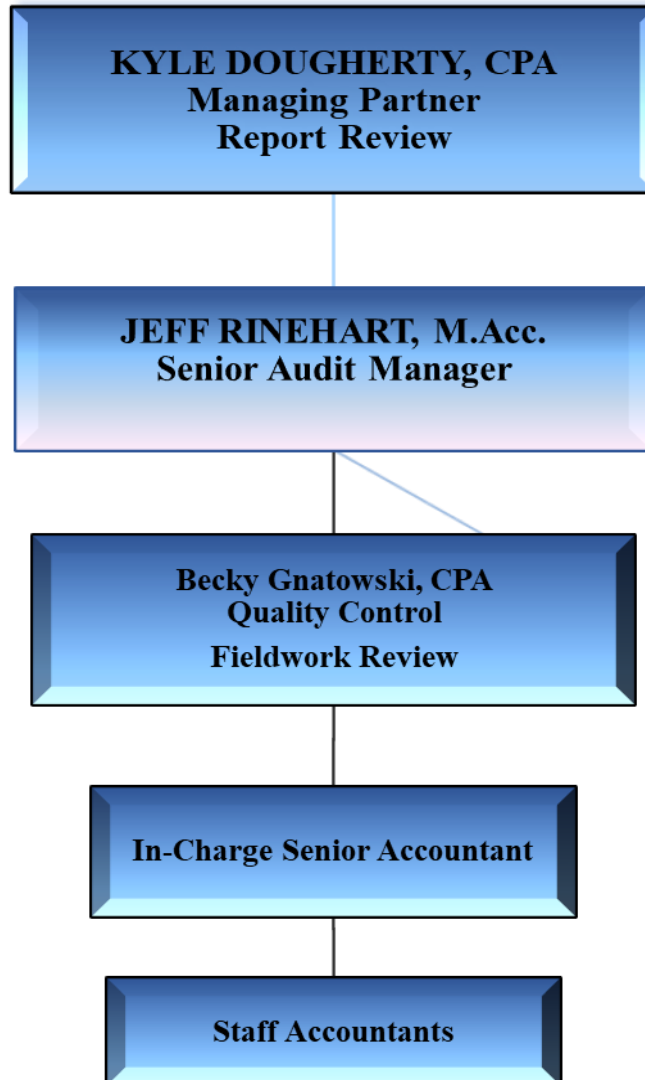
Review Number: 594569



ZUPKA & ASSOCIATES

PROPOSED AUDIT ENGAGEMENT TEAM FOR THE AUDIT OF THE CITY OF HUDSON

FOR THE CONTRACT PERIOD JANUARY 1, 2025 THROUGH DECEMBER 31, 2029



- Kyle Dougherty, CPA, is responsible for major decisions, job scheduling, and final review and approval of workpapers. He also provides oversight for the IT area of the Firm's audits.
- Jeff Rinehart is responsible for planning, developing an audit strategy, and reviewing assessment of audit risk and audit plan, supervising the Firm's staff on-site, reviewing workpapers for accumulated results of audit procedures in relation to the audit risk assessment and financial data significant to the audit objectives, and communicating with management and those charged with governance at the conclusion of the audit.
- Becky Gnatowski, CPA, is responsible for reviewing workpapers and performs the overall final review for quality assurance.
- Detailed resumes and qualification of all key individuals assigned to this engagement appear on pages 17-19 of this proposal.
- In addition, relevant recent experience of other engagements performed by our firm are listed on pages 20-21 of this proposal.



ZUPKA & ASSOCIATES

RESUMES AND QUALIFICATIONS

Kyle K. Dougherty, CPA, Managing Partner

Mr. Dougherty joined the Firm of Zupka & Associates, in August 2012. He earned a Master of Accountancy degree with a major in Financial Accounting/Audit from Cleveland State University in May 2013, which included courses in Accounting Systems and Advanced Accounting Information Systems. For this engagement, he will serve as the Partner-in-Charge of the final review and approval of the audit report.

An example of the types of entities Mr. Dougherty has served are:

- Counties
- Cities
- School district, including city and local school districts and community schools
- HUD audits
- Non-Profit organizations

Mr. Dougherty has considerable auditing experience in auditing various types of local governmental entities, including counties, cities, school districts, housing authorities, and non-profit organizations, as well as performing single audits for many of these entities and review of the Annual Comprehensive Financial Report. He also provides services for the Firm's consulting engagements, including preparation of Financial Data Schedules for housing authorities, quarterly and annual reports, IT Systems, and maintenance of capital asset records.

Mr. Dougherty also partners closely with Ms. Salnajs, Managing Partner, in providing GAAP conversion services to the Firm's clients and has been instrumental in designing systems for conversions and implementation of GASB Statement No. 68 and GASB Statement No. 75 for various clients of the Firm. He is also responsible for the IT section of many of the firm's audits, and applies his understanding of information systems utilized by the various clients for which he has performed and provided oversight for the IT section of the Firm's audits.

PROFESSIONAL ORGANIZATIONS

- American Institute of Certified Public Accountants
- Ohio Society of Certified Public Accountants
- Ohio Governmental Financial Officers Association

CONTINUING PROFESSIONAL EDUCATION

	Hours
<u>2025</u>	
Accounting for Capital Assets – GFOA	8
Audit Procedures and GASB Updates	8
No Vacation from Estimated Compensated Absences	2
Community School Training – AOS	8
2025 Combined IPA Conference – AOS	8
<u>2024</u>	
2024 GFOA Annual Governmental GAAP Update	4
37 th Ohio GFOA Annual Conference and Membership Meeting	10.2
Staff Level Specific Audit Areas and Workpapers	6
Auditor of State Findings for Recovery and Discussion	2
2024 Virtual Combined IPA Conference and Discussion	8
Community School Training and Discussion	8
Ohio GFOA 2024 Advanced Governmental Accounting Seminar	13
Updated Audit Procedures and Overview of Workpaper Procedures	3
Updated Audit Approach for 2023 Audits	8
<u>2023</u>	
GFOA's 23 rd Annual Governmental GAAP Update	4
Governmental Auditing – MFOA of Northeast Ohio-Ohio Auditor of State	1.5
Ohio GFOA's 2023 Annual Conference and Membership Meeting	4.8
Ohio GFOA Advanced Governmental Accounting Seminar	13
Discussion and Understanding of New GASBs, Workpaper Updates, Discussion and Review of 2023 ORC	8
PPC Methodology Essentials	2
Checkpoint Engagement Optimization: Internal Control	2
AdvanceFlow Engagement Setup, Management, and Finalization	1
AdvanceFlow Workpaper Essentials	2
Checkpoint Engage: Plan and Execute Audit Engagements	1.5
Checkpoint Engage Functionality: Single Audit	1.5
<u>2022</u>	
The Value of Ethics for Accountants – Behavioral Ethics, OSCP	3
Ohio GFOA 35 th Annual Conference and Membership Meeting	14.4
2022 IPA Conference & Staff Discussion	8
Updates on GASBs, Ohio Compliance Supplement, Single Audits & General Audit Considerations	8
Ohio GFOA Advanced Governmental Accounting Seminar	16
Maintaining Data for Your Accounts Payable and Payroll	1
SAS Updates – SAS No. 134 – SAS No. 141	4
BWC Update	1
2022 Ohio Compliance Supplement Update	2
Auditing and Excel – The Latest Developments – Must Know Excel Functions for CPAs	6



ZUPKA & ASSOCIATES

RESUMES AND QUALIFICATIONS

Becky A. Gnatowski, CPA, Quality Control Manager

Becky Gnatowski earned a Bachelor of Business Administration degree from Cleveland State University in 1987. She joined the Firm of Zupka & Associates in 1992.

Mrs. Gnatowski is the Firm's Manager in charge of Quality Review and has acquired a diverse background of auditing and GAAP conversion experience during her career. She has performed GAAP reviews and audits of:

- Counties
- Cities
- School districts, including city and local school districts and community schools
- HUD audits
- Insurance consortiums
- Metropolitan park districts
- General health districts

Mrs. Gnatowski has also been the in-charge manager in performing the conversion of cash basis to GAAP basis financial statements for many city, county, and school district engagements. She has also performed the review and preparation of the Annual Comprehensive Financial Report and implemented GASB Statement No. 34 reporting principles for many local governments. She has assisted in implementing GASB Statement No. 68 and GASB Statement No. 75, as well as all new pronouncements and standards.

PROFESSIONAL ORGANIZATIONS

- Ohio Society of Certified Public Accountants

RECENT CONTINUING PROFESSIONAL EDUCATION

	<u>Hours</u>
<u>2025</u>	
Accounting for Capital Assets – GFOA	8
Audit Procedures and GASB Updates	8
No Vacation from Estimated Compensated Absences – GFOA	2
Community School Training – AOS	8
2025 Combined IPA Conference – AOS	8
<u>2024</u>	
8090B: Auditing Standards No. 142-145	4
2024 GFOA Annual Governmental GAAP Update	4
Staff Level Specific Audit Areas and Workpapers	6
Ohio Professional Standards and Responsibilities	3
Auditor of State Findings for Recovery and Discussion	2
2024 Virtual Combined IPA Conference and Discussion	8
Single Audit Update and Discussion	3
Community School Training and Discussion	8
Updated Audit Procedures and Overview of Workpaper Procedures	3
Ohio Compliance Supplement 2024 Updates	1.5
Updated Audit Approach for 2023 Audits	8
<u>2023</u>	
GFOA's 23 rd Annual Governmental GAAP Update	4
Single Audit Training and Discussion	2
2023 Combined IPA Conference & In-House Discussion	8
USAS Redesign – Financial Reports for Audit and GAAP	1
Discussion and Understanding of New GASBs, Workpaper Updates, Discussion and Review of 2023 ORC	8
PPC Methodology Essentials	2
Checkpoint Engagement Optimization: Internal Control	2
AdvanceFlow Engagement Setup, Management, and Finalization	1
AdvanceFlow Workpapers Essentials	2
Checkpoint Engage: Plan and Execute Audit Engagements	1.5
Checkpoint Engage Functionality: Single Audit	1.5
<u>2022</u>	
GFOA's 2022 Annual Governmental GAAP Update	4
2022 IPA Conference & Staff Discussion	8
Updates on GASBs, Ohio Compliance Supplement, Single Audits, and General Audit Considerations	8
SAS Updates – SAS No. 134 – SAS No. 141	4
General Procedures and Single Audit Testing – PRESENTER	5
2022 Ohio Compliance Supplement Update	2
Auditing and Excel – The Latest Developments – Must Know Excel Functions for CPAs	6



ZUPKA & ASSOCIATES

RESUMES AND QUALIFICATIONS

Jeff Rinehart, M.Acc., Senior Audit Manager

Jeff Rinehart earned a Bachelor of Science in Business Administration degree with a major in Accounting from Bowling Green State University and a Master of Accountancy with a specialization in Information System Auditing and Controls from Bowling Green State University in August 2007. Mr. Rinehart has been with the firm of Zupka & Associates since October 2007.

Mr. Rinehart has obtained considerable auditing experience during his tenure with the firm and has performed audits of:

- Counties
- Cities
- School districts, including city and local school districts and community schools
- HUD audits
- General health districts
- Insurance consortiums
- Workforce initiative associations

Mr. Rinehart has also performed the review and preparation of Annual Comprehensive Financial Reports, as well as the conversion of cash basis to GAAP basis financial statements and agreed-upon procedure engagements.

Mr. Rinehart also assisted in implementing the firm's electronic workpaper system.

CONTINUING PROFESSIONAL EDUCATION

	<u>Hours</u>
<u>2025</u>	
Accounting for Capital Assets – GFOA	8
Audit Procedures and GASB Updates	8
No Vacation from Estimated Compensated Absences	2
Community School Training – AOS	8
2025 Combined IPA Conference – AOS	8
<u>2024</u>	
2024 GFOA Annual Governmental GAAP Update	4
Auditor of State Findings for Recovery and Discussion	2
2024 Virtual Combined IPA Conference and Discussion	8
Single Audit Update and Discussion	3
Community School Training and Discussion	8
Updated Audit Procedures and Overview of Workpaper Procedures	3
Updated Audit Approach for 2023 Audits	8
<u>2023</u>	
GFOA's 2023 Annual Governmental GAAP Update	4
Discussion and Training regarding Single Audits	2
2023 Combined IPA Conference & In-House Discussion	8
Community School Training and Discussion	8
USAS ReDesign – Financial Reports for Audit and GAAP	1
Discussion and Understanding of New GASBs, Workpaper Updates, Discussion and Review of 2023 ORC	8
PPC Methodology Essentials	2
Checkpoint Engage Optimization: Internal Control	2
AdvanceFlow Engagement Setup, Management, and Finalization	1
AdvanceFlow Workpaper Essentials	2
Checkpoint Engage: Plan and Execute Audit Engagements	1.5
Checkpoint Engage Functionality: Single Audit	1.5
<u>2022</u>	
GFOA's 2022 Annual Governmental GAAP Update	4
2022 IPA Conference & Staff Discussion	8
Updates on GASBs, Ohio Compliance Supplement, Single Audits & General Audit Considerations	8
SAS Updates – SAS No. 134 – SAS No. 141	4
2022 Ohio Compliance Supplement Update	2
Auditing and Excel – The Latest Developments – Must Know Excel Functions for CPAs	6



ZUPKA & ASSOCIATES

FIRM GOVERNMENTAL EXPERIENCE

Firm Qualifications and Experience

The firm of Zupka & Associates has a professional staff of 20. Over 90 percent of our business is dedicated to serving the governmental sector. Our firm's ability to serve you is evidenced by our significant governmental client base and the capabilities of our personnel. The following summarizes the type of governmental services we provide:

Governmental Client Base

- We currently provide audit services to approximately 27 cities and counties.
 - 15 of these municipal clients receive the GFOA's Certificate of Achievement for Excellence
- We also provide audit services to counties, as listed below.
- Audit services for approximately 71 school districts, community schools, and academies
- Audit and consulting services to metropolitan housing authorities.
- We currently provide accounting services to approximately 26 cities and 14 related governmental organizations

Our firm's substantial governmental client base and commitment of staff to Governmental Service has provided our firm with the competence to serve your City professionally and efficiently.

Listed below are the entities that our firm has audited that are similar to the City of Hudson.

Entity	Period of Service	Total Hours	Contact Person	Phone Number
City of Lorain	01-01-15 to 12-31-24	790	Joe Koziura, City Auditor	440-204-2090
City of Cuyahoga Falls	01-01-16 to 12-31-24	650	Scott Fitzsimmons, Deputy Finance Director	330-971-8230
City of Avon Lake and Avon Lake Landfill * ♦	01-01-13 to 12-31-22	455	Beth Krosse, Director of Finance	440-933-6141
City of Oberlin	2003-2011/2015-2024	400	Marin Fowler, Interim Finance Director	440-775-7210
City of Brook Park * ♦	2003-2008/2015-2024	352	Robert McGann, Director of Finance	216-433-1300
City of Aurora	2014-2018/2019-2024	300	Tim Clymer, Finance Director	330-562-6131

Additional City audits that have been completed by our firm currently and previously that are believed to be relevant for the purpose of this proposal are included below. In this listing we have also included our audit experience with counties, as well as transit authorities, park districts, and health districts.

Entity	Period of Service	Total Hours	Contact Person	Phone Number
<u>Local Governmental Entity Audits</u>				
Miami County and Miami County Landfill	2015-2024	1,384	Matthew Gearhardt, County Auditor	937-440-5925
City of Lorain	2015-2024	790	Joe Koziura, City Auditor	440-204-2090
City of Cuyahoga Falls	2016-2024	650	Scott Fitzsimmons, Deputy Finance Director	330-971-8230
City of Bellevue *	2005-2014/2024	570	Patrick Smith, City Auditor	419-483-6399
City of Solon & Bainbridge Twp. Solon JEDD ♦	2015-2024	534	Matthew Rubino, Director of Finance	440-349-6300
City of Brunswick	42006-2015/2022-2023	520	Todd Fischer, Finance Director	330-225-9144
City of Brecksville	2011-2020	515	Laura Starosta, Director of Finance	440-526-4351
City of Euclid and Landfill * √ ♦	2024/2009-2018	511	Beth Krosse, Finance Director	216-289-8357
City of Rocky River, Rocky River Landfill, Wastewater Treatment Plant	2019-2024	510	Michael Thomas, Director of Finance	440-331-0600
City of Brooklyn and Brooklyn Landfill * ♦	2011-2020	504	Tom Raguz, Deputy City Administrator/Finance Director	216-635-4204
City of Cleveland Heights and Landfill	2012-2021/2023	503	Rodney Hairston, Finance Director	216-291-3927
City of Lakewood * ♦	2024/2009-2018	501	Renee Mahoney, Director of Finance	216-529-6101
City of South Euclid	2007-2016/2020-2024	480	Amy Himmelein, Finance Director	216-381-0400
City of Girard	2011-2013/2019-2024	470	Julie Coleman, Auditor	330-545-6843
City of Avon Lake and Avon Lake Landfill * ♦	2013-2022	455	Beth Krosse, Director of Finance	440-933-6141
City of Highland Heights *	2005-2015/2018-2023	440	Joseph Filippo, Finance Director	440-461-2440
City of Maumee	2005-2014/2017-2024	408	Jennifer Harkey, Finance Director	419-897-7115
City of Oberlin	2003-2011/2015-2024	400	Marin Fowler, Finance Director	440-775-7210
City of Fairview Park	2020-2024	385	Jennifer Pae, Finance Director	440-356-4401
City of Independence	2022-2024	364	Vern Blaze, Finance Director	216-524-9713
City of Gahanna	2021-2024	360	Joann Bury, Director of Finance	614-342-4065
City of Warrensville Heights * ♦	2015-2024	355	Karen Howse, Finance Director	216-587-6500
City of Brook Park * ♦	2003-2008/2015-2024	352	Robert McGann, Director of Finance	216-433-1300
City of Broadview Heights	2023	340	David Pfaff, Finance Director	440-526-3793
City of North Royalton	2019-2024	332	Jenny Esarey, Finance Director	440-582-6234
City of University Heights *	2011-2018/2020-2024	327	Katie Iaconis, Director of Finance	216-932-7800
City of Orrville	2020-2024	316	Janet Strimlan, Finance Director	330-684-5007
City of Wapakoneta and City of Wapakoneta Landfill	2017-2021	310	Wilbur Wells, Auditor	419-738-3011
City of Olmsted Falls *	2012-2020	300	Tom Reynolds, Finance Director	440-427-2349
City of Aurora	2014-2024	300	Tim Clymer, Finance Director	330-562-6131
Northwestern Water and Sewer District	2014-2023	300	Kay Ball, Chief Financial Officer	419-354-9090
Village of Oakwood *	2006-2009	300	Brian Thompson, Director of Finance	440-232-9988
City of Seven Hills *	2011-2014/2019-2024	300	Aaron Frank, Finance Director	216-524-4421
Lakewood	2001-2010/2012-2024	291	Matthew Clarke, Director of Finance	440-350-1000
City of Mentor-on-the-Lake	2020-2024	285	Jaclyn Martin, Director of Administration and Finance	440-257-7216
City of Maple Heights *	2011-2020	280	Tinita Tillman, Finance Director	216-587-9018
City of Mayfield Heights	2019-2024	275	Dana Skully, Finance Director	440-442-2626
Village of Mayfield	2011-2020	230	Ron Wynne, Director of Finance	440-442-1762
Miami County Public Health District	2015-2024	185	Angie Cotrell, Fiscal Specialist	937-573-3500
Tri-County Board of Recovery and Mental Health	2015-2024	180	Terri Becker, Chief Financial Officer	937-335-7727 x 206



ZUPKA & ASSOCIATES

FIRM GOVERNMENTAL EXPERIENCE

Entity	Period of Service	Total Hours	Contact Person	Phone Number
Listed below are cities and local governments for which we have provided GAAP conversion and ACFR preparation services.				
<u>Local Governmental Entity GAAP Conversions</u>				
Cuyahoga Community College **	2020-2023		Dean Astorino, Accounting Manager	216-987-4829
Lake County	2022-2024		Michele Pennell, County Auditor	440-350-2532
City of Parma Heights	2019-2024		Vince Nogalo, Finance Director	440-340-4820
City of Strongsville *	1995-2024		Eric Dean, Finance Director	440-238-5720
City of Fairview Park * ♦	2017-2024		Jennifer Pae, Finance Director	440-356-4400
City of Independence	2022-2024		Vern Blaze, Finance Director	216-524-9713
City of Mayfield Heights *	1997-2024		Dana Skully, Finance Director	440-442-2626
City of Seven Hills *	1997-2024		Aaron Frank, Finance Director	216-524-4421
City of University Heights	1989-2024		Katie Iaconis, Director of Finance	216-932-7800
City of Highland Heights	2001-2024		Joseph Filippo, Finance Director	440-461-2440
City of Euclid * √ ♦	2007-2024		James Smith, Finance Director	216-289-2850
City of Brook Park * ♦	2008-2024		Robert McGann, Director of Finance	216-433-1300
City of Kent * ♦	2008-2024		Rhonda Hall, Director of Finance	330-678-8102
City of Mentor-on-the-Lake *	2008-2024		Jaclyn Martin, Director of Administration and Finance	440-257-7216
City of Warrensville Heights * ♦	2008-2011/2016-2024		Karen Howse, Finance Director	216-587-6500
Village of Oakwood *	2009-2024		Brian Thompson, Director of Finance	440-232-9988
City of Avon Lake * ♦	2010-2024		Beth Krosse, Director of Finance	440-930-4124
City of Maple Heights *	2010-2012/2015-2024		Tinita Tillman, Finance Director	216-587-9018
City of Richmond Heights *	2011-2024		Tom DiLellio, Interim Finance Director	216-486-2474
City of Broadview Heights *	2013-2024		David Pfaff, Finance Director	440-526-3793
City of Bellevue *	2013-2024		Patrick Smith, City Auditor	419-483-6399
City of Olmsted Falls *	2013-2024		Tom Reynolds, Finance Director	440-427-2340
City of North Royalton *	2015-2022		Jenny Esarey, Finance Director	440-582-6234
City of Lakewood * ♦	2015-2024		Renee Mahoney, Director of Finance	216-529-6101
City of Brooklyn * ♦	2015-2024		Tom Raguz, Deputy City Administrator, Finance Director	216-635-4204
City of Mentor **	2024/2018-2020		David Malinowski, Director of Finance	440-974-5770
City of Cuyahoga Falls **	2018-2020		Scott Fitzsimmons, Deputy Finance Director	330-971-8230
City of Lorain *	2016-2024		Joe Koziura, City Auditor	440-204-2090
City of Springfield	2023-2024		Katie Eviston, Finance Director	937-521-8063
City of Reminderville	2021-2024		Kevin Huff, Finance Director	330-562-1866
Liberty Township	2021-2024		Rick Carr, Fiscal Officer	740-938-2007
Village of Hiram	2024		McKenna Miller, Fiscal Officer	330-569-7677
Laketrans * ♦	2008-2024		Matthew Clarke, Controller	440-354-6100
Lake Metropolitan Park District **	2014-2021/2024		Christopher Brassell, Chief Financial Officer	440-639-7275
Columbus Clippers Baseball Team *	2021-2024		Ken Schnacke, President and General Manager	614-462-5250
Southwest Regional Communication Network COG *	2014-2024		Marty Healy, Fiscal Officer	216-433-1300
NOPEC *	2020-2024		Thomas Huth, CFO	440-248-1992
Northern Ohio Risk Management Association *	2011-2024		Jeffrey Knoblauch, President	440-442-2626
Notheast Ohio Areawide Coordinating Agency (NOACA)	2024		Deborah Wordell, Finance Director	216-241-2414
Ohio Government Benefit Cooperative *	2018-2024		Cher Hoffman, Finance Director	440-953-4101
Eastern Suburban Regional Council of Governments	2015-2024		Joseph Filippo, Finance Director	440-461-2440

* The noted engagements include preparation of the City's GAAP financial statements.

** The noted engagements entailed review of the client-prepared ACFR.

♦ The noted engagements include preparation of the City's ACFR.

√ Web GAAP utilized in preparation process.

Audits of Other Entities

Western Reserve Port Authority	2012-2021	430	Anthony Trevana, Executive Director	330-856-1537
Northwestern Water and Sewer District	2014-2023	310	Kay Ball, CFO	419-354-9090
Ohio-Kentucky-Indiana Regional Council of Governments	2019-2024	300	Katie Hannum, Director of Finance	513-619-7683
Alliance of Transylvanian Saxons	1991-2024	200	Denise Crawford, President	440-842-8442
Shaker Heights Public Library	1995-2006	190	Dave Piskac, Business Manager	216-991-2030
Northern Ohio Risk Management Association *	2011-2020	159	Jeffrey Knoblauch, President	440-442-2626
Hancock County Schools Health Benefit Fund *	2014-2024	110	Rick VanMooy, Chairman	419-422-7525
Health Care Benefits Program of Lake County	2020-2024	96	Jennifer Capo, Fiscal Agent	440-259-9200
Public Entity Risk Consortium (PERC)	2016-2024	80	Gary Cameron, Treasurer	330-744-2161 x 211
State Housing Authority Risk Pool Association (SHARP)	2016-2024	74	Peggy Rice, Treasurer	740-354-4547
Ohio Housing Authority Property & Casualty, Inc. (OHAPCI)	2007-2006/2016-2024	74	Gary Cameron, Treasurer	330-744-2161 x 211



ZUPKA & ASSOCIATES

PROPOSED ENGAGEMENT TIMETABLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF THE CITY OF HUDSON

FOR THE CONTRACT PERIOD JANUARY 1, 2025 THROUGH DECEMBER 31, 2029

We have provided our best and realistic estimates. Some variances will be possible upon finalization during the entrance conference.		
	Engagement	1/1/2025
Public Office: <u>City of Hudson</u>	Audit Period(s):	12/31/2029
Note: Multi-year contract will follow similar dates, to be assumed to fall within 7 days of the schedule submitted hereunder.		Date
1.	IPA and representatives of the public office hold interim entrance conference.	02/02/26
2.	IPA completes interim fieldwork.	TBD
3.	IPA and representatives of public office hold progress conference.	continuously
4.	IPA provides detailed audit plan and list of schedules to be prepared by the public office.	02/02/26
5.	IPA and representatives of public office hold fieldwork entrance conference.	02/02/26
6.	Public office finalizes accounting records.	05/15/26
7.	IPA begins fieldwork at public office.	02/09/26
8.	Public office completes draft of financial statements to the extent needed by the IPA.	05/29/26
9.	IPA completes fieldwork.	06/01/26
10.	IPA provides drafts of audit reports and recommendations to management.	06/08/26
11.	Public office submits in writing final responses to IPA draft documents.	05/29/26
12.	IPA and representatives of public office hold exit conference.	06/16/26
13.	IPA delivers final report to Auditor of State, Quality Assurance, Columbus, Ohio.	06/30/26
	This date shall be no later than six (6) months past the public office's fiscal year end of the period under audit.	
The Office of the Auditor of State must receive written notification should the timetable submitted require modification. Changes in the timetable may be made only with the written consent of the Auditor of State.		

