

OHIO AUDITOR OF STATE KEITH FABER



Local Government Services
88 East Broad Street, Fourth Floor
Columbus, Ohio 43215-3506
(614) 466-4717 or (800) 345-2519
ContactLGS@ohioauditor.gov

April 9, 2024

J. Scott Gooding, Interim Treasurer/CFO
Sunbury Meadows Community Development Authority
110 Tippet Court
Sunbury, Ohio 43074

Dear Mr. Gooding:

This letter is to confirm our understanding of the terms and objectives of our engagement with the Sunbury Meadows Community Development Authority (Sunbury Meadows) and the nature and limitations of the services we will provide.

We will provide the following services:

Using our conversion software, the Local Government Services Section of the Auditor of State (LGS) will compile, from information provided by Sunbury Meadows, the annual financial statements for Sunbury Meadows as of and for the fiscal year ending June 30, 2024, and issue an accountant's report thereon in accordance with the Statements on Standards for Accounting and Review Services (SSARSs) issued by the American Institute of Certified Public Accountants (AICPA).

The objective of our engagement is to prepare financial statements to be in conformity with an other comprehensive basis of accounting and the display requirements of Governmental Accounting Standards Board Statement No. 34 based on information provided by Sunbury Meadows. LGS will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct including the ethical principles of integrity, objectivity, professional competence, and due care.

LGS is not required to, and will not, verify the accuracy or completeness of the information Sunbury Meadows provides to LGS for the engagement or otherwise gather evidence for the

purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within Sunbury Meadows or noncompliance with laws and regulations.

Our engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in conformity with an other comprehensive basis of accounting and the display requirements of Governmental Accounting Standards Board Statement No. 34. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare Sunbury Meadows financial statements in accordance with SSARs: 1) the selection of the financial reporting framework to be applied in the preparation of the financial statements; 2) the prevention and detection of fraud; 3) to ensure that Sunbury Meadows complies with the laws and regulations applicable to its activities; 4) the accuracy and completeness of the records, documents, explanations, and other information including significant judgments Sunbury Meadows provides to LGS for the engagement to prepare financial statements; and 5) to provide LGS with documentation and other related information that is relevant to the preparation and presentation of the financial statements, additional information that may be requested for the purpose of the preparation of the financial statements, and unrestricted access to persons within Sunbury Meadows of whom we determine necessary to communicate.

As part of our engagement, LGS will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them.

Sunbury Meadows agrees to include our accountant's compilation report in any document containing financial statements that indicate that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so.

Sunbury Meadows remains responsible for the preparation and fair presentation of the financial statements in conformity with an other comprehensive basis of accounting and the display requirements of Governmental Accounting Standards Board Statement No. 34. It is therefore the responsibility of Sunbury Meadows to be in a position in fact and appearance to make informed judgments while reviewing, evaluating, and approving the services provided under this engagement. It is also Sunbury Meadows responsibility to design, implement, and maintain internal controls, including monitoring ongoing activities.

To demonstrate that Sunbury Meadows is fulfilling these responsibilities, the following safeguards will be observed. Sunbury Meadows will designate a management level individual to be the primary contact accountable for overseeing this engagement and who will take responsibility for the appropriateness of the results of this engagement. Sunbury Meadows must submit documentation to support the designee's knowledge and capability to perform this

function. We will meet with this individual periodically to update our progress and to allow the individual to monitor engagement performance to ensure it meets management's objectives. This individual will perform all management functions and make all management decisions related to this conversion and compilation and will accept full responsibility for such decisions. Accordingly, this individual will review and approve all proposed adjustments before they are entered in the conversion software. Finally, this individual will evaluate the adequacy of the services performed under this engagement by the Local Government Services Section of the Office of the Auditor of State.

It is understood and agreed that the performance of this engagement by LGS will not lessen the scope and extent of the audit work to be performed by the Financial Audit Group of the Office of the Auditor of State.

Management is responsible for making all financial records and related information available to LGS. The hours of service offered in this letter are based on Sunbury Meadows providing a current, complete, and appropriately classified record of all cash receipts and disbursements made during the fiscal year, along with bank reconciliations of all bank accounts as of fiscal year end.

It is important that you provide financial records that balance and documentation that is adequate to support the necessary journal entries. If we discover inadequacies in the records or documentation you provide, we will return the information to you for correction.

All documents provided to LGS in connection with our services including financial records and reports, payroll records, employee rosters, health and medical records, tax records, etc. must be redacted of any personal information before submission. Personal information is defined as social security numbers, dates of birth, drivers' license numbers, or financial institution account numbers associated with an individual. Sunbury Meadows shall redact all personal information from electronic records before they are transmitted to LGS. This information should be fully blacked out in all paper documents prior to sending them to LGS. If personal information cannot be redacted from any records or documents, Sunbury Meadows must identify these records to LGS prior to their submission.

If redacting this personal information impairs the ability of LGS to provide the contracted services, Sunbury Meadows and the Auditor of State's Office will consider these exceptions on a case-by-case basis. Additionally, if redacting this information creates hardship on Sunbury Meadows in terms of resources, recordkeeping, or other issues, Sunbury Meadows and LGS may collaborate on alternative methods of providing Sunbury Meadows data to LGS without compromising the personal information on individuals served or employed by Sunbury Meadows.

During the course of the compilation, from financial records and supporting documentation you provide, LGS will propose journal entries for the preparation of the basic financial statements, review records and other information to determine whether data is being gathered at the required

level to permit the preparation of the financial statements, enter usable information from the prior fiscal year trial balances to the trial balances that will be used for the fiscal year being reported, and input approved journal entries into the trial balances.

All work papers prepared by the Office of the Auditor of State will remain the property of the Auditor of State. Accordingly, we are responsible for their care and custody. At the conclusion of the project, we will provide copies of any of the work papers you would like to have for your records. However, the work papers should not be regarded as a part of, or a substitute for, your accounting records.

If for any reason we are unable to complete the compilation of Sunbury Meadows financial statements, we will not issue a report on such statements as a result of this engagement.

It is estimated that 14 hours will be needed to complete this project for fiscal year 2024. Our fees for these services will be billed monthly to Sunbury Meadows at a rate of \$60 per hour and the total cost is not anticipated to exceed \$840 for fiscal year 2024. If additional time or services should be necessary, we will notify Sunbury Meadows regarding any amendment to this contract that may be required.

Pursuant to Ohio Rev. Code § 117.13, the Sunbury Meadows may charge all of these fees to the General Fund or may allocate the cost among the General Fund and other eligible funds. While eligible funds may include federal grant funds, additional restrictions under the Uniform Guidance 2 CFR 200.425 should be considered. For more information, refer to the annual Hourly Audit Rates and Allocation of Audit Costs technical bulletin available at www.ohioauditor.gov.

Upon a 30-day written notice, either party may terminate this Agreement for any reason. Such notice shall be sent by U.S. mail or by personal delivery to the Auditor of State, Local Government Services Section, 88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506. In the event of such termination, the Auditor of State shall be compensated at the contractually agreed-upon rate for any and all work done to the date of such notice.

The Auditor of State's billing statements are available through the office's eServices portal located at <https://eservices.ohioauditor.gov>. Sunbury Meadows should complete the registration process to establish an eServices account. A confirmed account will have the ability to access and/or update information regarding your customer account including Sunbury Meadows contact information, billings and payments, and an electronic check option for online payments. Authorized users are encouraged to keep eServices contact information updated.

Auditor of State billing statements are prepared monthly and are sent to clients who have an outstanding balance through a paperless electronic billing system. Sunbury Meadows will receive an email notification at the beginning of the month that a statement is available for review. Sunbury Meadows should access your billing statement upon receipt through eServices and payment is due by the date identified on the statement.

J. Scott Gooding, Interim Treasurer/CFO
Sunbury Meadows Community Development Authority
April 9, 2024
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A failure to pay the Auditor of State in full within forty-five days of the payment due date may result in additional action as authorized under Ohio Revised Code Sections 131.02 (A) and/or 117.13(D).

If you are in agreement with the terms of this contract, please sign and certify this engagement letter in the appropriate spaces and return it to me no later than May 24, 2024. If we do not hear from you by May 24, 2024, we will assume Sunbury Meadows does not wish to contract for the services of the Local Government Services Section of the Office of the Auditor of State. Should you have any questions concerning this letter, please do not hesitate to contact Cindy McCafferty, Chief Project Manager, at 1-800-345-2519.

Sincerely,

KEITH FABER
Auditor of State



David B. Thompson
Chief of Local Government Services

We desire the Auditor of State's Office to perform the services described above and agree to the terms and conditions set forth in this letter.

SUNBURY MEADOWS COMMUNITY
DEVELOPMENT AUTHORITY

Date: _____

Resolution No. _____ By: _____

It is hereby certified that the amount of \$ _____ required to pay this contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of the _____ Fund, free from any obligation or certification now outstanding.

Date: _____

J. Scott Gooding, Interim Treasurer/CFO

cc: Cindy McCafferty, Chief Project Manager
Stacie Scholl, Chief Auditor