

July 22, 2025

Ms. Anne Spence
Treasurer
Tiffin City School District
244 South Monroe Street
Tiffin, Ohio 44883

Dear Ms. Spence:

This letter confirms our recent discussion regarding professional accounting services our firm can provide the Tiffin City School District.

We will assist the District in conversion of its financial data from the cash basis to the modified and accrual basis of accounting for the fiscal year ended June 30, 2026, as required by the Auditor of State's office and in accordance with generally accepted accounting principles under GASB Statement No. 34.

The service we will provide with the preparation of the basic financial statements including footnote disclosures are as follows:

1. We will assist with the Management's Discussion and Analysis which will include the following components:
 - a. Description of the basic financial statements
 - b. Provision of condensed government-wide financial information in the form of condensed financial statements
 - c. Analysis of the overall financial position and results of operations for governmental activities
 - d. Discussion of significant transactions and changes in individual funds
 - e. Discussion of what happened with the budget this year
 - f. Description of capital assets and long-term debt activity during the year
 - g. Description of what happened to infrastructure assets
 - h. Description of any currently known facts, decisions, or conditions that are expected to have a significant effect on next year and beyond.

2. We will prepare the two types of basic financial statements, government-wide statements and fund financial statements, and all required notes. In relation to these statements, the following areas will be addressed:

Assets and Deferred Outflows of Resources

- a. Review client prepared accounts receivable, the sources of revenue, and accrue any other necessary receivables (including property taxes and grants), and deferred inflows of resources, if applicable
- b. Review of client prepared capital assets, including infrastructure assets
- c. Preparation of construction in progress – with client assistance
- d. Review of client prepared prepaid list and inventory counts.

Liabilities and Deferred Inflows of Resources

- a. Review client prepared schedules of accounts payable
- b. Preparation of accrued wages, pension, and other payroll related items
- c. Review of client prepared compensated absence schedules/liability.

Net Position

Conversion of fund balances to the three components of net assets required for government-wide reporting:

- a. Invested in capital assets, net of related debt
- b. Restricted
- c. Unrestricted

Revenues

- a. Assist in the identification and reporting of revenues as program revenues and general revenues
- b. Review client prepared accounts receivable and set up deferred inflows if applicable

Expenses

- a. Identification and reporting of expenses by function/program

Debt

- a. Prepare the long-term debt/liabilities – with client assistance
- b. Prepare all lease, financed purchase, and SBITA liabilities and calculations – with client assistance

Footnote Disclosures and Required Supplementary Information

Modification of footnote disclosures and required supplementary information as deemed necessary, based on GASB updates

Budgetary

We will prepare the budgetary comparison schedules to include both the original and final budgets for general and special revenue funds

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Fund Financial Statements

- a. Reconciliation of governmental fund statements to governmental entity-wide statements
- b. Identification and reporting of major and nonmajor funds for financial statement presentation

GASB Statements

Implementation of any new GASB Statements.

We wish to emphasize that our services do not include an audit of the financial statements in accordance with generally accepted auditing standards, nor an expression of opinion as to their fair presentation. Further, our services are not specifically designed and cannot be relied upon to disclose defalcations or other irregularities although, if present, their discovery may result.

Our proposed fees are based on the level of services we provide to your District. The following estimate was prepared based on our recent conversation and assumes information and documents we discussed will be provided by your staff. We anticipate that our fee for the conversion of the District's financial data from the cash basis to the modified and accrual basis of accounting for the fiscal year ended June 30, 2026, to be \$8,000. This includes implementation of GASB Statement No. 103, *Financial Reporting Model Improvements*, and filing of the financial statements on the Auditor of State's Hinkle System. We will complete the Basic Financial Statements by November 15th, 2026.

Should services other than those covered by this letter be required or requested, their extent and the additional fees will be discussed before we perform the work.

We shall be pleased to discuss this letter with you at any time and to explain the reasons for any item. We appreciate this opportunity to respond to your request for accounting services and we look forward to our continued business relationship.

If the terms above are acceptable to the Tiffin City School District and the services outlined are in accordance with the District's requirements, please sign and date this letter in the space provided and return it to us.

Sincerely,



Zupka & Associates
Certified Public Accountants

Accepted by the Tiffin City School District

By _____

Title _____

Date _____