

March 12, 2026

RE: Druid Hills Fiscal 2025-2026 Audit

The City of Druid Hills is in the process of engaging a new CPA firm to conduct its fiscal audit. The most recent audit was completed in 2025 for fiscal year 2023–2024. In accordance with current guidance from the Kentucky Department of Local Government, no audit was conducted for fiscal year 2024–2025. The City has elected to conduct audits on a biennial basis and is seeking an audit for fiscal year 2025–2026, ending June 30, 2026.

The City’s budgeted revenue is about \$90,000. Additional financial information is available on our website at DruidHillsKY.gov in the City Documents section.

The City invites interested firms to submit a proposal by April 24, 2026, for consideration. A proposed audit scope and list of objectives is included. Submissions should be emailed to Treasurer@DruidHillsKY.org or mailed to the city at P.O. Box 6777, Louisville, KY 40206.

The City is seeking to start the audit by September 1, 2026, with a completion date no later than December 1, 2026.

For questions or additional information, please contact me at Treasurer@DruidHillsKY.org.

Thank you for your time and consideration.

Sincerely,
Druid Hills



Mark Strebel
Druid Hills Treasurer

Enclosure



The City of Druid Hills

Audit Scope and Objectives

Fiscal 2025-2026 Audit

1. Audit the financial statements of the governmental activities of each major fund.
2. Utilize accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Druid Hills' basic financial statements.
3. Apply certain limited procedures to the City of Druid Hills' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but do not need be audited:
 - Management's Discussion and Analysis
 - Management's Budgetary Comparison Information
4. The objectives of the audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.
5. The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements.
6. conduct the audit in accordance with GAAS and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and include tests of accounting records and other procedures.
7. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the City.
8. Evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. Perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by the City or employees acting on behalf of the government.
10. Inform the appropriate level members of the Commission of any violations of laws or governmental regulations that are revealed by the audit.
11. Tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of material bank accounts.
12. As necessary request written representations from the City's legal counsel as part of the engagement.
13. Obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud.
14. Communicate any and all material findings to management and those charged with governance internal control related matters that are required to be communicated under the American Institute of Certified Public Accountants professional standards and Government Auditing Standards.

15. Test of the City of Druid Hills' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants.
16. Prepare reconciliations and cash to accrual adjustments from information provided by the City. (These non-audit services will not constitute an audit under Government Auditing Standards and such services do not be conducted in accordance with Government Auditing Standards. The City agrees to oversee the non-audit services by designating an individual, likely the Treasurer, with to evaluate the adequacy and results of those services and accept responsibility for them.)
17. A questionnaire of City officials will be conducted. The City officials will inform the auditor of knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, granters, regulators, or others.
18. The Treasurer will prepare all cash, accounts receivable, or other confirmations requested and will provide any documents selected for testing.
19. Provide a written report of the Audit to the City Mayor and Commissioners and report to the City all audit findings and material concerns. The City is responsible for distribution of the reports and the financial statements. The City is allowed to distribute and post the audit at its sole discretion. The audit may be distributed in electronic form.
20. The audit is to commence on or around the first day of September and conclude on or before the first day of December.