

Strothman and Company
Certified Public Accountants and Advisors
1600 Waterfront Plaza
325 West Main Street
Louisville, KY 40202
502 585 1600



June 20, 2016

Mr. William O'Mara
Commissioner of Finance and Administration
Department of Finance
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

Dear Bill:

This letter is to confirm our understanding of the services we are to provide for the Fayette County Sheriff for the period April 16, 2015 through April 15, 2016.

We will perform a compilation engagement with respect to information you provide, the annual Sheriff's Settlement – 2015 Taxes of the Fayette County Sheriff of the period April 16, 2015 through April 15, 2016.

Our Responsibilities

The objective of our engagement is to apply accounting and financial reporting expertise to assist you in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in accordance with accounting principles generally accepted in the United States of America.

We 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.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us 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 nor 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 the entity or noncompliance with laws or regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred,

unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America, if applicable.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
4. The prevention and detection of fraud.
5. To ensure compliance with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with-
 - a. Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that we may request from you for the purpose of the compilation engagement.
 - c. Unrestricted access to persons within the organization of whom we determine it necessary to make inquiries.
8. Including our compilation report in any document containing financial statements that indicate that we have performed a compilation engagement on such financial statements and prior to the inclusion of the report, to ask our permission to do so.

Our Report

As part of our engagement, we 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, nor provide any assurance on them. If for any reason, we are unable to complete the completion of your financial statements, we will not issue a report on such statements as a result of this engagement.

Other Relevant Information

William G. Meyer III is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your compilation. Our fees for the services described above will not exceed \$7,700. Our invoices for these fees will be rendered as work progresses. Our policy is that such invoices are payable in thirty days. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Strothman and Company

A handwritten signature in black ink, appearing to read "Bill", with a long, sweeping horizontal stroke extending to the right.

William G. Meyer III CPA
Managing Partner

RESPONSE:

This letter correctly sets forth the understanding of the Lexington-Fayette Urban County Government.

Signature: Jim Gray


Title: Mayor

Date: 5-Jul-2016

MAYOR JIM GRAY

**LEXINGTON**WILLIAM O'MARA
COMMISSIONER
FINANCE**MEMORANDUM**

TO: Mayor Jim Gray
Members, Urban County Council

FROM: William O'Mara, Commissioner 
Department of Finance

DATE: June 10, 2016

SUBJECT: Sheriff's Settlement – 2015 Property Tax Audit

Attached is the agreement to conduct the Sheriff's Settlement for the 2015 Property Tax year to be prepared by Strothman and Company, *Certified Public Accountants and Auditors*. The funds are fully budgeted and not to exceed \$ 7,700.

Approval of this agreement is requested.

cc: Kathy Witt, Fayette County Sheriff

