



March 28, 2022

Ms. Erin Hensley
Finance Commissioner
Department of Finance
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

Dear Erin:

We are pleased to confirm our acceptance and understanding of the services we are to provide for the Fayette County Sheriff for the period April 16, 2021 through April 15, 2022.

You have requested that we perform a compilation engagement with respect to information you provide for the annual Sheriff's Settlement – 2021 Taxes (the "Statement") of the Fayette County Sheriff for the period April 16, 2021 through April 15, 2022, and the related notes to the Statement.

Our Responsibilities

The objective of our engagement is to--

1. Prepare the Statement in accordance with the modified cash basis of accounting based on information provided by you, and
2. Apply accounting and financial reporting expertise to assist you in the presentation 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 them to be in accordance with the modified cash basis of accounting.

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 American Institute of Certified Public Accountants ("AICPA") and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct* and its ethical principles of integrity, objectivity, professional competence, and due care when preparing the Statement, and performing the compilation engagement.

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 Statement.

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 and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair our independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is prepare the Statement in accordance with the modified cash basis of accounting and assist you in the presentation of the Statement in accordance with modified cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of the modified cash basis of accounting as the financial reporting framework to be applied in the preparation of the Statement.
- 2) The preparation and fair presentation of the Statement in accordance with the modified cash basis of accounting and the inclusion of all informative disclosures that are appropriate for the modified basis of accounting, if applicable. This includes-
 - A description of the modified cash basis of accounting, including a summary of significant accounting policies, and how the basis of accounting differs from accounting principles generally accepted in the United States of America, the effects of which need not be quantified.
 - Informative disclosures similar to those required by accounting principles generally accepted in the United States of America.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.
- 4) The prevention and detection of fraud.
- 5) To ensure that the Fayette County Sheriff complies 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—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the Statement, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the entity of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee the preparation of your Statement.

You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the Statement and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your Statement, we will not issue a report on such statement as a result of this engagement.

Our report will disclose that the financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

You agree to include our accountants' compilation report in any document containing the Statement that indicates that we have performed a compilation engagement on such Statement and, prior to the inclusion of the report, to ask our permission to do so.

Other Relevant Information

Jeanna L. Jones 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 \$8,700. 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



Jeanna L. Jones, CPA
Partner

RESPONSE:

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

Signature:

Title:

Date: