



January 21, 2025

Newport Board of Education
30 W 8th St
Newport, KY 41071

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Services Provided

We will prepare a monthly budget analysis in a form and format agreeable to the Newport Board of Education. And, we will meet with the superintendent and finance officer to discuss and review the analysis.

Our Responsibilities

The objective of our engagement is to prepare a monthly budget analysis based on information provided by you. 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, or provide any assurance on the budget analysis.

Our engagement cannot be relied upon to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot therefore be relied upon to make disclosure of such matters.

Management Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the budget analysis based on information provided by you. Management has the following overall responsibilities that are fundamental to our undertaking the engagement:

1. The design, implementation, and maintenance of internal control relevant to the preparation of financial information to be used in the budget analysis.
2. The prevention and detection of fraud.
3. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for this engagement.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management, (b) employees who

have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Term and Termination

This will be a month-to-month engagement between the Newport Board of Education and our firm. Either party may terminate this engagement for any reason by notifying the other party in writing.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

Engagement Fee

The fee for this engagement will be \$850.00 per month.

This document represents the entirety of our engagement, and we do not agree to perform any other service, unless specifically described above.

Paul Maddox
Paul Maddox, CPA

Accepted by Newport Board of Education:

Printed Name

Signature

Date