



LINDA HITE LULUE, CPA

January 19, 2016

Mrs. Tina Miceli, Mayor
City of Harahan
6437 Jefferson Highway
Harahan, LA 70123

Dear Mrs. Miceli:

We are pleased to confirm our understanding of the terms and objectives of this engagement and the nature and limitations of the services which will be provided for the City of Harahan ("the City"). This engagement will begin on January 14, 2016 and will continue, so long as both parties are satisfied, for the duration of Mrs. Miceli's term of office, and subject to funds allocated by Council as prescribed by law. The accounting period covered will begin with the fourth quarter of 2015 (October 1 – December 31, 2015). All such work will be done at the discretion of the Mayor or her appointee, and may include activities such as the following:

ACCOUNTING AND RECORDKEEPING

We will gain an understanding of the key accounting policies, principles, and procedures being followed, recordkeeping methods and data maintenance, file structures and file contents, and timeliness of reporting and reporting mechanisms. If recommendations for changes are noted, as they pertain to safeguarding of assets, weaknesses in internal controls, or efficiency and effectiveness of the accounting staff, they will be discussed with the Mayor. We will assist with implementation of proposed changes as directed by the Mayor. This work will be done on an ongoing basis.

FINANCIAL STATEMENTS

In connection with the monthly financial statements prepared by the City's accounting department, we will review journal entries, request and/or perform specific account analysis, compare budget to actual, review the assumptions used in expense accruals, revenue recognition, and tax calculations, and perform other procedures as needed. We will not be reviewing cancelled checks nor verifying signatures on such checks. The above work will be done on a timely basis to ensure that the City meets its timetable for distribution of the financial statements.

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The above procedures do not constitute an audit, review, or compilation of the financial statements in accordance with the standards established by the American Institute of Certified Public Accountants (AICPA).

SPECIAL PROJECTS

During the course of our engagement, we will assist with various projects of the City. These can include, but are not limited to, cash management, personnel procedures, review of insurance coverage, computer/software installation (for which a separate engagement letter will be issued), financing arrangements, training of accounting personnel, liaison with vendors or other professionals engaged by the City, liaison with the City Council, and assistance with development of operating budgets and forecasts.

Additionally, we will prepare or oversee any working paper schedules requested by the auditors and assist with the preparation of the audit in any way needed. We will record or verify that any adjustments required by the auditors are properly done.

LIMITATIONS

The work performed above will be done on an as-needed hourly basis, which limits our involvement and knowledge of the daily operations of the City. Because of this, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcation, may exist and may not be detected by us. By signing below, the City acknowledges this fact and agrees to indemnify us should any of the above situations occur.

The Mayor, in her official capacity, bears the ultimate responsibility for any and all decisions made. By your signature below, you acknowledge that you are responsible for management decisions and functions. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

This engagement cannot be relied upon to disclose errors, fraudulent financial reporting, and misappropriation of assets or illegal acts that may exist. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of this engagement that fraud may have occurred. We will also report to you any evidence or information that comes to our attention regarding illegal acts that may have occurred, unless they are clearly inconsequential.

INDEMNITY

To the extent we are acting on behalf of the City and at the direction of the Mayor or her

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appointee, the City agrees to indemnify us for any damages that may result from our good faith actions.

CONFIDENTIALITY

During the course of this engagement we may have access to proprietary information of the City, including, without limitations, oral and written information and material concerning or pertaining to the City's trade secrets, business methods, plans and/or projects. We acknowledge that such information, regardless of its form, is confidential and proprietary to the City, and that we shall not use, copy, or disclose the information in whole or in part in any manner or to any person or entity without the express prior written consent of the Mayor, unless required by law. You will be charged my normal hourly rate and all reasonable expenses incurred to comply with such requests.

All original documentation will be retained by the City. The City is responsible for retaining and protecting them for possible future use, including potential examination by any government or regulatory agencies.

FEES

The fees will be based on the actual time spent at our hourly standard rates, plus any out-of-pocket costs which may be incurred (such as manual bindings or e-file charges). Our standard hourly rates vary according to the degree of responsibility involved and the skill required, and will be charged as follows:

Owner/Principle - \$ 105.00 / hour
Senior Accountant - \$ 75.00 / hour

Payment for services is due when rendered. Billings become delinquent if not paid within thirty (30) days of the invoice date. If billings are past due in excess of forty-five (45) days, we reserve the right to discontinue services until your account is brought current, or withdraw from this engagement. The City acknowledges and agrees that we are not required to continue work in the event of their failure to pay on a timely basis for services rendered as required by this engagement letter.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties. Client and accountant

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both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to you and believe this letter correctly expresses 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 and return it to me, maintaining a copy for your files. This letter will continue in effect until canceled by either party.

Sincerely,

Linda Hite Lulue

Linda Hite Lulue, CPA
Owner/Principle

Response:

The letter correctly sets forth the understanding of the City of Harahan with regards to accounting services as outlined above.

Tina Miceli

1/19/16

Tina Miceli, Mayor
City of Harahan

Date

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