

February 24, 2025

Honorable Mayor Kevin Clement
City of Thibodaux, Louisiana
310 W. 2nd Street
Thibodaux, LA 70301

Dear Honorable Mayor Kevin Clement:

This engagement letter, together with the attached EisnerAmper LLP Standard Terms and Conditions of Engagement, sets forth the terms and conditions on which EisnerAmper LLP (“EisnerAmper” “we” “our” “us”) will provide the services set forth below.¹

I. Client

City of Thibodaux, Louisiana (the “Client” “you” “your”).

II. Services and Fee

Agreed-Upon Procedures Services (“AUP Services”) and Fee

1. AUP Services

EisnerAmper will apply the agreed-upon procedures listed in the attached Statewide Agreed-Upon Procedures Attachment, prescribed by the Louisiana Legislative Auditor (“LLA”), to the control and compliance (“C/C”) areas, identified in the LLA’s Statewide Agreed Upon Procedures (“SAUPs”) document, of the City of Thibodaux for the fiscal period January 1, 2024, through December 31, 2024. The City of Thibodaux’s management is responsible for the control and compliance areas identified in the SAUPs.

The engagement is solely for the purpose of performing specified procedures on the C/C areas identified in the LLA’s Statewide SAUPs for the fiscal period January 1, 2024, through December 31, 2024.

This report is intended for use by the Client and the LLA and is not expected to be restricted to the use of these specified parties. It is expected that the report will be published on the LLA website.

¹ EisnerAmper is a licensed CPA firm that practices as part of an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper has a contractual arrangement with Eisner Advisory Group LLC (“EA Group”), whereby EA Group provides EisnerAmper with professional and support personnel and other support services to permit EisnerAmper to perform its professional services. EA Group is not a licensed CPA firm.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgement that the procedures performed are appropriate for the intended purpose of the engagement as noted above. A refusal to provide such agreement and acknowledgment will result in our withdrawal from the engagement. LLA acknowledges that the procedures performed are appropriate for their purposes by their acceptance of the standard audit engagement approval form. We make no representation that the procedures we will perform are appropriate for the intended purpose of the engagement or for any other purpose.

2. AUP Services Fee

Based upon the information made known to us at this time, the estimated fee for the AUP Services is \$15,500, including out-of-pocket expenses. This fee estimate is based on the assumptions that you will provide assistance, the anticipated cooperation from your personnel, and the assumption that unexpected circumstances will not be encountered during the engagement. If any of the assumptions outlined below are not met or unanticipated circumstances, including but not limited to a change in the nature of the Client by the addition of new subsidiaries, funds, component units, locations or other changes of a material nature arise that impact the estimated fee above, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Any amendments to the not-to-exceed amount of the fees will be in writing and signed by both our firm and your agency.

The estimated fee is based upon the complexity of the engagement, the timeliness and completeness of the information and documentation provided to us, the time required of our personnel, and on the assumption that circumstances requiring unanticipated work will not arise. In addition, the estimated fee is based on the following assumptions:

- Client will provide us with the schedules and records that we request (which will be detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the mutually agreed-upon dates.

Our invoices are due and payable upon presentation. We will issue an initial invoice upon the commencement of field work and subsequent invoices at regular intervals until the engagement is completed.

In the event we do not receive prompt payment of invoices rendered, we shall not be required to perform any further services until we have received such payment, whereupon we will resume our work as soon as the individuals working on the engagement become available, and that we shall not be responsible for any late filings, penalties, interest, missed elections or other consequences which may result from such a delay.



III. EisnerAmper Responsibilities and Limitations

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Client and the LLA and will be published on the LLA's website as a public document in accordance with Louisiana Revised Statute 24:513. In accordance with *Government Auditing Standards*, the report will include an alert that the purpose of the report is intended solely to describe the scope of testing performed on the C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance, and accordingly, the report is not suitable for any other purpose.

If we encounter restrictions in performing our procedures, we will discuss the matter with you. If we determine the restrictions are appropriate, we will disclose the restrictions in our report. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued. There may exist circumstances that, in our professional judgment, will require we not issue a report and withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or we conclude that the written representations provided are otherwise not reliable.
- We determine that the description of the procedures performed, or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of the engagement are not appropriate.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management, written confirmation concerning representations made to us in connection with the agreed upon procedures that, among other things, will confirm management's responsibility for the C/C areas and administration of those areas in accordance with the best practices criteria in the SAUPs. You agree to provide such confirmation.



Because the agreed-upon procedures listed above do not constitute an examination or review, we will not express an opinion or conclusion on the C/C areas. In addition, we have no obligation to perform any procedures beyond those to which you agree as listed in the attached schedule.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, should any such matters come to our attention, we will communicate them in accordance with professional standards and applicable law. In addition, if in connection with this engagement, matters come to our attention that contradict the results of the procedures performed in the C/C areas, we will communicate such matters to you and will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

EisnerAmper and EA Group may assign employees or employees of EA Group's subsidiaries and affiliates located outside the United States to work on Client's engagement, and to provide operational support services to EA Group and EisnerAmper. Client hereby consents to EisnerAmper and EA Group assigning EA Group employees and affiliated entities located outside the United States to this engagement, and to the transmitting of Client information to such employees and affiliated entities as needed to perform the services for Client and to perform operational services.

Tiffani Dorsa is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

IV. Management's Responsibilities and Representations

You are responsible for the C/C areas and ensuring that these areas are administered in accordance with the best practices criteria presented in the SAUPs. In addition, you are responsible for providing us with:

- a) Access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter;
- b) Additional information that we may request for the purpose of performing the agreed-upon procedures; and
- c) Unrestricted access to persons within the Client from whom we determine it necessary to obtain evidence relating to performing those procedures.

You will provide us with the schedules and records that we request (which will be detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed-upon, so that we may complete our engagement in an efficient and timely manner. You acknowledge that we must have sufficient time to conduct our AUP engagement. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the schedules and records are provided to us and the individuals assigned to the engagement become available. Should we not receive such information and assistance from you with sufficient time to complete our AUP procedures, then you acknowledge that we can give no assurances that our AUP report will be completed prior to any deadline that you may have.



V. Independence and Nonattest Services

Professional standards require that a firm and its covered members maintain independence throughout the professional engagement period. In order to preserve our independence, the Client shall not solicit EisnerAmper or EA Group staff for employment and no offer of employment shall be discussed with any EisnerAmper or EA Group professional during the professional engagement period. The Client shall inform the engagement partner before entering into any substantive employment discussions with any EisnerAmper or EA Group personnel.

To the extent EisnerAmper performs any nonattest services (including, but not limited to, advice regarding appropriate accounting principles and their application, or the preparation of the Client's financial statements, etc.), the Client assumes all management responsibilities, which means that the Client will make all management decisions and perform all management functions, designate an individual, preferably from senior management, with suitable skill, knowledge, and/or experience to oversee the services, evaluate the adequacy and results of the services performed, accept responsibility for the results of the services and, where appropriate, establish and maintain internal controls including monitoring ongoing activities. EisnerAmper, in its sole professional judgment, reserves the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

VI. Termination of Engagement

EisnerAmper's engagement ends upon the earlier of (i) delivery of the final work product for which EisnerAmper has been engaged, (ii) where applicable, filing of the final work product for which EisnerAmper has been engaged, or (iii) in the event no final work product is delivered or filed, the date on which the last invoice for the services was issued, not including any subsequent account payable reminder, revised bill, or other communications concerning completed services. Client has the right to terminate EisnerAmper's services at any time, and EisnerAmper has the right to resign at any time, subject in either case to payment for all charges incurred to the date of termination or resignation. In the event Client or EisnerAmper exercise the right to terminate EisnerAmper's services, such termination shall be in writing and shall be effective upon delivery by mail, overnight mail or email transmission. Each of the termination events in this paragraph shall each be referred to as an "Engagement Termination Event."

* * *



Please indicate acceptance of the above terms and attached EisnerAmper LLP Standard Terms and Conditions of Engagement by signing and returning this letter by mail, facsimile, pdf/email or DocuSign.

This engagement letter may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this engagement letter by facsimile, email in portable document format (.pdf), or by any other electronic means (including DocuSign) has the same effect as delivery of an executed original of this engagement letter.

Very truly yours,

EISNERAMPER LLP

By: 
Tiffani M. Dorsa, Partner

Accepted:

This letter and the attached EisnerAmper LLP Standard Terms and Conditions correctly set forth the understanding of the City of Thibodaux, Louisiana.

Management signature:

By: _____
Signature

Title

Print Name

Date



EISNERAMPER LLP
Statewide Agreed-Upon Procedures Attachment

City of Thibodaux, Louisiana (the "entity") for the fiscal period January 1, 2024 – December 31, 2024

Agreed-Upon Procedures to be Performed

We will report all findings to the following procedures, either after each procedure or after all procedures, within each of the fourteen AUP categories. "Random" selections may be made using Microsoft Excel's random number generator or an alternate method selected by EisnerAmper that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories, if applicable, to public funds and the entity's operations:²
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

² For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.



- ix. **Ethics**³, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) **Board or Finance Committee**⁴

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds⁵, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁶ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.⁷

³ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

⁴ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

⁵ Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁶ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁷ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.



3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁸ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)⁹

- A. Obtain a listing of deposit sites¹⁰ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations¹¹ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

⁸ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

⁹ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

¹⁰ A deposit site is a physical location where a deposit is prepared and reconciled.

¹¹ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.



- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.¹²
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt¹³ at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

¹² The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹³ As required by Louisiana Revised Statute 39:1212.



- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note:* If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹⁴. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

¹⁴ Including cards used by school staff for either school operations or school activity fund operations.



- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁵. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements¹⁶ (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, EisnerAmper may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁷ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

¹⁵ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁶ Non-travel reimbursements are not required to be inspected under this category.

¹⁷ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" (R.S. 38:2211 *et seq*) with "Louisiana Procurement Code."



- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁸ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁹ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

¹⁸ "Officials" would include those elected, as well as board members who are appointed.

¹⁹ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.



10) Ethics²⁰

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service²¹

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice²²

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

²⁰ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²¹ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²² Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs. The notice is available for download at www.la.la.gov/hotline



13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:126723. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

14) Prevention of Sexual Harassment²⁴

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

²³ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

²⁴ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.



- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.



EISNERAMPER LLP
STANDARD TERMS AND CONDITIONS OF ENGAGEMENT

Client: City of Thibodaux, Louisiana ("Client")

Engagement Letter Date: February 24, 2025 (together with these Standard Terms and Conditions of Engagement, the "Engagement Letter")

1. **Alternative Practice Structure:** EisnerAmper LLP ("EisnerAmper") practices as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper is a licensed CPA firm that provides attest services to its clients. EisnerAmper has a contractual arrangement with Eisner Advisory Group LLC ("EA Group"), whereby EA Group (which includes its subsidiary EAG Gulf Coast, LLC) provides EisnerAmper with professional and support personnel to perform professional services on behalf of EisnerAmper. EA Group is not a licensed CPA firm. EisnerAmper and EA Group have reasonable safeguards for the protection of confidential client information and shall comply with the Confidentiality terms herein. EisnerAmper shall at all times remain responsible for the services and for the EA Group employees that perform the services. The Services provided pursuant to this Engagement Letter shall be covered by the Louisiana Accountancy Act, La.R.S. 37:71, et al, and La.R.S. 9:5604 to the extent applicable.
2. **Client Information and Confidentiality:**
 - a. In accordance with the AICPA Code of Professional Conduct and applicable federal, state and local rules, EisnerAmper will not disclose confidential client information without Client²⁵ consent, except that EisnerAmper shall be permitted to disclose confidential client information (i) to any government agency or regulatory body to the extent and in the form or manner necessary or required to comply with any rule, regulation or order of such government agency or regulatory order, or (ii) pursuant to subpoena after contradictory hearing pursuant to La.R.S. 37:86 et al and Louisiana Code of Evidence Articles 515 and 517, to the extent the Louisiana Accountant-client privilege applies. EisnerAmper utilizes appropriate safeguards, policies and procedures to maintain the confidentiality of confidential client information. Client hereby consents to EisnerAmper sharing Client information with EA Group for the purpose of supporting EisnerAmper in performing the services for which EisnerAmper is engaged. It is expressly understood that disclosure of Client information to EA Group will be limited to such information that is required for EA Group and its employees to provide the services covered by this Engagement Letter.
 - b. In the event EisnerAmper uses third-party service providers to assist in providing professional services, EisnerAmper may share confidential client information with those service providers. EisnerAmper requires that such third-party service providers utilize appropriate safeguards and procedures to protect confidential client information. Client hereby consents to disclosure of its confidential client information to third-party service providers for the purpose of the third-party service provider assisting with the services provided pursuant to this Engagement Letter.

²⁵ For purposes of these Standard Terms and Conditions of Engagement, the term "Client" shall mean the entity or individual identified in the Engagement Letter above which engaged EisnerAmper LLP for the services subject to the attached Engagement Letter, and shall include any subsidiary or related entity for which the services are provided.



- c. EisnerAmper may transmit or receive information or documents through electronic means, including through the firm's secure portal ("EisnerAmper's Portal"). If Client will be using EisnerAmper's Portal to transmit or receive information or documents, Client agrees that it shall at all times comply with the terms of use of EisnerAmper's Portal and shall only permit authorized users to access or transmit information or documents through the portal. In the event that Client creates one or more user accounts to access information or documents transmitted through EisnerAmper's Portal, Client shall notify EisnerAmper to disable any user account for which an individual(s) is no longer authorized to access Client information transmitted through EisnerAmper's Portal. Client is solely responsible for maintaining their books and records and should not rely on EisnerAmper as their record-keeper or repository for any final work product for which EisnerAmper has been engaged. Client agrees to retrieve final work product from EisnerAmper's portal within a reasonable period of time after the conclusion of the engagement.
 - d. If Client's technology, including but not limited to collaboration sites, file transfer servers and requested remote access protocols including VPN, is utilized for the Services ("Client Technology"), EisnerAmper shall have no responsibility for the confidentiality, security, integrity, or availability of documents, applications and information stored, transmitted, modified or accessed via Client Technology. EisnerAmper shall have no liability to Client or to any third party for any expenses, costs, losses, inoperability or damages incurred as a result of the use of Client Technology ("Technology Losses"), and Client shall defend, indemnify, and hold harmless EisnerAmper for any Technology Losses incurred in connection with EisnerAmper's use of Client Technology. EisnerAmper shall not have any administrative rights or auditing capability with respect to Client Technology, and shall not utilize Client Technology or have the right to access Client Technology for any purpose other than to provide the Services. EisnerAmper reserves the right to decline to use Client Technology in its sole discretion.
 - e. EisnerAmper is committed to protecting the confidential and personal information entrusted to it and to ensuring that its vendors comply with applicable privacy laws. By entering into this Engagement Letter, you consent to the terms and conditions of EisnerAmper's privacy law notices and contract terms located at <https://www.eisneramper.com/privacy-law-resource-center>.
 - f. EisnerAmper may use Client information provided in connection with the services set forth in this Engagement Letter ("Client Data") for the purpose of aggregating Client Data with similar data from other EisnerAmper clients and with similar data purchased from industry sources (collectively, the "Aggregated Data") for the purpose of analyzing, summarizing and standardizing the aggregated data for benchmarking (the "Benchmarking"). All Client Data and Aggregated Data shall be maintained by EisnerAmper on a secure database. EisnerAmper shall keep and maintain as confidential Client Data and shall not disclose or provide access to Client Data except as set forth herein or as otherwise agreed by the parties in writing, except that EisnerAmper may disclose Aggregated Data, masked to remove identification of any client, to third-parties, which in EisnerAmper's sole discretion have an interest in the Aggregated Data for business purposes. Any and all Aggregated Data, including Client Data, shall be sufficiently aggregated and masked so that no recipient of Aggregated Data will be able to access or identify individual data points of any specific client.
3. **Work Papers:** All work papers prepared in conjunction with this engagement are confidential and are the property of EisnerAmper. Work papers and Client documents and information will be retained in accordance with EisnerAmper's document retention policies.



4. **Employees and Subsidiaries:** EisnerAmper and EA Group may assign employees or employees of EA Group's subsidiaries and affiliates, including employees located outside the United States to work on Client's engagement, and to provide operational support services to EA Group and EisnerAmper. Client hereby consents to EisnerAmper and EA Group assigning EA Group employees and affiliated entities, including those located outside the United States to this engagement, and to the transmitting of Client information to such employees and affiliated entities as needed to perform the services for Client and to perform operational services.
5. **No Third-Party Beneficiary:** The engagement is being undertaken solely for Client's benefit and the parties do not intend to benefit or provide contractual, equitable or other rights to any other person or entity.
6. **Out-of-Scope Services:** Any services outside the services set forth in this Engagement Letter will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific Engagement Letter for that service. In the event an Engagement Letter for the out-of-scope services is not issued, each such out-of-scope service shall be a separate and new engagement performed pursuant to these Standard Terms and Conditions of Engagement and billed at our standard hourly rates.
7. **Limitations of Liability and Indemnification:**
 - a. **Limitation of Liability:** EisnerAmper's and EA Group's maximum liability for damages relating to the services provided pursuant to this Engagement Letter, whether the liability is based upon EisnerAmper's or EA Group's negligence or otherwise, shall be limited to the fees paid to EisnerAmper for the service or work product giving rise to liability, provided that such limitation shall not apply where damages are judicially determined to have been caused by EisnerAmper's or EA Group's gross negligence or willful misconduct.
 - b. **Special Damages:** In no event shall EisnerAmper, EA Group or their personnel be liable to Client for any consequential, incidental, indirect, exemplary, punitive or special damages, including but not limited to emotional distress, in connection with claims arising out of or related to this Engagement Letter or the services described herein, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
 - c. **Indemnification:** The services, work product, deliverables, advice and/or recommendations provided under this Engagement Letter are for the use and benefit of Client only. Client shall indemnify and hold harmless EisnerAmper and EA Group for any time expended, expenses (including reasonable legal fees and costs), costs and/or losses incurred in connection with any lawsuit or other legal or regulatory action or proceeding brought by a third party (including Client's affiliates, members and/or partners) involving or relating to the services under this letter, whether or not such costs and/or losses are due to the negligence of EisnerAmper or EA Group, provided that such indemnification shall not apply where such expenses or losses are judicially determined to have been caused by EisnerAmper's or EA Group's gross negligence or willful misconduct.
 - d. **Client Representations:** Because of the importance of Client's representations to the services, Client agrees to release and indemnify EisnerAmper, EA Group and their personnel from and against any liability and costs relating to EisnerAmper's and EA Group's services under this Engagement Letter attributable to any misrepresentations by Client.



8. **Reimbursement of Expenses Related to Compliance with Subpoenas:** In the event that EisnerAmper or EA Group receive a subpoena or other legal process in an action or proceeding in which neither EisnerAmper nor EA Group are a party, that seeks testimony, documents or information related to the services provided pursuant to this Engagement Letter, Client shall reimburse EisnerAmper for all costs and expenses (including reasonable legal fees and costs) associated with providing such testimony, documents or information, including any time expended at EisnerAmper's then standard rates.
9. **Employment of EisnerAmper or EA Group Staff:** In the event Client hires a member of EisnerAmper's or EA Group's professional staff, Client shall pay a fee equal to the annual compensation being paid to the individual by EisnerAmper or EA Group. Such fee is payable when the employee accepts the position.
10. **Statute of Limitations:** Any legal action or proceeding asserting a claim against EisnerAmper or EA Group arising out of or relating to this Engagement Letter or the services provided under this Engagement Letter shall be asserted within the time periods set forth in La.R.S. 9:5604 and, regardless of the time periods set forth in La.R.S. 9:5604, no later than one (1) year from the Engagement Termination Event, as defined in the Engagement Letter.
11. **Jurisdiction, Choice of Law and Jury Waiver:**
 - a. **Louisiana and Jurisdiction:** The terms of this Engagement Letter and all related matters, including any dispute or claim that may arise between us related to the services provided hereunder, shall be governed by the laws of the State of Louisiana without giving effect to choice of law principles and any legal action or proceeding related to this Engagement Letter or the services performed or to be performed pursuant hereto shall be brought before a Louisiana Accountant Review Panel, pursuant to the Louisiana Accountancy Act and otherwise in the state or federal courts located in Louisiana, as applicable.
 - b. **Jury Waiver:** EisnerAmper and Client, to the extent permitted by law, each knowingly, voluntarily and intentionally waive the right to a trial by jury in any action arising out of or relating to this Engagement Letter or the services to be performed by EisnerAmper pursuant hereto. This waiver applies to any legal action or proceeding whether sounding in contract, tort, negligence or otherwise.
12. **Miscellaneous:**
 - a. The Engagement Letter and these Standard Terms and Conditions of Engagement shall not be amended, unless in writing and signed by authorized representatives of all parties.
 - b. The Engagement Letter and these Standard Terms and Conditions of Engagement contain the full and complete understanding of EisnerAmper and Client with respect to the subject matter and services described in the Engagement Letter and supersede all prior representations, agreements, contracts, and understandings concerning such subject matter and services, whether they be oral or written, including but not limited to any prior non-disclosure agreements.
 - c. The signatories to the Engagement Letter represent and warrant that such person is lawfully authorized and empowered to execute the Engagement Letter on behalf of the party on whose behalf such person is signing, and that upon execution, the Engagement Letter will be binding upon such party, without any further approval, ratification, or other action.



- d. California Accountancy Act: For engagements where services will be provided by EisnerAmper or EA Group through offices located in California, Client acknowledges that certain personnel who may be considered “owners” under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079 and California Code of Regulations Title 16 section 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any state.
 - e. Any provision of this Engagement Letter and these Standard Terms and Conditions of Engagement which is prohibited or unenforceable in any jurisdiction shall be so only as to such jurisdiction and only to the extent of such prohibition or unenforceability, but all the remaining provisions of this Engagement Letter shall remain valid and enforceable.
13. **Allinial Global and EisnerAmper Global Ltd:** EisnerAmper is a member firm of EisnerAmper Global Ltd., a network of legally independent firms. EisnerAmper is also a member firm of Allinial Global, an association of legally independent accounting and consulting firms. EisnerAmper Global Ltd., Allinial Global, and their respective member firms and correspondent firms are not responsible for and do not accept liability for the work or advice which EisnerAmper provides to its clients and do not owe any duty in relation to the work or advice which EisnerAmper provides.

