

CONTRACT FOR PROFESSIONAL SERVICES

**By and between
TOWN OF JONESBORO
And
CHIEF FINANCIAL OFFICER
And
LOUISIANA LEGISLATIVE AUDITOR
STATE OF LOUISIANA**

THIS AGREEMENT made and entered into effective this 14th day of April 2011, by and between the Town of Jonesboro (TOWN), represented herein by Mayor Leslie Thompson, whose mailing address is P.O. Box 610, Jonesboro, LA 71251, and Edwards, Wade, & Perry (CFO), whose mailing address is 116 North Pinecrest, Ruston LA, and Louisiana Legislative Auditor for the State of Louisiana (LLA), represented herein by Daryl G. Purpera, CPA, CFE, in his capacity as Legislative Auditor, whose mailing address is P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

WITNESSETH

WHEREAS, the Town of Jonesboro has a need for a chief financial officer;

WHEREAS, the Mayor in his administrative capacity desires to establish procedures and stabilize the financial issues of the Town of Jonesboro;

WHEREAS, the LLA desires to assist TOWN and offer advice and counsel regarding financial issues of the Town of Jonesboro and state law;

WHEREAS, the CFO has the ability and experience needed by TOWN and required by LLA and desires to perform as the CFO for Town in accord with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed by and between the parties as follows:

Jonesboro
March 2011

I. Engagement

The LLA and TOWN hereby agree to engage CFO and CFO agrees to perform the services hereinafter set forth in a timely and professional manner, beginning upon execution of this contract.

II. Scope of Services

The CFO of the TOWN serves as the head of the municipality's accounting department, consults and coordinates activities with the town clerk, and reports to and is under the direction of the TOWN. The CFO performs a variety of routine and complex administrative and technical accounting and financial management functions.

The services to be performed by CFO pursuant to this Agreement are set forth below:

1. Establish the accounting department's goals and priorities and directs activities of employees, which must include: (1) resolving prior years' differences between the balances in TOWN bank accounts and the balances recorded in the general ledger; and (2) ensuring that current year transactions are recorded and reconciled timely;
2. Implement a centralized record-keeping system that requires records to be preserved, promptly filed, and organized in a logical manner to support the TOWN's financial activities;
3. Implement daily, monthly, and year-end accounting procedures, processes and controls to ensure complete and accurate financial reporting on a timely basis;
4. Implement, coordinate, and manage TOWN's computerized accounting systems;
5. Provide training to employees on the accounting software, policies, and procedures;
6. Assign, train, and monitor employees in the performance of their duties/processes (e.g., payroll, accounts payable, cash receipts, utility accounts receivable, etc.);
7. Ensure the monthly reconciliation of ledgers and accounts (e.g., bank accounts, receivables, customer utility deposits, capital assets, etc.);
8. Ensure compliance with the payroll reporting and filing requirements of the Internal Revenue Service and Louisiana Department of Revenue;
9. Implement procedures to ensure there is a clear accounting of the expenditure of dedicated tax monies for their dedicated purposes;

10. Implement procedures to ensure that utility services are terminated on delinquent accounts per town policy;
11. Implement procedures to collect delinquent balances owed the town;
12. Make personnel recommendations to the mayor within the financial functions;
13. Review and approve all town disbursements, including payroll;
14. Prepare monthly financial statements and budget-to-actual comparisons for presentation at the monthly council meetings;
15. Attend and make formal presentations before the mayor, council, and special committees as directed;
16. Assist in the preparation of annual budgets with input from other town department heads;
17. Assist in monitoring expenditures of town appropriations within budgetary limitations, including compliance with the Louisiana Public Bid Law;
18. Communicates with other department heads on expenditures and budget variances;
19. Notify the mayor if total revenues fail to meet total budgeted revenue by 5% or more and/or when total actual expenditures exceed total budgeted expenditures by 5% or more or there has been a change in operation upon which the original adopted budget was developed;
20. Manage cash flow and the payment of town debts;
21. Ensure the development of written policies and procedures for the various accounting functions/processes of the town;
22. Assist in the development of written job descriptions for financial employees;
23. Establish firm dates with the town's auditor for starting, completing, and submitting the town's annual audit to the Legislative Auditor by December 31st as required by state law; and
24. Assist in complying with applicable financial laws, e.g., public bid law.

The LLA shall:

1. Review bi-weekly a written report from the CFO detailing duties performed and goals accomplished; and

2. In compliance with State law and Legislative Audit Advisory Council policy, remove TOWN from the non-compliant list when the LLA is satisfied that TOWN is making progress toward achieving financial stability.

III. Compensation and Payment Schedule

The TOWN shall pay CFO at a rate not to exceed \$100/hr ^{TW / 98} as payment for services performed by CFO hereunder, and shall be payable upon acceptance of the final product by the TOWN. In no event shall the total fees for services paid under this Agreement exceed

\$91,200. ^{TW} _{TW} ^{98 / 100}

CFO shall submit an invoice for services performed to the TOWN within ten (10) days following the end of each calendar month, including a detailed list of services performed and an itemized account of time spent during that calendar month for each such service. The TOWN shall remit payment for such services within thirty (30) days following receipt of such detailed list of services and acceptance of the work product. The compensation for any extension of the initial term shall be subject to future agreement by the parties.

IV. Cost and Expenses

Costs or expenses incurred by CFO in performance of this Agreement shall be reimbursed according to Louisiana Office of State Purchasing's 2010-2011 Policy and Procedure Memorandum 49 for per diem cost and/or mileage rate. Compensation for costs or expenses shall be included within the not to exceed sum under **Section III. Compensation and Payment Schedule.**

V. Term of Agreement

The term of this Agreement shall commence on the 14th day of April and shall continue in effect until December 31, 2011, unless sooner terminated as provided in Paragraph VI.

VI. Termination

This Agreement may be terminated by either of the parties within ten (10) working days and in writing only if any of the other parties fail to fulfill the obligations undertaken herein.

VII. Indemnification; Insurance

CFO shall indemnify and save harmless the TOWN against any and all claims, losses, liabilities, demands, suits, causes of action, damages, and judgments of sums of money to any party accruing against the TOWN growing out of, resulting from, or by reason of any act or omission of CFO its agents, servants, independent contractors, or employees while engaged in, about, or in connection with the discharge or performance of the terms of this Agreement. Any indemnification shall include the TOWN's fees and costs of litigation, including, but not limited to, reasonable attorney's fees. CFO shall provide and bear the expense of all personal and professional insurance related to its duties arising under this Agreement.

VIII. Relationship Between the Parties; Exclusion of Benefits

CFO is engaged by TOWN for the purposes set forth in this Agreement. The relationship between CFO and TOWN shall be, and only be, that of an independent contractor and CFO shall not be construed to be an employee, agent, partner of, or in joint venture with, TOWN. LLA shall not be considered as having authority beyond its Constitutional and statutory responsibilities.

IX. Acknowledgment of Exclusion of Worker's Compensation Coverage

The TOWN and CFO expressly agree that CFO is an independent contractor as defined in R.S. 23:1021(7) and, as such, expressly agree that the TOWN shall not be liable to CFO or to anyone employed by CFO for any benefits or coverage as provided by the Worker's Compensation Law of the State of Louisiana.

**X. Acknowledgment of Exclusion of
Unemployment Compensation Coverage**

The TOWN and CFO expressly declare and acknowledge that CFO is an independent contractor and, as such, is being engaged by the TOWN under this Agreement as noted and defined in R.S. 23:1472(12)(E) and, therefore, it is expressly declared and understood between the parties hereto, that for the purposes of unemployment compensation only:

- A. CFO has been and will be free from any control or direction by the TOWN over the performance of the services covered by this Agreement;
- B. The services to be rendered by CFO are outside the normal course and scope of the TOWN'S usual business; and
- C. CFO is customarily engaged in an independently established trade, occupation, profession, or business.

Consequently, neither CFO nor anyone employed or contracted by CFO shall be considered an employee of the TOWN for the purpose of unemployment compensation coverage.

XI. Discrimination Clause

The CFO agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and CFO agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Any act of discrimination committed by CFO, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

XII. Audit and Inspection of Records

CFO shall permit the TOWN and LLA, his authorized representatives, and the State of Louisiana to inspect and audit all data and records of CFO relating to its performance with respect to this Agreement, upon request.

The rights of inspection and audit set forth above shall commence as of the date of this Agreement and shall continue until four (4) years have elapsed from the date this Agreement is terminated.

XIII. Partial Invalidity; Severability

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant, condition, or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

XIV. Assignment

Assignment of any portion of this Agreement must be approved in writing by the LLA and TOWN in advance of execution of said assignment. However, all claims for money due or to become due to CFO under this Agreement may be assigned to its bank, trust company, or other financial institution without such approval, provided notice of such assignment or transfer is furnished promptly to the LLA and TOWN; provided, further, that the LLA and TOWN shall not be obligated to honor such assignment or transfer until the passage of twenty-four (24) hours from receipt of written notice of same from CFO. Additionally, CFO shall not subcontract any work to any party without the prior written consent of the LLA and TOWN.

XV. Ownership of Work Product

Any work product produced by CFO under this Agreement, whether in the form of documents, memoranda, notes, or otherwise, shall be deemed to be the property of the TOWN. The TOWN shall not be restricted in any way whatsoever in its use of such material. Furthermore, at any time during the term of this Agreement, and finally at the end of this engagement, the TOWN shall have the right to require CFO to furnish copies of any and all documents, memoranda, notes, or otherwise, prepared in connection with this Agreement within five (5) days of receipt of written notice issued by the TOWN. The above referenced work

product shall be held confidential by CFO and shall not be shared with any other entity without the express consent of the TOWN, "... subject to and subordinate to the requirements of Louisiana law, including but not limited to the public records law."

XVI. Force Majeure

Neither party to this Agreement shall be responsible to the other party hereto for any delays or failure to perform caused by any circumstances reasonably beyond the immediate control of the party prevented from performing, including, but not limited to, acts of God.

XVII. Entire Agreement; Modification

This Agreement, including any attachments which are expressly referred to in this Agreement, contains the entire agreement between the parties and supersedes any and all agreements previously entered into between the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. This Agreement may be modified or amended at any time by mutual consent of the parties, provided that before any modification or amendment shall be operative and valid, it shall be reduced to writing and signed by both parties.

XVIII. System Changes

Any additional services requested by the TOWN must be approved in writing by both parties and include any applicable costs and changes in scheduled deadline.

XIX. Controlling Law

The validity, interpretation, and performance of this Agreement shall be controlled by and construed in accordance with the laws of the State of Louisiana.

XX. Legal Compliance and Code of Governmental Ethics

CFO agrees to abide by the requirements of the following as applicable. Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended, Title IX of the Education Amendments of 1972, as amended, the Age Act of 1975, as amended, and the Americans with

Disabilities Act of 1990, as amended. CFO further agrees not to unlawfully discriminate in its employment practices and to render services pursuant to this Agreement with regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. CFO acknowledges and agrees that any act of unlawful discrimination by CFO or any other failure to comply with these legal obligations when applicable shall be grounds for termination of this Agreement by the LLA and TOWN.

CFO acknowledges that CFO is governed by the Code of Governmental Ethics (R.S. 42:1101, *et seq.*; the "Code") and that the Code contains, among other prohibitions, restrictions against CFO continuing to render services for compensation to private sources from whom CFO is otherwise prohibited from receiving a gift by virtue of the provisions of Section 1115 of the Code. Caution should, therefore, be exercised to ensure that all operational provisions of the Code are followed. Advice maybe requested from the Board of Ethics as to whether a conflict exists. CFO agrees to immediately notify the LLA if potential violations of the Code arise at any time during the term of this contract.

XXI. Remedies for Default

In the event of default by either party, the aggrieved party shall have all rights granted by the general laws of the State of Louisiana.

XXII. Payment of Taxes

CFO hereby agrees that the responsibility for payment of taxes from the funds received under this Agreement shall be its obligation and shall be reported under taxpayer identification number 72-1314870.

XXIII. Employment of State Personnel

CFO certifies that it has not employed and will not employ any person to engage in the performance of this Agreement who is, presently, or at the time of such employment, an employee of the State of Louisiana.

XXIV. Covenant Against Contingent Fees

CFO warrants that it has not employed or retained any entity or person, other than a bona fide employee working solely for CFO, to solicit or secure this Agreement, and that it has not paid or agreed to pay any entity or person, other than a bona fide employee working solely for CFO any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the LLA and TOWNs shall have the right to annul this Agreement without liability or, in LLA's and TOWN's discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

XXV. Confidentiality

Any reports, information, documents, or work products given to or prepared or assembled by CFO, its agents, servants, independent contractors, or employees under this Agreement, which TOWN and LLA request to be maintained as confidential, shall not be made available by CFO, its agents, servants, independent contractors, or employees to any person, natural or artificial, without the prior written approval of the TOWN and LLA.

XXVI. Notices

All notices and other communications pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand-delivery (and receipted for) or deposited in the United States, as certified mail, return receipt requested and postage prepaid, to the other parties addressed as follows:

If to the LLA:

Daryl G. Purpera, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

If to CFO:

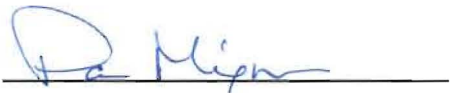
Edwards, Wade, & Perry
116 North Pinecrest
Ruston LA, 71270

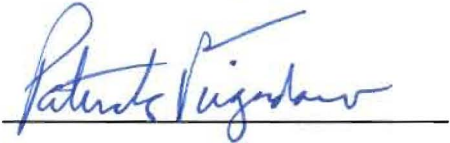
If to TOWN:

The Honorable Leslie Thompson
Office of Mayor, Town of Jonesboro
P.O. Box 610
Jonesboro, Louisiana 71251

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

WITNESSES:

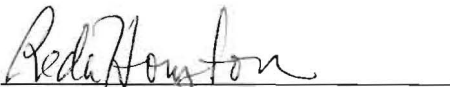






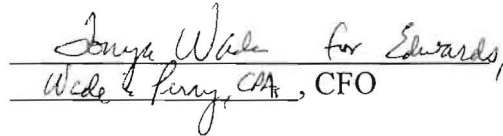









Daryl G. Purpera, CPA, CFE
In his capacity as
Legislative Auditor





Leslie Thompson
In his capacity as
Mayor, Town of Jonesboro

Jonesboro