

LIVINGSTON PARISH COUNCIL
Livingston, Louisiana

ROAD FUND FINANCIAL ACTIVITY REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/18/11



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Mr. Mike Grimmer, President and Members of the
Livingston Parish Council
Livingston, Louisiana

The Livingston Parish Council (Parish) has requested that we analyze the financial activity for the Parish Road Fund. The Parish's Bid/Procurement Committee communicated concerns regarding the administration of the 1% sales and use tax used by the Parish Road Fund as follows:

- Lack of effective communication on tax usage to the Council,
- The manner in which this dedicated sales and use tax was being expended to include compliance with the tax ordinance, and
- The 2010 budget was primarily dedicated to debt service and personnel.

The objectives of our engagement are summarized as follows:

- Report on prior activity and related expenditures,
- Review current accounting practices and related internal controls over the administration of the road fund sales tax activity, and
- Provide information for planning future expenditures.

With limited resources and increased community demands, there is considerable interest and need to operate these activities in a more productive manner. In many respects, with the matters summarized above, productive can be interpreted as achieving "peace of mind" of your stewardship responsibilities as elected officials and the ability to extend the value of your financial resources.

Expectations

Let's define your expectations from your accounting system as follows:

1. **Useful and timely information** to effectively manage the operations of the Parish.
2. **Integrity** in the financial information provided.
3. **Accountability** over assets and liabilities, and revenues and expenditures of the Parish.
4. **Compliance** with legal and regulatory requirements.
5. **Participative** engagement by everyone obligated with administering the Parish's resources.

6. **Roadmap** of past results and future direction. Accounting information functions as a scorecard of how well policy and operations have been executed in addition to predicting the future results that can be anticipated from proper planning.

The foundation for meeting these expectations is good people in all phases of the Parish's operations. Good people possess intellectual curiosity, effective communication skills, an appropriate sense of time urgency, and a capacity to enhance their skills.

We have performed the procedures enumerated below, which were agreed to by the management of the **Livingston Parish Council** (Parish), solely to assist you in evaluating management's assertions about the Parish's compliance with the laws and regulations for the six years ended December 31, 2009 and the six months ended June 30, 2010. This agreed-upon procedures engagement was conducted in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards*, published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below; either for the purpose for which this report has been requested or for any other purpose. These expectations have a key correlation to the areas that we were requested to analyze, as follows:

- 1) Compile a statement of revenues and expenditures for the 1% sales and use tax road fund activity for each year for the six years ended December 31, 2009 and the six months ended June 30, 2010.
- 2) Provide a listing by vendor and/or employee of disbursements made in the Road Fund.
- 3) Review the Parish's accounting practices for administration of the 1% sales and use tax funds for the Road Fund. Recommendations, if any, developed that can improve your current accounting practices will be reported for implementation.
- 4) Review the Parish's 2010 operating budget to provide an analysis of the appropriated expenditures of the 1% sales and use tax funds.

We were unable to provide a listing of disbursements made by vendor and employee for 2004, 2005 and 2006. The Parish was unable to retrieve detailed general ledger records from either manual or electronic records.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on the compliance with the laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Methodology

We performed the following procedures:

- Met with Andrew Rowe at the Parish office on September 21 and 22 and October 25 and 26, to accomplish the following:
 - (1) To review internal control for cash receipts and disbursements, investments, accounts payable and payroll, property management and budgeting for the Road Fund, and,
 - (2) To understand the accounting practices for the processing of accounting transactions in the Parish office,
- Interviewed accounting staff to ascertain an understanding of their daily responsibilities and validate the assertions of other personnel,
- Retrieved the Parish's road fund financial statements for the six years ended December 31, 2009, the six months ended June 30, 2010 and the 2010 operating budget,
- Read the Parish's 2009 financial statement audit report.

With respect to the procedures performed, we have the following for your consideration:

- 1) The revenues and expenditures made for the periods described above were prepared for your review on Attachment A. This information was retrieved from the Parish's annual audited financial statements and internal financial statements prepared by management.
- 2) A general ledger detail of expenditures for 2007, 2008, 2009 and 2010 was obtained by vendor/employee and by expense code and provided to you separately.

The automated accounting files maintained in QuickBooks for 2004 through 2006 were not accessible; as such, this information is not available to you.

- 3) We reviewed the Parish's accounting practices for the administration of the sales and use tax for the Road Fund.

Our observations and recommendations are summarized on Attachment B.

- 4) We reviewed the Parish's 2010 operating budget to provide an analysis of the appropriated expenditures of the 1% sales and use tax funds.

We have provided the 2010 budget on Attachment A with comparison to previous financial activity.

Other observations

The computer program utilized – MIP - is an excellent fund accounting package for reporting the Parish's financial operations.

There is a separation of duties that is appropriate for an accounting department of this size; however, opportunities for improvement were identified.

We live in a changing world. Government, local government in particular, has the task of meeting increased community needs with resources that offer marginal growth. Therefore, the challenge is to grow your financial and accounting capabilities so that financial information serves as a catalyst for the Parish to achieve economic well-being over the long-term.

* * * * *

We appreciate the opportunity to serve the Parish. Additionally, we appreciate the courtesies extended to us by President Grimmer, Andrew Rowe and their staff during our review.

This report is intended solely for the information and use of the Council and management of the Parish of Livingston, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
December 15, 2010
Enclosures

PARISH OF LIVINGSTON, LOUISIANA

ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

	Year to Date June 30, 2010	Budget 2010	2009	2008	2007	2006	2005	2004
REVENUES								
Taxes:								
Sales and use	\$ 4,427,503	\$ 9,000,000	\$ 9,161,926	\$ 9,742,336	\$ 9,570,266	\$ 9,162,380	\$ 10,149,822	\$ 8,983,006
Ad valorem	-	1,593,315	1,644,252	1,547,902	1,284,082	1,148,962	1,032,413	911,206
Intergovernmental	23,058	100,000	200,581	203,355	1,169,405	799,961	1,016,312	911,249
Reimbursements	-	-	72,245	-	-	-	1,352,662	534,740
Charges for services	3,956	428,000	47,295	66,071	951,736	470,106	73,495	303,710
Investment income	5,949	10,000	11,917	18,361	32,396	86,093	146,628	94,392
Total revenues	4,460,466	11,131,315	11,138,216	11,578,025	13,007,885	11,667,502	13,771,332	11,788,303
EXPENDITURES								
Personnel								
Salaries and wages	948,568	2,142,465	1,914,475	1,947,553	2,026,230	1,561,911	1,750,554	1,288,637
Retirement	180,842	378,146	326,554	322,480	418,021	329,120	275,239	201,553
Health insurance	559,355	1,238,038	1,036,611	917,615	735,595	619,169	558,438	381,653
Worker's compensation insurance	125,516	250,000	262,551	281,140	202,194	166,434	128,653	190,399
Total personnel	1,814,281	4,008,649	3,540,191	3,468,788	3,382,040	2,676,634	2,712,884	2,062,242
Operational								
Repairs and maintenance	251,529	1,206,000	520,175	598,944	544,046	363,412	375,949	273,180
Office	47,364	88,150	147,630	228,749	372,382	53,625	100,114	54,636
Commissions - tax collector	45,900	200,000	164,125	126,647	70,021	-	151,113	139,850
Occupancy	18,756	36,000	35,572	30,052	40,393	14,808	9,829	25,119
Professional services	95,917	45,250	29,905	23,247	177,428	-	800	937
Insurance	3,237	8,000	6,995	2,197	13,060	79,740	118,606	71,529
Travel	4,815	10,800	2,692	1,501	865	30	53	3,954
Capital outlay - equipment	-	-	3,633	659	-	-	9,625	1,735
Total operational	467,518	1,594,200	910,727	1,011,996	1,218,195	511,615	766,089	570,940
Capital outlay								
Construction materials	230,642	500,000	658,486	1,477,279	1,233,062	981,374	12,790,257	15,970,766
Construction equipment	8,154	-	270,406	35,154	432,147	323,730	398,394	402,251
Road maintenance	64,769	650,000	39,169	-	7,087	313,953	263,260	103,110
Total capital outlay	303,565	1,150,000	968,061	1,512,433	1,672,296	1,619,057	13,451,911	16,476,127
Total expenditures	2,585,364	6,752,849	5,418,979	5,993,217	6,272,531	4,807,306	16,930,884	19,109,309
Excess (deficiency) of revenues over expenditures	1,875,102	4,378,466	5,719,237	5,584,808	6,735,354	6,860,196	(3,159,552)	(7,321,006)
OTHER FINANCING SOURCES (USES)								
Transfer from General Fund	-	-	-	-	-	45,000	325,000	600,000
Transfer from Nonmajor Funds	-	-	-	-	-	-	37,000	57,000
Transfer to Admin Fund	-	(260,000)	(254,000)	(210,647)	(265,681)	(207,564)	-	-
Transfer to OEP Fund	-	-	-	(1,263,757)	-	-	-	-
Transfer to Jail Fund	-	-	(13,059)	-	-	-	-	-
Transfer to Other Capital Outlay Fund	-	-	(20,422)	(3,900,000)	-	-	-	-
Transfer to Road Sinking Fund - debt service	(2,383,625)	(4,709,550)	(4,767,250)	(4,770,750)	(4,779,083)	(3,174,898)	-	-
Total other financing sources (uses)	(2,383,625)	(4,969,550)	(5,054,731)	(10,145,154)	(5,044,764)	(3,337,462)	362,000	657,000
Net change in fund balance	(508,523)	(591,084)	664,506	(4,560,346)	1,690,590	3,522,734	(2,797,552)	(6,664,006)
FUND BALANCE								
Beginning of year	2,010,674	2,010,674	1,346,168	5,906,514	4,215,924	693,190	3,490,742	10,154,748
End of year	\$ 1,502,151	\$ 1,419,590	\$ 2,010,674	\$ 1,346,168	\$ 5,906,514	\$ 4,215,924	\$ 693,190	\$ 3,490,742

2010-1 Specific Roadway Activity

Observation: Upon compiling the information requested, we have the following for your consideration:

- Approximately \$11.1 million in revenue for 2010 is available for the Road Fund.
- The Parish's Road Fund includes the activity of the Department of Public Works. For 2010, expenditures are summarized as follows:
 - \$4.0 million was budgeted for personnel expenditures for employees of the Department of Public Works.
 - Approximately \$1.6 million was budgeted for operational expenditures, most notably repairs and maintenance.
 - Approximately \$4.7 million pays debt service for the Parish's 2006 debt issue that funded road construction projects. The debt will mature in March 2021 and bears interest at 5% for the remaining term.
 - A transfer of funds of \$265,000 to support the Parish Administrative Fund for the Parish's administrative and finance departments.
- The sales and use tax ordinance expires in 2021.

The sales and use tax ordinance renewed in 2006 provided the following concerning permissible use:

"Construct, acquire, extend, expand, improve, maintain, and operate roads, bridges, and related road drainage throughout the parish and acquire equipment thereto."

The sales and use tax ordinance renewed in 2002 provided for the following:

"Constructing, improving and maintaining roads and bridges and related road drainage throughout the Parish."

This language in each tax ordinance provides a broad definition for use of funds. The Parish's use of these dedicated funds relates to four broad categories:

Debt service - (42% of 2010 available resources) - The Parish issued bonds in 2006 of approximately \$49.3 million for road construction projects. The demand placed on available revenue is considerable and the amount committed each year is fixed until 2021.

Personnel and operational expenditures - (50% of 2010 available revenue) - The Parish expends funds for operating the Department of Public Works whose primary expenditures are personnel, and repairs and maintenance. Health insurance for employees is a significant component of personnel as the Parish pays all costs of insurance for employees. The cost was approximately \$400,000 in 2004 and is budgeted at \$1.2 million or 11% for 2010.

Capital outlay - (\$1.2 budgeted in 2010) - The Parish has historically made expenditures for road projects from the sales and use tax proceeds. However, the expenditures described above limit the amount available to fund on-going capital projects.

Administrative - (2.4% of 2010 available resources) - The Parish has budgeted an amount to cover applicable administrative costs incurred by the Parish for the administration and finance departments to support the Road Fund.

Recommendations:

Debt refunding to create cash flow – The Parish owes approximately \$40 million that will mature in March 2021 at a 5% annual rate. The Parish may consider exploring refinancing opportunities with the current debt owed for 2006 road projects. The Parish could consider refinancing the debt for a lower interest rate (if available) and extending the maturity of the debt. The combination could reduce the cash flows currently committed from the road sales and use tax. Additionally, extension of the debt payment period would require either the renewal of the sales and use tax or dedication of another Parish revenue source.

Health insurance program – The Parish currently funds all of the health insurance for employees. The financial commitment is approximately 11% of sales and use tax collections. Through the budgetary process, the Parish Council has authorized this employee benefit. As a result, the Council and Administration should evaluate the impact of this decision relative to the needs of roads in the Parish.

Infrastructure needs and planning – The Parish should consider developing an overall infrastructure assessment of roads to determine the anticipated expenditure exposure in future years. Secondly, a critical component of the analysis is the development of an adequate funding commitment for your roadway program. A successful roadway program should include a commitment for the on-going maintenance of roads to protect your infrastructure investment. Finally, Parish engineers should be involved in the areas discussed above.

This process could be used to develop the Parish capital outlay plan as well as a multi-year budget which is described below. Critical to this effort is the identification of a permanent source of funding sufficient to support the roadway program desired.

Administrative charges – The Parish maintains a fund for activity related to administration and financial functions. This fund charges Parish operating funds a fee to cover expenditures related to administrative functions of the Parish. The fee budgeted by the Road fund in 2010 is \$260,000, which is consistent with prior years.

The fee charged to the various funds varies in amount depending on available resources. Although the fee is established by the budget ordinance, the Parish should consider developing a consistent approach for charging the fee and ratifying the decision by ordinance.

Department of Public Works expenditures – The Road Fund presents the operation of the Parish's Department of Public Works, which includes expenditures related to internal management of the department such as: office, janitorial, travel, training and occupancy. Furthermore, the fund receives other revenues such as ad valorem taxes, state revenue sharing, investment earnings and other miscellaneous revenues.

Given the broadness of the tax dedication, the Parish's expenditures related to the Department of Public Works appear to be within the general scope of the intended use. However, the Parish should consider reviewing costs in the Road Fund that may not meet the general policy expectations related to spending of the dedicated sales tax proceeds and capturing any such costs separately to clearly identify costs paid from other resources. Although the expenditures meet legal requirements, these spending decisions are a matter of policy and the Parish should decide whether these activities meet your expectation as to the use of these dedicated resources.

Furthermore, our experience has been that various legal counsels have consistently provided a broad interpretation of activities related to a dedicated tax revenue source. As a result, the Parish could request a similar opinion from its legal counsel.

2010-2 Road Accounting Considerations

Observations: We have the following observations concerning the accounting practices for the Road Fund:

- The 2009 audit of the Parish's financial statements reports the following issues that impact the Road fund:
 - Modified audit opinion for omission and lack of records for general infrastructure assets,
 - Lack of timely preparation and submission of audited financial statements to satisfy legal and contractual requirements,
 - Lack of periodic reporting of financial results to the Parish Council,
 - Inaccurate recording of sales tax revenue between the Road Fund and Jail Fund,
 - Maintenance of capital asset schedules itemized by road and compliance with the Parish Transportation Act,
 - Failure to amend the operating budget,
 - Use of road sales tax proceeds for paving of parking lots which does not comply with the sales tax ordinance.

- The Parish should develop a monthly closing process that includes reconciliation of significant financial statement balances to supportive documents,
- The Parish currently maintains 41 bank and investment accounts for cash held,
- The Parish does not currently maintain a comprehensive accounting manual that details all significant accounting practices and related internal controls.

Recommendation: We recommend the following for your consideration:

- 1) The Parish had 44 findings reported in the 2009 audit relating to accounting, compliance and internal control related matters. Of these findings, 9 related to matters reported in previous audits. A concerted effort to resolve the deficiencies reported to the Parish should be developed, as follows:
 - a. Organize the 44 items under broad categories to provide more efficiency in resolution, including assignment to staff,
 - b. Develop a plan to resolve the items reported within the next 12 months. The plan should include a timeline for resolution, due date and assignment of action items to specific individuals. Furthermore, a periodic report should be made to the Parish President and Parish Finance Committee as to the status of corrective action taken on the deficiencies reported,
 - c. Consider hiring temporary accounting assistance to resolve the deficiencies,
 - d. Development of a plan to have the 2010 audit submitted within the 6 month statutory deadline,
 - e. Development of an internal audit function to periodically test and report matters of financial processes to the Parish Administration and Council,
 - f. Consideration of professional assistance with grant administration.
- 2) The Parish should develop a monthly closing process so that interim financial statements are prepared accurately. The monthly supportive workpapers should be maintained along with other electronically filed records.
- 3) The Parish consider consolidating bank accounts to operate a pooled cash system. Centralized cash management can achieve operational efficiency and greater investment yield.
- 4) The Parish should develop a comprehensive accounting manual to document the current practices in place for the significant financial cycles.

2010-3 Finance Committee Oversight

Our recommendation is to develop a Council finance committee to actively interface with the Administration. Periodically, the finance committee would meet with the Parish President and Treasurer to review the Parish's finances. Other functions of the committee could be as follows:

- Involvement in the development of the budget prior to its presentation to the Parish Council,
- Review of financial statements with budgetary comparisons,
- Address the long-term financial resources of the Parish through multi-year budgeting, and
- Meet with the Parish auditor concerning the scope of the audit and related audit findings.

Our experience is that it is difficult to maintain a focus on the long-term financial trends of a governmental unit because the short-term needs are so great. A finance committee needs to maintain a proper balance between these two objectives to be effective for the long-term.

2010-4 Budgeting

Observation: The Parish prepares its operating budget annually on a year to year basis. The Parish should explore the concept of multi-year budgeting for financial planning purposes. In particular, observations are as follows:

- Lack of an adequate expanding revenue base to keep pace with population growth,
- The Parish is primarily supported from property and sales tax revenue.
- Employee benefits, which include retirement and health insurance, have increased significantly over the last few years with the Parish funding the full amount of the increased costs.
- The growing need for infrastructure improvement continues to rise with considerable demand placed on the Parish's resources.

Recommendation: The Parish should consider preparing multi-year operating and capital budgets to compare projected resources, in particular sales and property tax collections, to anticipated operating and capital expenditures. The key consideration in this process is not the development of budgetary amounts, but the identification of core concerns embraced by the Parish's leadership and the use of its limited resources for application to such concerns.

The purpose of this effort will be to develop a financial plan to accomplish the following:

- Identify the choices to be made that have long-term impact to the Parish,
- Estimate the levels of anticipated resources, namely sales and property tax collections, for the next four years. The purpose will be to define the resources available to fund operations and anticipated capital outlay,
- Identify major roadway improvements and estimated costs,
- Compare expected operating expenditures, including debt retirement, and capital outlay costs to anticipated resources as determined above. During this process, the Parish determines its service priorities with the related expenditures. From this determination, the Parish would develop its annual operating budget based on a priority system within a larger framework of a year to year perspective,
- Develop a policy for budgetary adherence for its departments,
- Develop policies for the establishment of fund reserves and utilization, and
- Develop policies for the employee benefits offered and limits to Parish financial commitments.

2010-5 Financial Reporting

Observation: The Parish should receive monthly financial statements from the Parish Treasurer. The financial statements can be generated from the Parish's accounting system and reflect year to date revenues and expenditures with comparison to the operating budget.

Recommendation: We suggest the following formats be considered for presentation to the Parish Finance Committee on a monthly basis:

- Graphical presentation of the key financial indicators. In particular, the following schedules could be presented:
 - Rolling 12 month graph of the Parish's cash position,
 - Rolling 12 month graph of major revenue sources, and
 - Rolling 12 month graph of major expenditures by major fund.
- Statement of Financial Position, and
- Detailed listing of expenditures made related to Road Fund financial activity.

2010-6 Occupational Licenses

Observation: Although this is unrelated to the Road Fund engagement, the Livingston Parish Sheriff collects a license fee from insurance companies doing business in the Parish with such collections remitted to the Parish periodically. We have the following for your consideration:

- Included in occupational license collections are fees charged to companies for insurance premiums collected in Livingston Parish. These insurance companies report premiums collected annually to the Louisiana Department of Insurance. The occupational license fee is determined from an ordinance enacted which is normally based on insurance premiums collected.

As a result, by utilizing the reports provided from the State of Louisiana, the Parish can determine if it has collected the occupational license fee due from each insurance company conducting business in the Parish.

Our office has performed these reviews for a number of local municipalities. Our experience in recovering uncollected revenue has been very favorable.

Recommendation: We recommend that the Parish pursue the opportunity for recovering unpaid occupational license fees from insurance companies. Our experience has been that municipalities normally recover sizeable funds through this process.



LIVINGSTON PARISH

Office of the President

An Equal Opportunity Employer

MIKE GRIMMER
Parish President

STUART SONNIER, CPA
Director of Finance

RANDY DELATTE
Director DPW

April 7, 2011

Mr. Daryl Purpera
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

The Livingston Parish Council received the Road Fund Financial Activity Report at its meeting on February 24, 2011. Based on the recommendations and other items reported, we have the following corrective action planned during 2011:

Scope exception for prior year data 2004-2006

The Parish has been unable to retrieve electronic back-up files for these years. However, the Parish currently has procedures in place that adequately stores financial information, including accounting software back-ups, on a daily basis. As such, the Parish has procedures in place to properly maintain accounting record history in an appropriate manner. These procedures have been in place since 2007.

2010-1 Specific Roadway Activity

The report refers to several recommendations under this comment as follows:

- Consideration of a debt refinance on road fund bonds.
- Health insurance program.
- Infrastructure needs and planning.
- Administrative charges.

Debt refinance. With respect to the re-financing of debt owed on the road bonds, the current debt agreement has a provision that prohibits retiring the bonds prior to 2016. As a result, the Parish is unable to call these bonds until that date. However, the Parish plans to review this matter during 2011 with its bond counsel for other opportunities, such as an advance refunding which may be beneficial from a cash flow perspective.

Health insurance program. The Parish plans to review this matter during the 2011-2012 budget process and also consult with the Parish's insurance carrier.

Infrastructure needs and planning. The Parish agrees with this concept and anticipates exploring this matter during 2011 with the Parish's engineers and Finance Department. Furthermore, the Parish is undertaking a road enhancement project in 2011 that involved the Parish's engineers. However, an overall review of the Parish's infrastructure is considered beneficial for the Parish and will be contemplated during 2011.

Administrative charges. The Parish is considering a resolution that will be developed with the 2011-2012 operating budgets that defines the level of administrative fees to the Road Fund and other Parish operating funds. The Parish will also review similar arrangements that other Parish's utilize prior to making a final decision on this matter.

2010-2 Road Accounting Considerations

2009 audit. The Parish has expended considerable effort to resolve the matters addressed in the 2009 audit during 2010 and 2011. All the recommendations made by the Parish's auditor are being addressed appropriately at this time. Most of the findings are expected to be resolved for the 2010 audit report while any remaining items are expected to be resolved during 2011.

Furthermore, the Parish Administration and Finance Department undertook a formal closing of the financial records for the year ended December 31, 2010 during February 2011. During this process, the significant accounting matters reported were addressed. Finally, the Parish auditor is currently performing the 2010 audit and the Parish expects to conclude prior to the 6 month statutory deadline.

Additionally, the recently hired Parish Treasurer is developing a monthly closing process for the interim financial statements that includes supportive workpapers for significant account balances. The Parish anticipates that this process will enhance the financial reporting process. The Parish Treasurer is also considering the development of written policies where appropriate and practical during the revamping process. Finally, the Parish Treasurer is reviewing the number of bank accounts for opportunities to consolidate banking activity.

2010-3 Finance Committee Oversight 2010-5 Financial Reporting

The Parish Finance Committee met on March 24, 2011 to review the 2010 year end results. Furthermore, a monthly reporting routine and regular meeting is expected to occur on a prospective basis. The Parish Treasurer is developing a reporting packet that includes some of the items discussed in the report. Furthermore, we expect the Finance Committee to participate in the development of reports of interim financial activity as additional finance committee meetings are held.

As such, the Parish considers this matter as being resolved.

Mr. Daryl Purpera
April 7, 2011

Page 3

2010-4 Budgeting

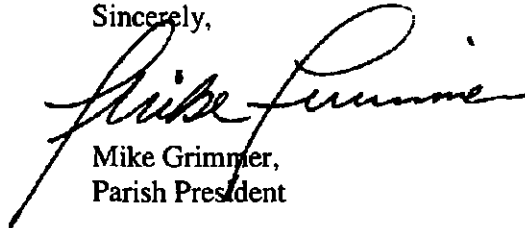
The Parish agrees with the concept of multi-year budgeting. However, the Parish will consider exploring this concept during 2011, but will likely consider implementing at a later date.

2010-6 Occupational Licenses

The Parish expects to review this matter during 2011 and intends to pursue this matter vigorously to secure any additional resources that will support the activities of Parish government and related community.

If you have any additional questions, please contact me or Stuart Sonnier.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Grimmer", written over a horizontal line.

Mike Grimmer,
Parish President