

LINCOLN PARISH FOOD STAMP PROGRAM
 BUSTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental revenues:			
Federal funds	\$ 29,862	\$ 29,395	\$(4,967)
Local funds	<u>29,862</u>	<u>29,395</u>	<u>(4,967)</u>
Total revenues	<u>58,024</u>	<u>56,790</u>	<u>(8,134)</u>
Expenditures:			
Personnel services and fringe	44,454	45,801	8,693
Miscellaneous	10,879	12,856	(1,177)
Indirect costs	<u>3,581</u>	<u>2,833</u>	<u>698</u>
Total expenditures	<u>58,024</u>	<u>59,750</u>	<u>8,138</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning		<u>-</u>	
Fund balance - ending		<u>\$ -</u>	

The accompanying notes to financial statements are an integral
 part of these statements.

LINCOLN PARISH FOOD STAMP PROGRAM
ELSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

GASB Codification Section 2100 established criteria for determining the governmental reporting entity. The reporting entity for Lincoln Parish should include the Lincoln Parish Police Jury which, as governing authority of the Parish, is the component unit with oversight responsibility, and other governmental entities within the Parish for which the Police Jury has oversight responsibility.

The accompanying financial statements of the Lincoln Parish Food Stamp Program contain subaccount information of the General Fund of the Lincoln Parish Police Jury and therefore present information pertaining only to the transactions of the Food Stamp Program. As such, the accompanying financial statements are not intended to and do not report in accordance with GASB Codification Section 2100.

The financial statements of the Food Stamp Program present fairly only the financial position and results of operations of the Lincoln Parish Food Stamp Program and are not intended to present fairly the financial position and results of operations of the Lincoln Parish Police Jury in conformity with generally accepted accounting principals. Separate financial statements have been issued for the Lincoln Parish Police Jury which intend to present fairly in all material respects the financial position and results of its operations and changes in financial position for the year ended December 31, 1996, of the Police Jury in conformity with generally accepted accounting principles.

Description of Operations

The Lincoln Parish Food Stamp Program is administered by the Lincoln Parish Police Jury. The Food Stamp Program is primarily responsible for issuing food coupons to eligible households to promote the general welfare and to safeguard the health and well-being of the nation's low-income households by raising their nutrition level.

The Lincoln Parish Police Jury administers and oversees the issuance of food coupons to eligible households of the parish. The program is federally funded (50%) under the Food Stamp Act of 1977, as amended, and locally funded (50%) by Lincoln Parish Police Jury. Allowable expenditures qualify for reimbursement upon payment of invoices and submission of related cost reports to the Department of Social Services.

LINCOLN PARISH FOOD STAMP PROGRAM
BUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting:

The financial statements of Lincoln Parish Food Stamp Program are maintained on a modified cash basis of accounting. Using this method, allowable costs were recognized when paid, except for indirect costs which were based on a percentage of direct salaries, and certain fringe benefits which were accrued. Revenues were recognized to the extent of allowable costs. Allowable costs were determined in accordance with cost principles prescribed by the Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments.

Indirect Costs

Indirect costs were allocated to the Food Stamp Program by the Office of Family Support based on ten percent of allowable direct salaries.

Revenues

Revenues are received from the Department of Social Services for reimbursement of allowable costs.

Budgetary Practices

Budgetary practices of the Police Jury include public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. Budgets are prepared on a modified accrual basis of accounting. The secretary-treasurer is authorized to transfer budget line items between departments within a fund; however, any revisions that alter the total expenditures of any function must be approved by the Lincoln Parish Police Jury. The budget for the Lincoln Parish Food Stamp Program has been included in the General Funds budget for the Lincoln Parish Police Jury. Appropriations lapse at year-end. Budgeted amounts shown in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. The level of budgetary responsibility is by total appropriations, however, for report purposes, this level has been expanded to a functional basis.

NOTE 2 - DUE FROM DEPARTMENT OF SOCIAL SERVICES

The amount due from the Department of Social Services of \$1,740 is for December 1996 reimbursements. The December reimbursements were received in 1997.

WILLIAM R. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
140 FOREST LANE
BOSSIERE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF THE BOARD
OF CERTIFIED PUBLIC ACCOUNTANTS

MEMBER AMERICAN
P. O. BOX 1724
BOSSIERE, LOUISIANA 71302
(504) 837-8100

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
Lincoln Parish Food Stamp Program
Bossier, Louisiana

I have audited the financial statements of the Lincoln Parish Food Stamp Program as of and for the year ended December 31, 1996, and have issued my report thereon dated June 5, 1997.

I have applied procedures to test the Lincoln Parish Police Jury's compliance with the following requirements applicable to its Food Stamp Program, which is a major federal financial assistance program, for the year ended December 31, 1996:

General Requirements
Federal Financial Reports
Political Activity
Civil Rights
Drug Free Workplace
Cash Management

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Lincoln Parish Police Jury's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Lincoln Parish Police Jury had not complied, in all material respects, with those requirements.

This report is intended solely for the use of management, the members of the Lincoln Parish Police Jury and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant


June 5, 1997

LINCOLN PARISH FOOD STAMP PROGRAM
 RUSTON, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 1998

Revenues:	
Intergovernmental revenues:	
Federal funds	\$ 23,797
Local funds	<u>25,828</u>
Total revenues	<u>49,625</u>
Expenditures:	
Personnel services and fringe	25,800
Audit	3,000
Travel	262
Operating	8,794
Interest costs	<u>2,934</u>
Total expenditures	<u>40,790</u>
Excess of revenues over expenditures	-
Fund balance - beginning	<u>-</u>
Fund balance - ending	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of these statements.

LINCOLN PARISH FOOD STAMP PROGRAM
 BUSTON, LOUISIANA
 SCHEDULE OF FEDERALLY ASSISTED PROGRAM ACTIVITY
 FOR THE YEAR ENDED DECEMBER 31, 1990

<u>Source of Federal Assistance/ Agency Name</u>	<u>Program Name</u>	<u>CFDA Number</u>	<u>Award Number</u>
Indirect Assistance			
United States Department of Agriculture - Louisiana Department of Health and Hospitals	Food Stamps	10-530	21-061-8838
	State Administrative Match	10-560	21-061-8838
Totals			
Reconciliation of federal assistance to revenue per financial statements			
Total federal assistance per above			\$5,236,295
Less dollar value of food stamps			(5,214,080)
Total federal revenue per financial statements			<u>\$ 22,215</u>
Federal revenue per financial statements: Food stamp reimbursement			<u>\$ 22,215</u>

For the purpose of this report, I have classified the significant internal control structure policies and procedures in the following categories:

- Treasury/financing
- Revenues/receipts
- Purchasing/disbursements
- External financial reporting
- Budgeting and budget reporting
- Grant administration
- Inventory

For all of the control categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management, the Louisiana Legislative Auditor, and the members of the Lincoln Parish Police Jury. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant



June 3, 1997

WILLIAM R. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
117 FORTYTHIRD AVENUE
MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF ACCOUNTS
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER AMERICAN
PUBLIC ACCOUNTING
INSTITUTE, LOUISIANA STATE
INSTITUTE

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Lincoln Parish Food Stamp Program
Bossier, Louisiana

I have audited the financial statements of the Lincoln Parish Food Stamp Program, of the Lincoln Parish Police Jury, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 5, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audit of State and Local Governments". These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audit of the financial statements of the Lincoln Parish Food Stamp Program, for the year ended December 31, 1996, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the Lincoln Parish Police Jury is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

<u>Award Period</u>	<u>Award Type</u>	<u>Federal Assistance</u>	<u>Expenditures</u>
01/06 - 12/06	Prepayment	\$ 9,291,080	\$ 9,898,593
01/06 - 12/06	Reimbursement	<u>25,185</u>	<u>25,185</u>
		<u>\$ 9,316,265</u>	<u>\$ 9,923,778</u>

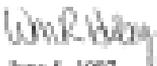
LINCOLN PARISH FOOD STAMP PROGRAM
BUSTON, LOUISIANA
BALANCE SHEET
DECEMBER 31, 1996

<i>Assets:</i>	
Due from Department of Social Services	\$ 1,791
TOTAL ASSETS	\$ 1,791
<i>Liabilities and Fund Equity:</i>	
<i>Liabilities:</i>	
Due to Lincoln Parish Police Jury	
General Fund	\$ 1,791
Total liabilities	1,791
<i>Fund Equity:</i>	
Fund balance:	
Unreserved-unallocated	-
Total fund equity	-
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,791

The accompanying notes to financial statements are an integral part of these statements.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information, listed as supplemental information schedules in the table of contents, are prepared for purposes of additional analysis and are not a required part of the financial statements of the Food Stamp Program. Such information has been subjected to the auditing procedures applied in the audit of the Food Stamp Program's financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

WILLIAM R. HULSHY, CPA
Certified Public Accountant



June 5, 1997

WILLIAM B. BRISBY
CERTIFIED PUBLIC ACCOUNTANT
310 FORESTRE ASHLEU
MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS IN
STATE OF LOUISIANA
MEMBER 1988 PUBLIC ACCOUNTANTS

MONROE, LOUISIANA
P. O. BOX 1004
MONROE, LOUISIANA 70001
(504) 335-1000

INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Lincoln Parish Food Stamp Program
Baton Rouge, Louisiana**

I have audited the accompanying general purpose financial statements of the Lincoln Parish Food Stamp Program, of the Lincoln Parish Police Jury, as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the Police Jury's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States and Public Law 98-502, the Single Audit Act of 1984 and OMB Circular A-128 and A-87. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described more fully in Note 1, the financial statements of the Food Stamp Program are intended to present fairly only the financial position and results of operations of the Lincoln Parish Food Stamp Program. The financial statements are not intended to present fairly the financial position and results of operations of the Lincoln Parish Police Jury in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to in the first paragraph present fairly in all material respects, the financial position of the Food Stamp Program of Lincoln Parish as of December 31, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

LINCOLN PARISH FOOD STAMP PROGRAM
BUSTON, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1990
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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This report is intended solely for the use of management, the members of the Lincoln Parish Police Jury and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HULSEY
Certified Public Accountant


June 5, 1997

During the year ended December 31, 1996, Lincoln Parish Police Jury expended 100% of its total federal financial assistance under major federal financial assistance programs.

I performed tests of controls, as required by OMB Circular A-126, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Lincoln Parish Police Jury's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted no matters involving the internal control structure and its operation that I consider to be reportable conditions under standard established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Lincoln Parish Police Jury's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to federal financial assistance programs may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted no conditions that I believe to be a material weakness.

This report is intended for the information of the management, members of the Lincoln Parish Police Jury and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

WILLIAM R. HILSLEY
Certified Public Accountant



June 5, 1997

LINCOLN PARISH FOOD STAMP PROGRAM
 BUSTON, LOUISIANA
 SCHEDULE OF AMOUNT DUE FROM
 DEPARTMENT OF SOCIAL SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 1996

Total allowable costs	\$ 50,799
Federal reimbursement	<u>3,908</u>
Amount reimbursable by the Food Stamp Program	23,999
Less: Payments made on approved costs reports	<u>21,654</u>
Amount due from Department of Social Services at December 31, 1996	<u>\$ 2,345</u>

LINCOLN PARISH FLOOD STAMP PROGRAM
 RUSTON, LOUISIANA
 SCHEDULE OF CHANGES IN COUPON INVENTORY
 FOR THE YEAR ENDED DECEMBER 31, 1996

Beginning inventory January 1, 1996	<u>\$1,292,756</u>
Add coupons received:	
January	515,000
February	562,000
March	418,000
April	875,000
May	68,000
June	443,000
July	609,000
August	598,000
September	528,000
October	564,000
November	515,000
December	<u>528,000</u>
Total coupons received	<u>5,553,000</u>
Coupons available	<u>6,845,756</u>
Less coupons distributed:	
January	412,497
February	423,256
March	424,636
April	446,217
May	507,054
June	416,882
July	415,651
August	412,791
September	413,846
October	423,988
November	404,861
December	<u>392,774</u>
Total coupons distributed	<u>5,098,953</u>
Ending inventory December 31, 1996	<u>\$1,746,803</u>

LINCOLN PARISH FOOD STAMP PROGRAM
MORNING, LOUISIANA
SCHEDULE OF ALLOWABLE COSTS
FOR THE YEAR ENDED DECEMBER 31, 1996

Salaries	\$ 29,329
Fringe benefits	6,472
Operating	8,794
Audit	3,000
Travel	262
Indirect costs	<u>2,933</u>
Total allowable costs	<u>\$ 50,790</u>
Amount reimbursable by the Food Stamp Program (50%)	<u>\$ 25,395</u>

SUPPLEMENTAL INFORMATION SCHEDULES

LINCOLN PARISH FOOD STAMP PROGRAM
BOSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 1996

NOTE 4 - DEFERRED COMPENSATION PLAN (Continued)

The deferred compensation plan is administered by PERSCO (Public Employee Benefit Services Corporation). Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the Benefit Service Corporation, until paid or made available to the employees or beneficiaries, are the property of the Police Jury subject only to the claims of the Police Jury's general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Police Jury, and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Police Jury believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

As part of its fiduciary role the Police Jury has an obligation of due care in selecting the third-party administrator. In the opinion of the Police Jury's legal counsel, the Police Jury has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

LINCOLN PARISH FROD STAMP PROGRAM
RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 1996

NOTE 4 - PENSION PLAN (Continued)

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among government pension plans and employers. The Parochial Retirement System does not conduct separate measurement of assets and pension benefit obligations for individual employees. The benefit obligation at December 31, 1995 (the latest date for which such information was available at the date of this report) for the Parochial Retirement System as a whole, determined through an actuarial valuation performed as of that date, was \$782,893,530. The Parochial Retirement System's net assets available for benefits on that date were \$647,845,188, resulting in an unfunded pension benefit obligation of \$115,048,422. Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's annual financial report. The Police Jury does not guarantee the benefits granted by the System.

NOTE 5 - LITIGATION

The Police Jury, at the present time, has pending litigation according to the district attorney in Lincoln Parish. In the opinion of the district attorney, the amount of the Police Jury's liability, if any, with respect to these matters will not materially affect the financial statements.

NOTE 6 - DEFERRED COMPENSATION PLAN

Employees of the Lincoln Parish Frod Stamp Program, through the Lincoln Parish Police Jury, may participate in a deferral compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Frod Stamp Program. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

LINCOLN PARISH FOOD STAMP PROGRAM
MUNSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 1996

NOTE 3. FIXED ASSETS

The fixed assets for the Food Stamp Program have been included in the financial statements of the Lincoln Parish Police Jury and are included in the General Fixed Asset account group. The fixed assets are stated at their historical cost and are not depreciated.

NOTE 4. PENSION PLAN

Parochial Employees' Retirement System of Louisiana

Plan Description

The Parochial Employees' Retirement System, a Public Employee Retirement System, is a cost sharing multiple-employer plan that is governed by the Louisiana Revised Statutes, Title II, Sections 1501 through 2015, specifically, and other general laws of the State of Louisiana.

Under the Parochial Retirement System, a member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, or 25 years of creditable service and is at least 55 years old, or 10 years of creditable service and is at least 60 years old. The monthly retirement benefit is equal to three percent of the member's covered monthly compensation for any 36 months of consecutive service in which compensation was the highest, multiplied by years of creditable service, not to exceed 100% of member's final compensation. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death under certain conditions are payable to the retiree's surviving spouse and minor children.

Lincoln Parish Police Jury's total food stamp payroll for the year ended December 31, 1996, was \$25,129 of which \$28,388 was the covered payroll for employees in the Parochial Retirement System. The Lincoln Parish Police Jury has two employees covered under this retirement system.

Description of Funding Policy

Covered employees are required by state statute to contribute 5.50% of their salary to the Parochial Retirement System. The Parish contributions are 8.00% of the salary. The Lincoln Parish Police Jury contribution requirement for the year ended December 31, 1996 was \$4,968, which consists of \$2,697 from employees and \$2,271 from the Lincoln Parish Police Jury.

LINCOLN PARISH FOOD STAMP PROGRAM
 RUSTON, LOUISIANA
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1996
 WITH SUPPLEMENTAL INFORMATION SCHEDULES

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WILLIAM B. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
240 FOREST AVE. SUITE
BOWLING, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FEDERATION OF ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER AMERICAN
P. O. BOX 1004
MONROE, LOUISIANA 70001
0000000000

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
Lincoln Parish Food Stamp Program
Baton Rouge, Louisiana

I have audited the financial statements of the Lincoln Parish Food Stamp Program as of and for the year ended December 31, 1995, and have issued my report thereon dated June 5, 1996.

I have also audited the Lincoln Parish Food Stamp Program's compliance with the requirements governing types of matching, level of effort, and/or earmarking; reporting; claims for reimbursements; and amounts claimed or used for matching that are applicable for its Food Stamp Program, which is a major federal financial assistance program, for the year ended December 31, 1995. The management of the Lincoln Parish Police Jury is responsible for the compliance with these requirements. My responsibility is to express an opinion on compliance with these requirements based on my audit.

I conducted my audit of compliance with these requirements in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-128, "Audit of State and Local Governments". These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material non-compliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Food Stamp Program's compliance with these requirements. I believe that my audit provides a reasonable basis for my opinion.

The results of my audit procedures disclosed no instances of non-compliance with the requirements referred to above.

In my opinion, the Lincoln Parish Food Stamp Program complied, in all material respects, with the requirements governing matching, level of effort, and/or earmarking; reporting; claims for reimbursements; and amounts claimed or used for matching that are applicable to this major federal financial assistance program for the year ended December 31, 1995.

from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Because of inherent limitations in any internal control structure, errors, irregularities or instances may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I also classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls:

- Treasury/Financing
- Revenues/Receipts
- Purchases/Disbursements
- Federal financial reporting
- Payroll/personnel
- Physical security/safeguard of coupons and ATP Cards
- Inventory

Administrative Controls:

General Requirements:

- Political Activity
- Civil Rights
- Federal Financial Reports

Specific Requirements:

- Matching, level of effort, or costmarking
- Reporting requirements
- Special requirements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

WILLIAM R. HULSEY
CERTIFIED PUBLIC ACCOUNTANT
218 WARDYVILLE AVENUE
MONROE, LOUISIANA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MAILING ADDRESS
P.O. BOX 12110
MONROE, LOUISIANA 70002
(504) 335-9920

**SINGLE AUDIT REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners
Lincoln Parish Food Stamp Program
Baton, Louisiana

I have audited the accompanying financial statements of the Lincoln Parish Food Stamp Program for the year ended December 31, 1996, and have issued my report thereon dated June 5, 1997. I have also audited the Lincoln Parish Food Stamp Program's compliance with requirements applicable to major federal financial assistance programs and have issued my report thereon dated June 5, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether the Lincoln Parish Food Stamp Program complied with laws and regulations, noncompliance with which would be material to major federal financial assistance programs.

In planning and performing my audit for the year ended December 31, 1996, I considered the Lincoln Parish Food Stamp Program's internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Lincoln Parish Food Stamp Program's financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses my considerations of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed policies and procedures relevant to my audit of the financial statements in a separate report dated June 5, 1997.

The management of the Lincoln Parish Police Jury is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safe-guarded against loss