

201  
RECEIVED  
LEGISLATIVE AUDITOR  
NOV 22 - 2 40 3 15

2522  
98261297

OFFICIAL  
FILE COPY

DO NOT SEND OUT

When necessary  
copy both the  
copy and FILED  
PAGE 10 1988

LINCOLN PARISH FOOD STAMP PROGRAM  
BUSTON, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1997

WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and the result of the review by the public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, upon application, at the office of the parish clerk of court.

Release Date...JUL 9, 1998...

**LINCOLN PARISH FOOD STAMP PROGRAM**  
**RUSTON, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**  
**WITH SUPPLEMENTAL INFORMATION SCHEDULES**

**CONTENTS**

	<b>Schedule</b>	<b>Page</b>
<b>INDEPENDENT AUDITORS REPORT</b>		1-2
<b>FINANCIAL STATEMENTS:</b>		
Balance Sheet		3
Statement of Revenues, Expenditures, and Changes in Fund Balance		4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual		5
<b>NOTES TO FINANCIAL STATEMENTS</b>		6-10
<b>SUPPLEMENTAL INFORMATION SCHEDULES</b>		
Schedule of Allowable Costs	1	11
Schedule of Changes in Coupon Inventory	2	12
Schedule of Amount Due From Department of Social Services	3	13
Schedule of Federally Assisted Program Activity	4	14-15
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		16-17
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		18-19

**WILLIAM B. HULSEY**  
CERTIFIED PUBLIC ACCOUNTANT  
115 BOND STREET  
MONROE, LOUISIANA

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

MAJESTIC APARTMENT  
P.O. BOX 900  
MONROE, LOUISIANA 70501  
(504) 336-0000  
FAX (504) 336-0000

## 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, as of and for the year ended December 31, 1987, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Police Jury's management. My responsibility is to express my opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 overall 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish Food Stamp Program as of December 31, 1987, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated June 25, 1988, on my consideration of Lincoln Parish Food Stamp Program's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Lincoln Parish Food Stamp Program taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of State, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

WILLIAM B. HULSHY, CPA  
Certified Public Accountant

  
June 25, 1998

LINCOLN PARISH FOOD STAMP PROGRAM  
BLISTON, LOUISIANA  
BALANCE SHEET  
DECEMBER 31, 1997

<b>Assets:</b>	
Due from Department of Social Services	\$ <u>2,432</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>2,432</u></b>
<b>Liabilities and Fund Equity:</b>	
<b>Liabilities:</b>	
Due to Lincoln Parish Police Jury	
General Fund	\$ <u>2,432</u>
Total Liabilities	<u>2,432</u>
<b>Fund Equity:</b>	
Fund balance:	
Uncursed-undesignated	<u>      </u>
Total fund equity	<u>      </u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>2,432</u></b>

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

LINCOLN PARISH FOOD-STAMP PROGRAM  
 ELISTON, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 1997

Revenues:	
Intergovernmental revenues:	
Federal funds	\$ 36,821
Local funds	<u>    36,821</u>
Total revenues	<u>    73,642</u>
Expenditures:	
Personnel services and fringe	37,245
Audit	1,000
Travel	456
Operating	8,275
Indirect costs	<u>    1,068</u>
Total expenditures	<u>    50,044</u>
Excess of revenues over expenditures	-
Fund balance - beginning	<u>    0</u>
Fund balance - ending	<u>\$    0</u>

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

LINCOLN PARISH FOOD STAMP PROGRAM  
 RUSTON, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 1997

	_Budget_	_Actual_	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intragovernmental revenues:			
Federal funds	\$ 28,000	\$ 26,021	\$( 1,979 )
Local funds	28,000	26,021	( 1,979 )
Total revenues	56,000	52,042	( 3,958 )
<b>Expenditures:</b>			
Personnel services and fringe	42,560	37,245	5,315
Miscellaneous	10,000	11,739	( 1,739 )
Indirect costs	3,440	3,058	382
Total expenditures	56,000	52,042	3,958
Excess of revenues over expenditures	\$ _____	-	\$ _____
Fund balance - beginning		-	
Fund balance - ending		\$ _____	

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

LINCOLN PARISH FOOD STAMP PROGRAM  
BRIEFING, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 1997

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

GAISS Codification Section 2108 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 subsequent 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 GAISS Codification Section 2108.

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, 1997, 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 1997, 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  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 1997

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Period 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 Fund's 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 \$2,472 is for December 1996 reimbursements. The December reimbursements were received in 1997.

LINCOLN PARISH FOOD STAMP PROGRAM  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 1997

**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 1901 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, 1997, was \$30,684 of which \$28,604 was the covered payroll for employees in the Parochial Retirement System. The Lincoln Parish Police Jury has one employee covered under this retirement system.

Description of Funding Policy

Covered employees are required by state statute to contribute 8.50% 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, 1997, was \$5,008, which consists of \$2,717 from employees and \$2,291 from the Lincoln Parish Police Jury.

LINCOLN PARISH FOOD STAMP PROGRAM  
BUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 1997

**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 Parishial Retirement System does not conduct separate measurements of assets and pension benefit obligations for individual employees. The benefit obligation as December 31, 1996 (the latest date for which such information was available at the date of this report) for the Parishial Retirement System as a whole, determined through an actuarial valuation performed as of date, was \$515,248,850. The Parishial Retirement System's net assets available for benefits on that date were \$791,808,819, resulting in an unfunded pension benefit obligation of \$114,188,031. 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 statement.

**NOTE 6 - DEFERRED COMPENSATION PLAN**

Employees of the Lincoln Parish Food Stamp Program, through the Lincoln Parish Police Jury, may participate in a deferred 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 Food 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  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 1997

**NOTE 9 - DEFERRED COMPENSATION PLAN (Continued)**

The deferred compensation plan is administered by PUBSCO (Public Employee Benefit Services Corporation). Under the terms of an ERCA 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 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.

**NOTE 12 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget/Actual Unfavorable Variances**

When comparing budget to actual expenditure amounts for the year ended December 31, 1997, the following line item had a favorable variance for expenditures, as summarized below:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel services and fringes	\$ 42,560	\$ 37,245	\$ 5,315

**SUPPLEMENTAL INFORMATION SCHEDULES**

LINCOLN PARISH FOOD STAMP PROGRAM  
RUSTON, LOUISIANA  
SCHEDULE OF ALLOWABLE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1989

SCHEDULE 1

Salaries	\$ 30,684
Fringe benefits	6,541
Operating	8,273
Audit	5,000
Travel	458
Indirect costs	<u>3,068</u>
Total allowable costs	<u>\$ 52,043</u>
Amount reimbursable by the Food Stamp Program (50%)	<u>\$ 26,021</u>

LINCOLN PARISH FOOD STAMP PROGRAM  
 RUSTON, LOUISIANA  
 SCHEDULE OF CHANGES IN COUPON INVENTORY  
 FOR THE YEAR ENDED DECEMBER 31, 1997

SCHEDULE 2

Beginning inventory January 1, 1997	\$ 1,451,183
<b>Add coupons received:</b>	
January	407,000
February	267,000
March	303,000
April	326,000
May	330,000
June	271,000
July	-
August	630,000
September	38,000
October	-
November	43,250
December	-
Total coupons received	2,615,250
Coupons available	4,066,433
<b>Less coupons distributed:</b>	
January	589,106
February	585,203
March	573,213
April	567,849
May	559,508
June	534,365
July	547,498
August	538,236
September	351,388
October	364,282
November	350,252
December	2,822
Total coupons distributed	3,874,544
Ending inventory December 31, 1997	\$ 91,489

LINCOLN PARISH FOOD STAMP PROGRAM  
BUSTON, LOUISIANA  
SCHEDULE OF AMOUNT DUE FROM  
DEPARTMENT OF SOCIAL SERVICES  
FOR THE YEAR ENDED DECEMBER 31, 1997

SCHEDULE 3

Total allowable costs	\$ 12,842
Federal reimbursement	<u>    586</u>
Amount reimbursable by the Food Stamp Program	26,021
Less: Payments made on approved costs reports	<u>23,589</u>
Amount due from Department of Social Services at December 31, 1997	\$ <u>2,432</u>



LINCOLN PARISH FOOD STAMP PROGRAM  
 BUSTON, LOUISIANA  
 SCHEDULE OF FEDERALLY ASSISTED PROGRAM ACTIVITY  
 FOR THE YEAR ENDED DECEMBER 31, 1993

SCHEDULE 4

<u>Source of Federal Assistance/ Agency Name</u>	<u>Program Name</u>	<u>CFDA Number</u>	<u>Award Number</u>
<b>Indirect Assistance</b>			
United States Department of Agriculture - Louisiana	Food Stamps	18.501	21-061-8889
Department of Health and Hospitals	State Administrative Match	18.561	21-061-8889
<b>Totals</b>			
<b>Reconciliation of federal assistance to revenue per financial statements</b>			
<hr/>			
Total federal assistance per above			\$ 2,641,271
Less dollar value of food stamps			<u>(2,615,259 )</u>
Total federal revenue per financial statements			<u>\$ 26,012</u>
Federal revenue per financial statements: Food stamp reimbursement			<u>\$ 26,012</u>

<u>Award Period</u>	<u>Award Type</u>	<u>Federal Assistance</u>	<u>Expenditure</u>
01/97 - 12/97	Prepayment	\$ 2,613,258	\$ 3,974,946
10/97 - 12/97	Reimbursement	_____26,821	_____26,821
		<u>\$ 2,640,079</u>	<u>\$ 4,001,767</u>

**WILLIAM R. HULSEY**  
CERTIFIED PUBLIC ACCOUNTANT  
110 PERRYVILLE AVENUE  
MONROE, LOUISIANA

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

BUSINESS ADDRESS  
P.O. BOX 1110  
MONROE, LOUISIANA 70001  
704 233-8840  
FAX 704-233-8888

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 1997, and have issued my report thereon dated June 25, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Lincoln Parish Food Stamp Program's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Lincoln Parish Food Stamp Program's internal control over financial reporting 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 over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, 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 B. HULSEY  
Certified Public Accountant



June 25, 1998

**WILLIAM R. HULSEY**  
CERTIFIED PUBLIC ACCOUNTANT  
IN MONROE PARISH  
MONROE, LOUISIANA

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

MAILING ADDRESS  
P O BOX 1024  
MONROE, LOUISIANA 70001  
PHONE 225 335 1000  
FAX 225 335 1000

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Lincoln Parish Food Stamp Program  
Ruston, Louisiana

Compliance

I have audited the compliance of the Lincoln Parish Food Stamp Program with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1997. Lincoln Parish Food Stamp Program's major federal programs are identified in the accompanying Schedule of Federal Expenditures. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Police Jury's management. My responsibility is to express an opinion on the Lincoln Parish Food Stamp Program's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lincoln Parish Food Stamp Program's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Lincoln Parish Food Stamp Program's compliance with those requirements.

In my opinion, the Lincoln Parish Food Stamp Program complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1997.

### Internal Control Over Compliance

The management of Lincoln Parish Food Stamp Program is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Lincoln Parish Food Stamp Program's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that I consider to be material weaknesses.

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 25, 1998