

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2010

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 2/23/11

David Q. Richardson
Certified Public Accountant
P.O. Box 891
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318-574-0514

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
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ST. JOSEPH, LOUISIANA
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INDEPENDENT AUDITOR'S REPORT

Ernest Sikes
Tensas Parish Clerk of Court
St. Joseph, Louisiana

I have audited the accompanying financial statements of the governmental activities, the General Fund (major fund) and each fiduciary fund of the Clerk of Court, a component unit of the Tensas Parish Police Jury, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Tensas Parish Clerk of Court. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *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 the Clerk, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tensas Parish Clerk of Court, and the changes in its financial position for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, and supplementary information on pages 6 through 8 and 30 through 31, respectively are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplemental information schedule (Part III) listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Tensas Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT

Page Two

In accordance with *Governmental Auditing Standards*, I have also issued a report dated December 29, 2010, on the Tensas Parish Clerk of Court's compliance with laws and regulations, and my consideration of the Clerk's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in cursive script, appearing to read "David R. Rouse".

Tallulah, Louisiana
December 29, 2010

REQUIRED SUPPLEMENTAL INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Tensas Parish Clerk of Court, St. Joseph, Louisiana's financial performance provides an overview of the Clerk's financial activities for the year ended June 30, 2010. Please read it in conjunction with the Clerk's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Clerk's net assets decreased \$30,456, as a result of this year's operations. This decrease in net assets was the result of a decrease in charges for services.

During the year the Clerk had total expenditures of \$292,640 in governmental funds. This was a decrease of \$35,992 when compared to the prior year. The decrease was primarily in personal service costs.

The Clerk's only long-term debt is the OPEB payable.

Total revenue for the Clerk for the current year was \$269,918. This was down from \$326,799 in the previous year. The revenue decrease was primarily because of a decrease of income from court costs, fees and recording fees.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and The Statement of Activities provide information about the activities of the Clerk as a whole and present a longer-term view of the Clerk's finances. Fund financial statements start on page 12. For governmental activities, these statements tell you how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Clerk's operations in more detail than the government-wide statements by providing information about the Clerk's most significant funds.

Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the Statement of Net Assets and Statement of Activities. The Statement of Net Assets presents information on all of the Tensas Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Tensas Parish Clerk of Court is improving or deteriorating. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These statements disclose that in the current year the Clerk's net assets decreased by \$30,456.

Fund Financial Statements:

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Tensas Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Tensas Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The current year Statement of Revenues, Expenditures, and Changes in Fund Balances has a \$22,722 excess of expenditures over receipts.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Tensas Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Tensas Parish Clerk of Court's performance.

Government-wide Financial Analysis:

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Tensas Clerk of Court exceeded assets by \$15,147. The Tensas Clerk of Court's net assets reflects its investment in capital assets at June 30, 2010, to be zero.

STATEMENT OF NET ASSETS
 Governmental Funds

Assets	2010	2009
Cash and cash equivalents	\$ 684	\$ 17,732
Receivables	3,021	6,223
Capital assets (net of accumulated depreciation)	-	371
Total Assets	3,705	24,326
Liabilities		
Current liabilities:		
Accounts payable	10,329	7,967
Payroll taxes payable	1,160	1,050
Long-term liabilities:		
OPEB payable	7,363	-
Total Liabilities	18,852	9,017
Net Assets		
Invested in capital assets	-	371
Unrestricted	(15,147)	14,938
Total Net Assets	\$ (15,147)	\$ 15,309

Financial Analysis of the Government's Funds:

As noted earlier, the Tensas Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2010, governmental fund deficit of \$7,784 showed a decrease of \$22,722 when compared to June 30, 2009.

Requests for Information

This financial report is designed to provide a general overview of the Tensas Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Tensas Parish Clerk of Court, P.O. Box 78, St. Joseph, Louisiana 71366.

BASIC FINANCIAL STATEMENTS

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>General Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 684
Receivables	3,021
Capital assets, net of accumulated depreciation	<u>-</u>
Total Assets	<u>3,705</u>
Liabilities:	
Current liabilities:	
Accounts payable	10,329
Payroll taxes payable	1,160
Long-term liabilities:	
OPEB payable	<u>7,363</u>
Total Liabilities	<u>18,852</u>
Net Assets	
Invested in Capital Assets	-
Unrestricted	<u>(15,147)</u>
Total Net Assets	<u>\$ (15,147)</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>
Expenses	
Personal services	\$ 206,069
Related benefits	58,367
Operating services	23,645
Materials and supplies	11,125
Travel and convention	797
Depreciation	371
Total program expenses	<u>300,374</u>
 Program Revenues	
Charges for services	267,010
License and permits	540
Other charges	2,301
Total program revenue	<u>269,851</u>
Net program revenue	(30,523)
 General Revenues	
Interest income	<u>67</u>
Change in Net Assets	(30,456)
Net Assets - Beginning	<u>15,309</u>
Net Assets - Ending	<u>\$ (15,147)</u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 684
Receivables	<u>3,021</u>
Total Assets	<u><u>3,705</u></u>
Liabilities and Fund Equity	
Liabilities:	
Accounts payable	10,329
Payroll taxes payable	<u>1,160</u>
Total Liabilities	11,489
Fund Equity:	
Fund balance (deficit) - unreserved - undesignated	<u>(7,784)</u>
Total Liabilities and Fund Equity	<u><u>\$ 3,705</u></u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
 ST. JOSEPH, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 JUNE 30, 2010

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Government Funds (Exhibit C)	\$	(7,784)
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental capital assets	66,049	
Less accumulated depreciation	66,049	
Net	-	

Long-Term Debt:		
OPEB payable		(7,363)

Net Assets of Governmental Activities (Exhibit A)	\$	(15,147)
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The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

Revenues		
Licenses and permits - marriage	\$ 540	
Fees, charges, and commissions for services:		
Court costs, fees, and charges	171,145	
Fees for recording legal documents	64,905	
Fees for certified copies of documents	2,243	
State supplemental pay	19,800	
UCC fees	8,917	
Use of money and property - interest earnings	67	
Miscellaneous	<u>2,301</u>	
Total revenues		269,918
 Expenditures		
General government:		
Personal service and related benefits	257,073	
Operating services	23,645	
Material and supplies	11,125	
Travel and conventions	<u>797</u>	
Total expenditures		<u>292,640</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES		(22,722)
FUND BALANCE AT BEGINNING OF YEAR		<u>14,938</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u><u>\$ (7,784)</u></u>

The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$ (22,722)
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<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$371) exceed capital outlays (\$0) in the current period.</p>	(371)
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<p>The Statement of Activities recorded unfunded cost of post employment medical insurance cost (OPEB) in the current year, but will not be recorded in Governmental funds until actually paid.</p>	<u>(7,363)</u>
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Change in Net Assets of Governmental Activities, (Exhibit B)	<u>\$ (30,456)</u>
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The accompanying notes are an integral part of this financial statement.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
STATEMENT OF AGENCY ASSETS AND LIABILITIES - FIDUCIARY FUNDS
JUNE 30, 2010

ASSETS	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Cash	<u>\$ 99,372</u>	<u>\$ 20,553</u>	<u>\$ 119,925</u>
 LIABILITIES			
Due to litigants and others	<u>\$ 99,372</u>	<u>\$ 20,553</u>	<u>\$ 119,925</u>

The accompanying notes are an integral part of this financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four year term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Tensas Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Tensas Parish Police Jury. The police jury maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture to the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the police jury, the Clerk of Court was determined to be a component of the Tensas Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental fund (General Fund) and fiduciary (Agency Funds).

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Governmental Funds

Governmental Funds account for all or most of the Clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following are the Clerk's governmental funds:

General Fund - The primary operating fund of the Clerk and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Clerk policy.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for assets held by the Clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Exhibit C and E, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Clerk operations.

The amounts reflected in the General Fund of Exhibits C and E, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fund Financial Statements (FFS) (cont.)

amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Recording, cancellations, court attendance, criminal cost, etc., are recorded in the year in which they are earned.

Interest income on investments is recorded as it is earned through the use of accruals.

Substantially, all other revenues are recorded when received.

Expenditures

Expenditures are generally recognizable under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities (Exhibit A & B) report information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Government-Wide Financial Statements (GWFS) (cont.)

Program Revenues- Program revenues included in the Statement of Activities (Exhibit B) are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the Clerk's general revenues.

E. BUDGETARY PRACTICES

The proposed budget for the 2010 fiscal year was made available for public inspection at the Clerk's office on May 20, 2009. The budget hearing was held at the Clerk's office at 9:00 a.m., May 20, 2009.

The budget is legally adopted and amended as necessary by the Clerk. All appropriations lapse at year-end. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget. There was one amendment to the year ended June 30, 2010 budget.

This amendment was adopted and made available for public inspection June 30, 2010.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the clerk of court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States of America, or under the laws of the United States of America.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

G. CAPITAL ASSETS (cont.)

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture and Fixtures	5-10 years
Vehicles	4-5 years

H. VACATION/SICK LEAVE/UNCOMPENSATED ABSENCES

All employees of the Clerk of Court's office earn two weeks of non-cumulative vacation leave each year. Sick leave is granted on a case-by-case basis, at the discretion of the Clerk. Since no leave time is cumulative, the Clerk does not have a liability for Compensated Absences.

I. RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the Clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years.

There were no significant reductions in insurance coverage during the year ended June 30, 2010.

J. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriated for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

J. FUND EQUITY (cont.)

R.S. 13:875 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. At June 30, 2010, no balance was due the Parish Treasurer.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require the Clerk to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

A June 30, 2010, the Tensas Parish Clerk of Court had cash and cash equivalents totaling \$120,609 of which \$119,925 is attributable to fiduciary funds and therefore, is not presented in the Statement of Net Assets. The bank balances at June 30, 2010, were \$122,685, of which \$122,685 was insured from loss by FDIC insurance and \$0 was secured by pledged securities. Cash and investments are stated at cost which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 3 - RECEIVABLES

The breakdown on General Fund Receivables at June 30, 2010, as shown on the accompanying balance sheet, is as follows:

Fees for services	\$ 4,005
Payroll taxes	253
Total	<u>4,258</u>
Less: allowances for bad debt	<u>1,237</u>
Net	<u><u>\$ 3,021</u></u>

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

	Cost			Accumulated Depreciation				
	Balance			Balance				
	July 1, 2010	Additions	Deductions	June 30, 2010	July 1, 2009	Additions	Deductions	June 30, 2010
Equipment	<u>\$ 66,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,049</u>	<u>\$ 65,678</u>	<u>\$ 371</u>	<u>\$ -</u>	<u>\$ 66,049</u>

NOTE 5 - PENSION PLAN

Substantially all employees are members of the Clerks of Court Retirement and Relief Fund, a multiple-employer Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 5 - PENSION PLAN (cont.)

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefits accrued to their date of termination. The System provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Clerk of Court Retirement & Relief Fund, 11745 Bricksome Avenue, Suite B-1, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

Funding Policy

Plan members are required by state statute to contribute 8.25% of their annual salary and the Tensas Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Tensas Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tensas Parish Clerk Court's contributions to the System for the years ending June 30, 2010, 2009, and 2008, were \$29,154, \$40,594, and \$35,573, respectively, equal to the required contributions for each year.

NOTE 6 - EXPENSES OF THE CLERK PAID BY THE PARISH POLICE JURY

Certain operating expenditures of the clerk's office are paid by the parish police jury. The Police Jury paid the electric bills for the Clerk's office, and provided office space. None of these expenses are included in the financial statements.

NOTE 7 - OPERATING LEASES

The Clerk does not have any capital or operating lease at June 30, 2010.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 8 - HEALTH AND LIFE INSURANCE BENEFITS

The Louisiana Clerk of Court Association provides health care and life insurance benefits for its employees. Substantially, all of the Clerk of Court General Fund employees are covered by the Louisiana Clerk of Court Association Insurance Program. During the years ended June 30, 2010, the General Fund paid for those benefits.

NOTE 9 - CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to others follows:

	Advance Deposit Fund	Registry of Court Fund	Total
Balance, July 1, 2009	\$ 86,960	\$ 20,514	\$ 107,474
Additions	155,325	24,760	180,085
Reductions	(142,913)	(24,721)	(167,634)
Balance, June 30, 2010	<u>\$ 99,372</u>	<u>\$ 20,553</u>	<u>\$ 119,925</u>

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Association.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributes 50% of the cost of the current-year premiums for eligible retired plan members and 50% of the cost for retired plan members' spouses and dependent children. For fiscal year 2010, the Clerk contributed \$2,551 to the plan and the retirees contributed \$2,594.

Annual OPEB Cost and Net OPEB Obligation. For 2010, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - continued

of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 9,914
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost (Expense)	9,914
Contributions Made	(2,551)
Increase in Net OPEB Obligation	7,363
Net OPEB Obligation - beginning of year	-
Net OPEB Obligation - end of year	\$ 7,363

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 is as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 9,914	25.7%	\$ 7,363

Funded Status and Funding Progress. As of June 30, 2009, the actuarial accrued liability for benefits was \$136,803, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$148,752, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 92.0%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - continued

In the June 30, 2009, actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

NOTE 11 - FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed against litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BUDGET BASIS
YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Licenses and permits - marriage	\$ 1,000	\$ -	\$ 540	\$ 540
Fees, charges and commissions for services:				
Court costs, fees and charges	186,500	180,500	171,145	(9,355)
Fees for recording legal documents	76,500	61,500	64,905	3,405
Fees for certified copies of documents	27,000	2,500	2,243	(257)
State supplemental pay	20,000	30,000	19,800	(10,200)
UCC fees	10,500	9,320	8,917	(403)
Use of money and property - interest earnings	1,000	80	67	(13)
Miscellaneous	8,950	-	2,301	2,301
Total revenues	<u>331,450</u>	<u>283,900</u>	<u>269,918</u>	<u>(13,982)</u>
Expenditures				
General government:				
Personal service and related benefits	295,000	258,500	257,073	1,427
Operating services	25,500	23,570	23,645	(75)
Material and supplies	14,900	11,950	11,125	825
Travel and conventions	2,000	4,450	797	3,653
Total expenditures	<u>337,400</u>	<u>298,470</u>	<u>292,640</u>	<u>5,830</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,950)	(14,570)	(22,722)	(8,152)
FUND BALANCE, BEGINNING OF YEAR	<u>14,938</u>	<u>14,938</u>	<u>14,938</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,988</u>	<u>\$ 368</u>	<u>\$ (7,784)</u>	<u>\$ (8,152)</u>

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN
FOR THE YEAR ENDED JUNE 30, 2010

Actual Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded ALL (UALL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
6/30/2009	\$ -	\$ 136,803	\$ 136,803	0.0%	\$ 148,752	92.0%

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2009, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

OTHER SUPPLEMENTAL SCHEDULES

PART III

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2010

Assets	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balances, beginning of year	\$ 86,960	\$ 20,514	\$ 107,474
Additions:			
Deposits in civil suits	155,325	24,563	179,888
Interest earnings	-	197	197
Total additions	<u>155,325</u>	<u>24,760</u>	<u>180,085</u>
Total	<u>242,285</u>	<u>45,274</u>	<u>287,559</u>
Reductions:			
Payments by order of the court	-	24,721	24,721
Clerk's fees transferred to general fund	123,674	-	123,674
Settlements to litigants	1,338	-	1,338
Appraisals and other fees	10,371	-	10,371
Sheriff's fees	7,530	-	7,530
Total reductions	<u>142,913</u>	<u>24,721</u>	<u>167,634</u>
Balances, end of year	<u>\$ 99,372</u>	<u>\$ 20,553</u>	<u>\$ 119,925</u>
Liabilities			
Due to litigants and others, beginning of year	\$ 86,960	\$ 20,514	\$ 107,474
Additions	155,325	24,760	180,085
Reductions	<u>(142,913)</u>	<u>(24,721)</u>	<u>(167,634)</u>
Due to litigants and others, end of year	<u>\$ 99,372</u>	<u>\$ 20,553</u>	<u>\$ 119,925</u>

**COMPLIANCE REPORTING AND OTHER
SCHEDULES REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS***

DAVID Q. RICHARDSON

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

Ernest Sikes
Tensas Parish Clerk of Court
St. Joseph, Louisiana

I have audited the financial statements of the Tensas Parish Clerk of Court, as of and for the year ended June 30, 2010, and have issued my report thereon dated December 29, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Tensas Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. However, I identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item #10-1 that I consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Tensas Parish Clerk of Court
St. Joseph, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tensas Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Clerk of Court, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Tallulah, Louisiana
December 29, 2010

B. FINANCIAL STATEMENTS FINDINGS

- 10-1. Segregation of duties - Due to limited personnel, the Clerk's office does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

Section I. Internal Control and Compliance Material to the Financial Statements

09-1. Segregation of duties - Due to limited personnel, the Clerk's office does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

This was a finding in the current year also. See 10-1 in the current year.

Section II. Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.


Section III. Management Letter

No Management letter was issued in the prior year.

**Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2010**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
10-1	Separation of Duties	Not feasible at this time due to staff and budget limitations.	Ernest Sikes	N/A

The above corrective action plan addresses the auditor's current year findings. If you need additional information concerning the corrective action, please feel free to contact me.


Ernest Sikes, Clerk of Court