

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2013

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 APR 02 2014

Heard, McElroy, & Vestal, LLC
Certified Public Accountant
P.O. Box 4044
Monroe, Louisiana 71211
(318) 388-3108

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
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ST. JOSEPH, LOUISIANA
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HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tensas Parish Clerk of Court as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Tensas Parish Clerk of Court as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-7, and the budgetary comparison information on page 28, be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

The other supplemental schedule listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the Tensas Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tensas Parish Clerk of Court's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

December 30, 2013

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, 2013. Please read it in conjunction with the Clerk's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The Clerk's net position decreased \$12,985, as a result of this year's operations. This decrease in net position was the result of a decrease in accounts receivable and an increase in accounts payable.

During the year the Clerk had total expenditures of \$298,847 in governmental funds. This was a decrease of \$1,630 when compared to the prior year. While personal services increased, operating services decreased.

Total revenue for the Clerk for the current year was \$289,867. This was up from \$285,846 in the previous year. The revenue increase was primarily because of an increase of other revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position 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 11. 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 Position and Statement of Activities. The Statement of Net Position presents information on all of the Tensas Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 position decreased by \$12,985.

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.

Fund Financial Statements (Cont.):

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 \$8,980 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 position 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 \$6,891. The Tensas Clerk of Court's net position reflects its investment in capital assets at June 30, 2013, to be zero.

STATEMENT OF NET POSITION
 Governmental Funds

Assets	2013	2012
Cash and cash equivalents	\$ 8,520	\$ 4,273
Receivables	4,255	13,660
Total Assets	12,775	17,933
Liabilities		
Current liabilities:		
Accounts payable	4,704	8,379
Payroll related liabilities	14,962	3,460
Total Liabilities	19,666	11,839
Net Position		
Invested in capital assets	-	-
Unrestricted	(6,891)	6,094
Total Net Position	\$ (6,891)	\$ 6,094

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, unassigned 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, 2013, governmental fund balance of \$(7,304) showed a decrease of \$8,980 when compared to June 30, 2012.

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 POSITION
JUNE 30, 2013

General
Fund

Assets

Current assets:

Cash and cash equivalents

\$ 8,520

Receivables

4,255

Capital assets, net of accumulated depreciation

-

Total Assets

12,775**Liabilities:**

Current liabilities:

Accounts payable

4,704

Payroll related liabilities

14,962

Total Liabilities

19,666**Net Position**

Invested in capital assets

-

Unrestricted

(6,891)

Total Net Position

\$ (6,891)

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, 2013

	<u>General Fund</u>
Expenses	
Personal services	\$ 206,097
Related benefits	58,280
Operating services	16,793
Materials and supplies	15,044
Travel and other	2,633
Total program expenses	<u>298,847</u>
Program Revenues	
Charges for services	274,478
License and permits	368
Other charges	10,968
Total program revenue	<u>285,814</u>
Net program revenue	(13,033)
General Revenues	
Interest income	<u>48</u>
Change in Net Positon	(12,985)
Net Position - Beginning	<u>6,094</u>
Net Position - Ending	<u>\$ (6,891)</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, 2013

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 8,520
Receivables	<u>3,842</u>
Total Assets	<u><u>12,362</u></u>
Liabilities and Fund Equity	
Liabilities:	
Accounts payable	4,704
Payroll related liabilities	<u>14,962</u>
Total Liabilities	19,666
Fund Equity:	
Fund balance - unassigned	<u>(7,304)</u>
Total Liabilities and Fund Equity	<u><u>\$ 12,362</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 POSITION
JUNE 30, 2013

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

Fund Balances, Total Government Funds (Exhibit C)	\$	(7,304)
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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	<u>(66,049)</u>		
Net		-	

Receivables collected more than 60 days after the close of the accounting period are not recorded on the fund financial statements, but they are included on the Statement of Net Position.		<u>413</u>
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Net Position of Governmental Activities (Exhibit A)	\$	<u><u>(6,891)</u></u>
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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, 2013

Revenues

Licenses and permits - marriage	\$ 368	
Fees, charges, and commissions for services:		
Court costs, fees, and charges	155,095	
Fees for recording legal documents	78,512	
Fees for certified copies of documents	4,944	
State supplemental pay	21,000	
UCC fees	5,898	
Use of money and property - interest earnings	48	
Other	<u>24,002</u>	
Total revenues		<u>289,867</u>

Expenditures

General government:		
Personal service and related benefits	264,377	
Operating services	16,793	
Material and supplies	15,044	
Travel and other	<u>2,633</u>	
Total expenditures		<u>298,847</u>

EXCESS (DEFICENCY) OF REVENUES OVER EXPENDITURES (8,980)

FUND BALANCE AT BEGINNING OF YEAR 1,676

FUND BALANCE AT END OF YEAR \$ (7,304)

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, 2013

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

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$ (8,980)
Governmental funds do not report funds received more than 60 days after the end of the year as revenues in the current year, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities.	(4,005)
Change in Net Position of Governmental Activities, (Exhibit B)	\$ (12,985)

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, 2013

ASSETS	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Cash	<u>\$ 54,639</u>	<u>\$ 81,939</u>	<u>\$ 136,578</u>
 LIABILITIES			
Due to litigants and others	<u>\$ 54,639</u>	<u>\$ 81,939</u>	<u>\$ 136,578</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, 2013

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, 2013

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 position and changes in net position. 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 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, 2013

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 Position 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, 2013

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 2013 fiscal year was made available for public inspection at the Clerk's office on June 29, 2012. The budget hearing was held at the clerk's office at 9:00 a.m. on June 29, 2012.

The budget was amended June 28, 2013 and a hearing was held in the Clerk's office on that day at 9:00 a.m.

The budget is legally adopted and amended as necessary by the Clerk. All appropriations lapse at 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 and amended budgeted amounts.

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, 2013

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

G. CAPITAL ASSETS (cont.)

Capital assets are recorded in the Statement of Net Position 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, 2013.

J. FUND EQUITY

Beginning with fiscal year 2011, the Clerk implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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

J. FUND EQUITY (cont.)

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Clerk itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Clerk takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk of Court.

Unassigned Fund Balance - amounts that are available for any purpose. These amounts are reported only in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk has provided otherwise in his commitment or assignment actions.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires 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

At June 30, 2013, the Tensas Parish Clerk of Court had cash and cash equivalents totaling \$145,098 of which \$136,578 is attributable to fiduciary funds and therefore, is not presented in the Statement of Net Position. The bank balances at June 30, 2013, were \$162,242, of which \$162,242 was insured from loss by FDIC insurance and \$0 was secured by pledged securities. Cash and investments are stated at cost which

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 - CASH AND CASH EQUIVALENTS (cont.)

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.

NOTE 3 - RECEIVABLES

The breakdown on General Fund Receivables at June 30, 2013, is as follows:

	Governmental Funds	Government Wide
Fees for services	\$ 3,842	\$ 4,255
Less: allowances for bad debt	-	-
Net	\$ 3,842	\$ 4,255

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows:

	Cost			Accumulated Depreciation				
	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
	Equipment	\$ 66,049	\$ -	\$ -	\$ 66,049	\$ 66,049	\$ -	\$ -

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, 2013

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 17.25% 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, 2013, 2012, and 2011, were \$43,583, \$30,941, and \$45,710, 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, 2013.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 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, 2012	\$ 67,589	\$ 105,108	\$ 172,697
Additions	112,888	4,469	117,357
Reductions	125,838	27,638	153,476
Balance, June 30, 2013	<u>\$ 54,639</u>	<u>\$ 81,939</u>	<u>\$ 136,578</u>

NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Clerk had a defined benefit postemployment health care plan ("the Retiree Health Plan") that provided medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan was 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. The plan has been cancelled.

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.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, implemented this year provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Assets is renamed the *Statement of Net Position* and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Clerk has determined that they have no deferred outflows or inflows as defined by this standard.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 30, 2013, which is the date the financial statements were available to be issued. As of December 30, 2013, there were no subsequent events noted.

REQUIRED SUPPLEMENTAL INFORMATION

PART II

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - BUDGET BASIS
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Licenses and permits - marriage	\$ 280	\$ 280	\$ 368	\$ 88
Fees, charges and commissions for services:				
Court costs, fees and charges	166,000	165,000	155,095	(9,905)
Fees for recording legal documents	70,000	69,000	78,512	9,512
Fees for certified copies of documents	4,500	4,500	4,944	444
State supplemental pay	21,000	21,000	21,000	-
UCC fees	7,000	7,000	5,898	(1,102)
Use of money and property - interest earnings	50	50	48	(2)
Miscellaneous	15,000	15,500	24,002	8,502
Total revenues	<u>283,830</u>	<u>282,330</u>	<u>289,867</u>	<u>7,537</u>
Expenditures				
General government:				
Personal service and related benefits	250,600	250,600	264,377	(13,777)
Operating services	22,800	22,800	16,793	6,007
Material and supplies	4,760	4,760	15,044	(10,284)
Travel and conventions	3,500	3,500	2,633	867
Total expenditures	<u>281,660</u>	<u>281,660</u>	<u>298,847</u>	<u>(17,187)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,170	670	(8,980)	(9,650)
FUND BALANCE, BEGINNING OF YEAR	<u>1,676</u>	<u>1,676</u>	<u>1,676</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,846</u>	<u>\$ 2,346</u>	<u>\$ (7,304)</u>	<u>\$ (9,650)</u>

OTHER SUPPLEMENTAL SCHEDULES

PART III

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2013

Assets	Advance Deposit	Registry of Court	Total
Balances, beginning of year	\$ 67,589	\$ 105,108	\$ 172,697
Additions:			
Deposits in civil suits	112,888	4,011	116,899
Interest earnings	-	458	458
Total additions	<u>112,888</u>	<u>4,469</u>	<u>117,357</u>
Total	<u>180,477</u>	<u>109,577</u>	<u>290,054</u>
Reductions:			
Payments by order of the court	-	27,638	27,638
Clerk's fees transferred to general fund	105,798	-	105,798
Settlements to litigants	6,209	-	6,209
Appraisals and other fees	5,972	-	5,972
Sheriff's fees	7,859	-	7,859
Total reductions	<u>125,838</u>	<u>27,638</u>	<u>153,476</u>
Balances, end of year	<u>\$ 54,639</u>	<u>\$ 81,939</u>	<u>\$ 136,578</u>
Liabilities			
Due to litigants and others, beginning of year	\$ 67,589	\$ 105,108	\$ 172,697
Additions	112,888	4,469	117,357
Reductions	<u>125,838</u>	<u>27,638</u>	<u>153,476</u>
Due to litigants and others, end of year	<u>\$ 54,639</u>	<u>\$ 81,939</u>	<u>\$ 136,578</u>

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

HEARD, MCELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the Tensas Parish Clerk of Court, as of and for the year ended June 30, 2013, and have issued our report thereon dated December 30, 2013. We conducted our 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 our audit, we considered Tensas Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, we 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.

Our 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, we identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 13-1 that we 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.

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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, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance and other matters that is required to be reported under *Government Auditing Standards*. This item is listed as 13-2 in the schedule of findings and responses.

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.

December 30, 2013

Heard, McElroy & Vestal, LLC

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

1. The auditor's reports expresses an unmodified opinion on the annual financial statements of the Tensas Parish Clerk of Court.
2. One significant deficiency in internal control was disclosed by the audit of the financial statements.
3. One instance of noncompliance material to the financial statements was disclosed during the audit of the financial statements.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

13-1 Segregation of Duties

Finding:

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.

Recommendation:

The Clerk should segregate its accounting functions as much as possible with its limited staff.

Management's Corrective Action Plan:

The Clerk will take reasonable steps to separate duties between personnel to ensure that internal controls are maintained as effectively as possible with limited staff. It does not appear to be cost effective for the Clerk to hire additional personnel to resolve this problem.

13-2 Failure to Comply with the Local Government Budget Act (LGBA)

Finding:

The LGBA requires budget amendments when total actual expenditures plus projected expenditures for the remainder of the year are exceeding the total budgeted expenditures by 5% or more.

The Clerk's original budget provided for \$281,660 of expenditures and the actual expenditures were \$298,847. This budget variance exceeds the 5% allowed by the LGBA.

Recommendation:

The Clerk should monitor its budget closely and make amendments as necessary.

Management's Corrective Action Plan:

Management will monitor actual and budgeted expenditures more closely in the future, and will make amendments as necessary.

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

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

12-1. 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 13-1 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.