

**TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2006**

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 11-15-06

**David Q. Richardson  
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TENSAS PARISH CLERK OF COURT  
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, 2006, 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 then ended 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 29, 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 October 27, 2006, 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.

Tallulah, Louisiana  
October 27, 2006



**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, 2006. Please read it in conjunction with the Clerk's financial statements, which begin on page 10.

### **FINANCIAL HIGHLIGHTS**

The Clerk's net assets increased \$42,542, as a result of this year's operations. This increase in net assets was the direct result of increased revenue.

During the year the Clerk had total expenditures of \$288,304 in governmental funds. This was a decrease of \$20,819 when compared to the prior year. The decrease was realized because the Clerk did not purchase any equipment in the current year.

The Clerk does not have any long-term debt.

Total revenue for the Clerk for the current year was \$335,729. This was up from \$284,933 in the previous year. The revenue increased because of increased 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 increased by \$42,542.

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 \$47,425 excess of receipts over expenditures.

**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, assets of the Tensas Clerk of Court exceeded liabilities by \$72,114. Approximately 20% or \$14,376 of the Tensas Clerk of Court's net assets reflects its investment in capital assets. These assets are not available for future spending.



STATEMENT OF NET ASSETS  
Governmental Funds

	2006	2005
<b>Assets</b>		
Cash and cash equivalents	\$ 50,451	\$ 7,205
Receivables	6,766	5,914
Capital assets (net of accumulated depreciation)	14,376	19,259
Prepaid expense	2,438	-
Total Assets	<u>74,031</u>	<u>32,378</u>
<b>Liabilities</b>		
Accounts Payable	771	1,597
Payroll taxes payable	1,146	1,209
Total Liabilities	<u>1,917</u>	<u>2,806</u>
<b>Net Assets</b>		
Invested in capital assets	14,376	19,259
Unrestricted	57,738	10,313
Total Net Assets	<u>\$ 72,114</u>	<u>\$ 29,572</u>

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, 2006, governmental fund balances of \$57,738 showed an increase of \$47,425 when compared to June 30, 2005.

**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, 2006

	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 50,451
Receivables	6,766
Prepaid expense	2,438
Capital assets, net of accumulated depreciation	14,376
Total Assets	74,031
 <b>Liabilities:</b>	
Accounts payable	771
Payroll taxes payable	1,146
Total Liabilities	1,917
 <b>Net Assets</b>	
Invested in Capital Assets	14,376
Unrestricted	57,738
Total Net Assets	\$ 72,114

The accompanying notes are an integral part of this statement.

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>
<b>Expenses</b>	
Personal services	\$ 178,460
Related benefits	59,588
Operating services	28,036
Materials and supplies	15,574
Travel and convention	6,437
Depreciation	4,883
Bad debts	209
Total program expenses	<u>293,187</u>
 <b>Program Revenues</b>	
Charges for services	330,209
License and permits	1,120
Other charges	1,862
Total program revenue	<u>333,191</u>
Net program revenue	40,004
 <b>General Revenues</b>	
Interest income	<u>2,538</u>
 <b>Change in Net Assets</b>	42,542
 <b>Net Assets - Beginning</b>	<u>29,572</u>
 <b>Net Assets - Ending</b>	<u>\$ 72,114</u>

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
BALANCE SHEET- GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 50,451
Receivables	6,766
Prepaid expense	<u>2,438</u>
<b>Total Assets</b>	<u><u>59,655</u></u>
 <b>Liabilities and Fund Equity</b>	
Liabilities:	
Accounts payable	771
Payroll taxes payable	<u>1,146</u>
<b>Total Liabilities</b>	1,917
 <b>Fund Equity</b>	
Fund balance - unreserved - undesignated	<u>57,738</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 59,655</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  
FOR THE YEAR ENDED JUNE 30, 2006

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

Fund Balances, Total Government Funds (Exhibit C)	\$ 57,738
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>14,376</u>
Net Assets of Governmental Activities (Exhibit A)	<u>\$ 72,114</u>

The accompanying notes are an integral part of the 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, 2006

<b>Revenues</b>		
Licenses and permits - marriage	\$ 1,120	
Fees, charges, and commissions for services:		
Court costs, fees, and charges	160,971	
Fees for recording legal documents	86,681	
Fees for certified copies of documents	48,704	
State supplemental pay	17,650	
UCC fees	16,203	
Use of money and property - interest earnings	2,538	
Miscellaneous	<u>1,862</u>	
Total revenues		335,729
 <b>Expenditures</b>		
General government:		
Personal service and related benefits	238,048	
Operating services	28,036	
Material and supplies	15,574	
Travel and conventions	6,437	
Bad debts	<u>209</u>	
Total expenditures		<u>288,304</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>		 47,425
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>		 <u>10,313</u>
 <b>FUND BALANCE AT END OF YEAR</b>		 <u><u>\$ 57,738</u></u>

The accompanying notes are an integral part of the 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, 2006

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

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$ 47,425
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	<u>(4,883)</u>
Change in Net Assets of Governmental Activities, (Exhibit B)	<u>\$ 42,542</u>

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



TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
STATEMENT OF AGENCY ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
JUNE, 30, 2006

<b>ASSETS</b>	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Cash	<u>\$ 90,311</u>	<u>\$ 19,935</u>	<u>\$ 110,246</u>
 <b>LIABILITIES</b>			
Due to litigants and others	<u>\$ 90,311</u>	<u>\$ 19,935</u>	<u>\$ 110,246</u>

The accompanying notes are an integral part of the 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, 2006**

**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, 2006

**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 measureable and available). Measureable means the

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006

**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 judgements 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, 2006

**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 2006 fiscal year was made available for public inspection at the Clerk's office on June 30, 2005. The budget hearing was held at the Clerk's office at 9:00 a.m., June 30, 2005.

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 and all subsequent amendments. There were no amendments in the year ended June 30, 2006.

**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, 2006

**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, 2006.

**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, 2006

**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, 2006, 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**

As reflected in the Financial Statements, the Tensas Parish Clerk of Court had cash and cash equivalents totaling \$160,697 at June 30, 2006. The bank balances at June 30, 2006 were \$163,988, of which \$162,152 was insured from loss by FDIC insurance and \$1,836 was unsecured. 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 the 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, 2006

**NOTE 3 - RECEIVABLES**

The breakdown on General Fund Receivables at June 30, 2006, as shown on the accompanying balance sheet, is as follows:

Fees for services	\$ 8,123
Less: allowances for bad debt	<u>1,357</u>
Net	<u>\$ 6,766</u>

**NOTE 4 - CHANGES IN GENERAL FIXED ASSETS**

Capital asset activity for the year ended June 30, 2006, was as follows:

	Cost			Accumulated Depreciation				
	Balance			Balance			Balance	
	July 1, 2005	Additions	Deductions	June 30, 2006	July 1, 2005	Additions	Deductions	June 30, 2006
Equipment	<u>\$ 66,050</u>	<u>-</u>	<u>-</u>	<u>\$ 66,050</u>	<u>\$ 46,791</u>	<u>\$4,883</u>	<u>-</u>	<u>\$ 51,674</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, 2006

**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, 2006, 2005, and 2004, were \$40,176, \$39,720, and \$21,020, 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 leases, but at June 30, 2006, he did have one operating lease. Operating leases do not give rise to property rights or lease obligations, and the results of the lease agreements are not reflected in the Clerk's account groups.

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006

**NOTE 7 - OPERATING LEASES (cont.)**

The following is a schedule, by years, of the future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2006.

Year Ending June 30,

2006/2007	\$	7,130
2007/2008		5,942
Total minimum payments required	\$	13,072

**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, 2006 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, 2005	\$ 90,512	\$ 19,744	\$ 110,256
Additions	133,633	191	133,824
Reductions	(133,834)	-	(133,834)
Balance, June 30, 2006	\$ 90,311	\$ 19,935	\$ 110,246

**TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006**

**NOTE 10 - 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, 2006

	<u>BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Revenues</b>			
Licenses and permits - marriage	\$ 3,703	\$ 1,120	\$ (2,583)
Fees, charges and commissions for services:			
Court costs, fees and charges	137,731	160,971	23,240
Fees for recording legal documents	76,608	86,681	10,073
Fees for certified copies of documents	18,153	48,704	30,551
State supplemental pay	15,845	17,650	1,805
UCC fees	16,255	16,203	(52)
Use of money and property - interest earnings	1,241	2,538	1,297
Miscellaneous	5,733	1,862	(3,871)
Total revenues	<u>275,269</u>	<u>335,729</u>	<u>60,460</u>
<b>Expenditures</b>			
General government:			
Personal service and related benefits	241,723	238,048	3,675
Operating services	25,210	28,038	(2,826)
Material and supplies	8,707	9,537	(830)
Travel and conventions	6,194	6,437	(243)
Bad debts	-	209	(209)
Miscellaneous	5,159	6,037	(878)
Total expenditures	<u>286,993</u>	<u>286,304</u>	<u>(1,311)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(11,724)</b>	<b>47,425</b>	<b>59,149</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>22,780</b>	<b>10,313</b>	<b>(12,467)</b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$11,056</u></b>	<b><u>\$ 57,738</u></b>	<b><u>\$46,682</u></b>

**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, 2006

<b>Assets</b>	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balances, beginning of year	\$ 90,512	\$ 19,744	\$ 110,256
<b>Additions:</b>			
Deposits in civil suits	131,310	-	131,310
Interest earnings	2,323	191	2,514
Total additions	<u>133,633</u>	<u>191</u>	<u>133,824</u>
<b>Total</b>	<u>224,145</u>	<u>19,935</u>	<u>244,080</u>
<b>Reductions:</b>			
Payments by order of the court	-	-	-
Clerk's fees transferred to general fund	108,728	-	108,728
Settlements to litigants	12,744	-	12,744
Appraisals	2,617	-	2,617
Sheriff's fees	9,732	-	9,732
Other reductions	13	-	13
Total reductions	<u>133,834</u>	<u>-</u>	<u>133,834</u>
Balances, end of year	<u>\$ 90,311</u>	<u>\$ 19,935</u>	<u>\$ 110,246</u>
<b>Liabilities</b>			
Due to litigants and others, beginning of year	\$ 90,512	\$ 19,744	\$ 110,256
Additions	133,833	191	133,824
Reductions	<u>(133,834)</u>	<u>-</u>	<u>(133,834)</u>
Due to litigants and others, end of year	<u>\$ 90,311</u>	<u>\$ 19,935</u>	<u>\$ 110,246</u>



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

**David Q. Richardson**

Certified Public Accountant

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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 GOVERNMENTAL AUDITING STANDARDS**

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

I have audited the basic financial statements of the Tensas Parish Clerk of Court, St. Joseph, Louisiana, for the year ended June 30, 2006, and have issued my report thereon dated October 27, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Tensas Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws and regulations, 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 object of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Tensas Parish Clerk of Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Clerk's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described below:

1. Because of the Clerk's size and the limited number of accounting personnel, it is not feasible to segregate duties to achieve effective internal accounting control. This matter was also reported as a reportable condition in the prior audit report.

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

**Management's response:**

The Clerk has considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties. The Clerk has attempted to mitigate this weakness by his supervision and review procedures.

A material weakness is a condition in which a design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable condition described above is a material weakness.

No management letter was issued.

This report is intended for the information and use of the Clerk and the Louisiana Legislative Auditor's office and is not intended to be and should not be used by anyone other than these specified parties. The restriction is not intended to limit the distribution of this report, which is a matter of public record.

Tallulah, Louisiana  
October 27, 2006



**TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

I have audited the basic financial statements of Tensas Parish Clerk of Court as of and for the year ended June 30, 2006, and have issued my report thereon dated October 27, 2006. I conducted my audit with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. My audit of financial statements as of June 30, 2006 resulted in an unqualified opinion.

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Tensas Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Tensas Parish Clerk of Court were disclosed during the audit.
3. A reportable condition in internal control disclosed during the audit of basic financial statements is reported in the Report on Compliance and on Internal Control over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards. The condition is reported as a material weakness. (See 2005-1 in part B of this Schedule)

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

**2005-1 SEPARATION OF DUTIES**

Due to the size of the Clerk of Court's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

Since the cost of an internal control system should not outweigh the benefits derived from it, I cannot recommend that additional personnel be added, and have no recommendation to make in this area.

Management of the Clerk of Court concurs with the findings. However, due to staff limitations, no action will be taken at this time.

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006

**INTERNAL CONTROL FINDINGS**

**2004-1 SEPARATION OF DUTIES**

**Condition:** Due to the size of the Clerk of Court's accounting staff, there is an insufficient segregation of duties to have an effective internal control.

**Current status:** The finding still applies and is noted in the current audit for the year ended June 30, 2006.

**COMPLIANCE FINDINGS**

No compliance findings were noted for the year ended June 30, 2005.

# ERNEST SIKES

CLERK OF SIXTH JUDICIAL DISTRICT COURT  
TENSAS PARISH

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## Corrective Action Plan for Current Year Audit Findings For the Year Ended June 30, 2006

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
2005-1	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