

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2007

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

10/31/07

David Q. Richardson
Certified Public Accountant
P.O. Box 891
Tallulah, Louisiana 71284
318-574-0514

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page No.</u> |
|--|-----------------|-----------------|
| Independent Auditor's Report | | 3-4 |
| Required Supplemental Information (Part I) | | |
| Management's Discussion and Analysis | | 6-8 |
| Basic Financial Statements | | |
| Government-Wide Financial Statements: | | |
| Statement of Net Assets - June 30, 2007 | A | 10 |
| Statement of Activities - June 30, 2007 | B | 11 |
| Fund Financial Statements: | | |
| Governmental Funds: | | |
| Balance Sheet - June 30, 2007 | C | 12 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets - June 30, 2007 | D | 13 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2007 | E | 14 |
| 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, 2007 | F | 15 |
| Fiduciary - Agency Funds: | | |
| Statement of Agency Assets and Liabilities - Fiduciary Funds | G | 16 |
| Notes to the Financial Statements | | 18-27 |
| | <u>Schedule</u> | <u>Page No.</u> |
| Required Supplemental Information (Part II): | | |
| Budget Comparison Schedule - General Fund | 1 | 29 |
| Other Supplemental Schedules (Part III): | | |
| Fiduciary Fund Type- Agency Funds- | | |
| Combining Statement of Changes in Assets and Liabilities | 2 | 31 |

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
TABLE OF CONTENTS (cont.)

Compliance Reporting

| | <u>Page No.</u> |
|--|-----------------|
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 33-34 |
| Schedule of Findings and Questioned Costs | 35 |
| Schedule of Prior Year Findings | 36 |
| Management's Corrective Action Plan | 37 |

David Q. Richardson

Certified Public Accountant

Post Office Box 891

Tallulah, LA 71284

(318) 574-0514

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, 2007, as listed in the table of contents. These financial statements are the responsibility of the Tensas Parish Clerk of Court. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Clerk, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tensas Parish Clerk of Court, and the changes in its financial position for the year ended June 30, 2007 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 5, 2007, 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 5, 2007



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, 2007. Please read it in conjunction with the Clerk's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The Clerk's net assets decreased \$30,698, as a result of this year's operations. This decrease in net assets was the direct result of increased expense and a decrease of revenue.

During the year the Clerk had total expenditures of \$324,003 in governmental funds. This was an increase of \$35,699 when compared to the prior year. The increase was because of an increase in salaries and benefits of approximately \$18,000, and an increase of operating services of approximately \$13,500. Other expenditures increase approximately \$4,000.

The Clerk does not have any long-term debt.

Total revenue for the Clerk for the current year was \$298,155. This was down from \$335,729 in the previous year. The revenue decrease was primarily because of reduced certified copies.

USING THIS ANNUAL REPORT

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

Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the Statement of Net Assets and Statement of Activities. The Statement of Net Assets presents information on all of the Tensas Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Tensas Parish Clerk of Court is improving or deteriorating. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These statements disclose that in the current year the Clerk's net assets decreased by \$30,698.

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 \$25,848 excess of expenditures over receipts.

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

Notes to the Financial Statements:

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

Other Information:

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

Government-wide Financial Analysis:

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Tensas Clerk of Court exceeded liabilities by \$41,416. Approximately 23% or \$9,526 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

| Assets | 2007 | 2006 |
|--|------------------|------------------|
| Cash and cash equivalents | \$ 27,337 | \$ 50,451 |
| Receivables | 6,104 | 6,766 |
| Capital assets (net of accumulated depreciation) | 9,526 | 14,376 |
| Prepaid expense | 594 | 2,438 |
| Total Assets | <u>43,561</u> | <u>74,031</u> |
| | | |
| Liabilities | | |
| Accounts Payable | 989 | 771 |
| Payroll taxes payable | 1,156 | 1,146 |
| Total Liabilities | <u>2,145</u> | <u>1,917</u> |
| | | |
| Net Assets | | |
| Invested in capital assets | 9,526 | 14,376 |
| Unrestricted | 31,890 | 57,738 |
| Total Net Assets | <u>\$ 41,416</u> | <u>\$ 72,114</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, 2007, governmental fund balances of \$31,890 showed a decrease of \$25,848 when compared to June 30, 2006.

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, 2007

| | <u>General Fund</u> |
|---|-------------------------|
| Assets | |
| Cash and cash equivalents | \$ 27,337 |
| Receivables | 6,104 |
| Prepaid expense | 594 |
| Capital assets, net of accumulated depreciation | <u>9,526</u> |
| Total Assets | <u>43,561</u> |
| Liabilities: | |
| Accounts payable | 989 |
| Payroll taxes payable | <u>1,156</u> |
| Total Liabilities | <u>2,145</u> |
| Net Assets | |
| Invested in Capital Assets | 9,526 |
| Unrestricted | <u>31,890</u> |
| Total Net Assets | <u>\$ 41,416</u> |

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, 2007

| | <u>General Fund</u> |
|-------------------------------|-------------------------|
| Expenses | |
| Personal services | \$ 189,211 |
| Related benefits | 67,002 |
| Operating services | 41,624 |
| Materials and supplies | 17,506 |
| Travel and convention | 8,660 |
| Depreciation | 4,850 |
| Total program expenses | <u>328,853</u> |
| | |
| Program Revenues | |
| Charges for services | 286,101 |
| License and permits | 977 |
| Other charges | 7,878 |
| Total program revenue | <u>294,956</u> |
| | |
| Net program revenue | (33,897) |
| | |
| General Revenues | |
| Interest income | <u>3,199</u> |
| | |
| Change in Net Assets | (30,698) |
| | |
| Net Assets - Beginning | <u>72,114</u> |
| | |
| Net Assets - Ending | <u>\$ 41,416</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, 2007

| | General Fund |
|--|------------------|
| Assets | |
| Cash and cash equivalents | \$ 27,337 |
| Receivables | 8,104 |
| Prepaid expense | 594 |
| Total Assets | 34,035 |
| Liabilities and Fund Equity | |
| Liabilities: | |
| Accounts payable | 989 |
| Payroll taxes payable | 1,156 |
| Total Liabilities | 2,145 |
| Fund Equity | |
| Fund balance - unreserved - undesignated | 31,890 |
| Total Liabilities and Fund Equity | \$ 34,035 |

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, 2007

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

| | |
|--|-----------|
| Fund Balances, Total Government Funds (Exhibit C) | \$ 31,890 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 9,526 |
| Net Assets of Governmental Activities (Exhibit A) | \$ 41,416 |

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, 2007

| | | |
|---|---------|---------------|
| Revenues | | |
| Licenses and permits - marriage | \$ 977 | |
| Fees, charges, and commissions for services: | | |
| Court costs, fees, and charges | 140,649 | |
| Fees for recording legal documents | 100,537 | |
| Fees for certified copies of documents | 13,218 | |
| State supplemental pay | 18,450 | |
| UCC fees | 13,247 | |
| Use of money and property - interest earnings | 3,199 | |
| Miscellaneous | 7,878 | |
| Total revenues | | 298,155 |
| Expenditures | | |
| General government: | | |
| Personal service and related benefits | 256,213 | |
| Operating services | 41,624 | |
| Material and supplies | 17,506 | |
| Travel and conventions | 8,660 | |
| Total expenditures | | 324,003 |
| EXCESS OF REVENUES OVER EXPENDITURES | | (25,848) |
| FUND BALANCE AT BEGINNING OF YEAR | | 57,738 |
| FUND BALANCE AT END OF YEAR | | \$ 31,890 |

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, 2007

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

| | |
|--|--------------------|
| Net Change in Fund Balances, Total Governmental Funds, (Exhibit E) | \$ (25,848) |
| 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>(4,850)</u> |
| Change in Net Assets of Governmental Activities, (Exhibit B) | <u>\$ (30,698)</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, 2007**

| ASSETS | <u>Advance Deposit</u> | <u>Registry of Court</u> | <u>Total</u> |
|-----------------------------|----------------------------|------------------------------|-------------------|
| Cash | <u>\$ 101,955</u> | <u>\$ 21,993</u> | <u>\$ 123,948</u> |
| LIABILITIES | NONE | NONE | NONE |
| Due to litigants and others | <u>\$ 101,955</u> | <u>\$ 21,993</u> | <u>\$ 123,948</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, 2007**

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, 2007

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

Governmental Funds

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

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

Fiduciary Funds

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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

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

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

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, 2007

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 2007 fiscal year was made available for public inspection at the Clerk's office on June 30, 2006. The budget hearing was held at the Clerk's office at 9:00 a.m., June 30, 2006.

The budget is legally adopted and amended as necessary, by the Clerk. All appropriations lapse at year-end. Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget. There were no amendments in the year ended June 30, 2007 budget.

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, 2007

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, 2007.

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, 2007

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, 2007, 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 \$151,285 at June 30, 2007. The bank balances at June 30, 2007 were \$165,191, of which \$161,512 was insured from loss by FDIC insurance and \$3,679 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 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, 2007

NOTE 3 - RECEIVABLES

The breakdown on General Fund Receivables at June 30, 2007, as shown on the accompanying balance sheet, is as follows:

| | |
|-------------------------------|-----------------|
| Fees for services | \$ 7,422 |
| Less: allowances for bad debt | <u>1,318</u> |
| Net | <u>\$ 6,104</u> |

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

| | Cost | | | Accumulated Depreciation | | | | |
|-----------|-------------------------|-----------|------------|--------------------------|-------------------------|----------------|------------|--------------------------|
| | Balance July 1, 2006 | Additions | Deductions | Balance June 30, 2007 | Balance July 1, 2006 | Additions | Deductions | Balance June 30, 2007 |
| Equipment | <u>\$ 66,050</u> | <u>-</u> | <u>-</u> | <u>\$ 66,050</u> | <u>\$ 51,674</u> | <u>\$4,850</u> | <u>-</u> | <u>\$ 56,524</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, 2007**

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, 2007, 2006, and 2005, were \$41,011, \$40,176, and \$39,720, 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, 2007, 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, 2007

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, 2007.

Year Ending June 30.

| | |
|-----------|----------|
| 2007/2008 | \$ 5,942 |
|-----------|----------|

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, 2007 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, 2006 | \$ 90,311 | \$ 19,935 | \$ 110,246 |
| Additions | 154,279 | 3,915 | 158,194 |
| Reductions | (142,635) | (1,857) | (144,492) |
| Balance, June 30, 2007 | \$ 101,955 | \$ 21,993 | \$ 123,948 |

TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

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, 2007

| | <u>BUDGET</u> | <u>ACTUAL AMOUNTS</u> | <u>VARIANCE FAVORABLE (UNFAVORABLE)</u> |
|--|-----------------|---------------------------|---|
| Revenues | | | |
| Licenses and permits - marriage | \$ 1,000 | \$ 977 | \$ (23) |
| Fees, charges and commissions for services: | | | |
| Court costs, fees and charges | 143,400 | 140,649 | (2,751) |
| Fees for recording legal documents | 102,500 | 100,537 | (1,963) |
| Fees for certified copies of documents | 13,400 | 13,218 | (182) |
| State supplemental pay | 18,900 | 18,450 | (450) |
| UCC fees | 13,500 | 13,247 | (253) |
| Use of money and property - interest earnings | 3,200 | 3,199 | (1) |
| Miscellaneous | <u>8,100</u> | <u>7,878</u> | <u>(222)</u> |
| Total revenues | <u>304,000</u> | <u>298,155</u> | <u>(5,845)</u> |
| Expenditures | | | |
| General government: | | | |
| Personal service and related benefits | 260,150 | 258,213 | 3,937 |
| Operating services | 42,080 | 41,624 | 456 |
| Material and supplies | 17,950 | 17,506 | 444 |
| Travel and conventions | <u>8,800</u> | <u>8,660</u> | <u>140</u> |
| Total expenditures | <u>328,980</u> | <u>324,003</u> | <u>4,977</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (24,980) | (25,848) | (868) |
| FUND BALANCE, BEGINNING OF YEAR | <u>57,738</u> | <u>57,738</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$32,758</u> | <u>\$ 31,890</u> | <u>(\$868)</u> |

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, 2007

| Assets | Advance Deposit | Registry of Court | Total |
|--|----------------------------|------------------------------|-------------------|
| Balances, beginning of year | \$ 90,311 | \$ 19,935 | \$ 110,246 |
| Additions: | | | |
| Deposits in civil suits | 151,065 | 3,725 | 154,790 |
| Interest earnings | 3,214 | 190 | 3,404 |
| Total additions | <u>154,279</u> | <u>3,915</u> | <u>158,194</u> |
| Total | <u>244,590</u> | <u>23,850</u> | <u>268,440</u> |
| Reductions: | | | |
| Payments by order of the court | - | 1,857 | 1,857 |
| Clerk's fees transferred to general fund | 113,410 | - | 113,410 |
| Settlements to litigants | 12,668 | - | 12,668 |
| Appraisals | 5,917 | - | 5,917 |
| Sheriff's fees | 10,640 | - | 10,640 |
| Total reductions | <u>142,635</u> | <u>1,857</u> | <u>144,492</u> |
| Balances, end of year | <u>\$ 101,955</u> | <u>\$ 21,993</u> | <u>\$ 123,948</u> |
| Liabilities | | | |
| Due to litigants and others, beginning of year | \$ 90,311 | \$ 19,935 | \$ 110,246 |
| Additions | 154,279 | 3,915 | 158,194 |
| Reductions | <u>(142,635)</u> | <u>(1,857)</u> | <u>(144,492)</u> |
| Due to litigants and others, end of year | <u>\$ 101,955</u> | <u>\$ 21,993</u> | <u>\$ 123,948</u> |

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

David Q. Richardson

Certified Public Accountant

Post Office Box 891

Tallulah, LA 71284

(318) 574-0514

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

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

I have audited the financial statements of the Tensas Parish Clerk of Court as of and for the year ended June 30, 2007, and have issued my report thereon dated October 5, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Tensas Parish Clerk of Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Tensas Parish Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the Tensas Parish Clerk of Court's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Tensas Parish Clerk of Court's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did identify a deficiency in internal control over financial reporting that I consider to be material weaknesses. The material weakness 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

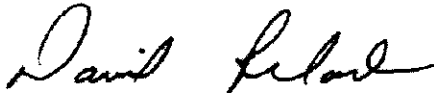
Management's response:

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.

Compliance and Other Matters

As part of obtaining reasonable assurances about whether the Tensas Parish Clerk of Court's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 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.

This report is intended solely for the information and use of management, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.



Tallulah, Louisiana
October 5, 2007

**TENSAS PARISH CLERK OF COURT
ST. JOSEPH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

I have audited the basic financial statements of Tensas Parish Clerk of Court as of and for the year ended June 30, 2007, and have issued my report thereon dated October 5, 2007. 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, 2007 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 control deficiency in internal control disclosed during the audit of 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 deficiency is reported as a material weakness. (See 2007-1 in part B of this Schedule)

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

2007-1 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, 2007**

INTERNAL CONTROL FINDINGS

2006-1 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, 2007.

COMPLIANCE FINDINGS

No compliance findings were noted for the year ended June 30, 2006.

**Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2007**

| <u>Ref No.</u> | <u>Description of Finding</u> | <u>Corrective Action Planned</u> | <u>Name(s) of Contact Person(s)</u> | <u>Anticipated Completion Date</u> |
|----------------|-------------------------------|--|---|--|
| 2007-1 | 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