

**TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2011**

**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

	Exhibit	Page No.
Independent Auditor's Report		3-4
<b>Required Supplemental Information (Part I)</b>		
Management's Discussion and Analysis		6-8
<b>Basic Financial Statements</b>		
Government-Wide Financial Statements:		
Statement of Net Assets	A	10
Statement of Activities	B	11
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	F	15
Fiduciary - Agency Funds:		
Statement of Agency Assets and Liabilities - Fiduciary Funds	G	16
Notes to the Financial Statements		18-28
	Schedule	Page No.
<b>Required Supplemental Information (Part II):</b>		
Budgetary Comparison Schedule - General Fund	1	30
Schedule of Funding Progress for Employee Health Care Plan	2	31
<b>Other Supplemental Schedules (Part III):</b>		
Fiduciary Fund Type- Agency Funds- Combining Statement of Changes in Assets and Liabilities	3	33

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 <i>Government Auditing Standards</i>	35-36
Schedule of Findings and Questioned Costs	37-38
Schedule of Prior Year Findings	39
Management's Corrective Action Plan	40

**DAVID Q. RICHARDSON**

Certified Public Accountant  
Post Office Box 891  
Tallulah, Louisiana 71284  
cpa2912@bellsouth.net  
(318) 574-0514  
(318) 574-0176

**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, 2011, 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, 2011, in conformity with accounting principles generally accepted in the United States of America.

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

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

INDEPENDENT AUDITOR'S REPORT  
Page Two

In accordance with *Governmental Auditing Standards*, I have also issued a report dated December 9, 2011, on the Tensas Parish Clerk of Court's compliance with laws and regulations, and my consideration of the Clerk's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read "David H. S.", with a long horizontal flourish extending to the right.

Tallulah, Louisiana  
December 9, 2011

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, 2011. Please read it in conjunction with the Clerk's financial statements, which begin on page 10.

### **FINANCIAL HIGHLIGHTS**

The Clerk's net assets increased \$17,779, as a result of this year's operations. This increase in net assets was the result of an increase in charges for services.

During the year the Clerk had total expenditures of \$315,000 in governmental funds. This was an increase of \$22,360 when compared to the prior year. The increase was primarily in personal service costs.

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

Total revenue for the Clerk for the current year was \$339,091. This was up from \$269,918 in the previous year. The revenue increase was primarily because of a increase of income from court costs, fees and recording fees.

### **USING THIS ANNUAL REPORT**

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

#### Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the Statement of Net Assets and Statement of Activities. The Statement of Net Assets presents information on all of the Tensas Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Tensas Parish Clerk of Court is improving or deteriorating. The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These statements disclose that in the current year the Clerk's net assets increased by \$17,779.

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 \$24,091 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, liabilities of the Tensas Clerk of Court exceeded assets by \$2,632. The Tensas Clerk of Court's net assets reflects its investment in capital assets at June 30, 2011, to be zero.



STATEMENT OF NET ASSETS  
Governmental Funds

<b>Assets</b>	2011	2010
Cash and cash equivalents	\$ 14,874	\$ 684
Receivables	13,412	3,021
Total Assets	28,286	3,705
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	7,842	10,329
Payroll taxes payable	4,137	1,160
Long-term liabilities:		
OPEB payable	13,675	7,363
Total Liabilities	25,654	18,852
<b>Net Assets</b>		
Invested in capital assets	-	-
Unrestricted	2,632	(15,147)
Total Net Assets	\$ 2,632	\$ (15,147)

Financial Analysis of the Government's Funds:

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

As of June 30, 2011, governmental fund balance of \$16,307 showed an increase of \$24,091 when compared to June 30, 2010.

**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.

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	<u>General Fund</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 14,874
Receivables	13,412
Capital assets, net of accumulated depreciation	<u>-</u>
Total Assets	<u>28,286</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	7,842
Payroll taxes payable	4,137
Long-term liabilities:	
OPEB payable	<u>13,675</u>
Total Liabilities	<u>25,654</u>
<b>Net Assets</b>	
Invested in Capital Assets	-
Unrestricted	<u>2,632</u>
Total Net Assets	<u><u>\$ 2,632</u></u>

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>
<b>Expenses</b>	
Personal services	\$ 198,448
Related benefits	79,456
Operating services	27,180
Materials and supplies	12,042
Travel and convention	4,186
<i>Total program expenses</i>	<u>321,312</u>
<b>Program Revenues</b>	
Charges for services	338,646
License and permits	255
Other charges	120
<i>Total program revenue</i>	<u>339,021</u>
Net program revenue	17,709
<b>General Revenues</b>	
Interest income	<u>70</u>
<b>Change in Net Assets</b>	17,779
<b>Net Assets - Beginning</b>	<u>(15,147)</u>
<b>Net Assets - Ending</b>	<u><u>\$ 2,632</u></u>

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

TENSAS PARISH CLERK OF COURT  
 ST. JOSEPH, LOUISIANA  
 BALANCE SHEET- GOVERNMENTAL FUNDS  
 JUNE 30, 2011

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 14,874
Receivables	<u>13,412</u>
<b>Total Assets</b>	<u><u>28,286</u></u>
<b>Liabilities and Fund Equity</b>	
Liabilities:	
Accounts payable	7,842
Payroll taxes payable	<u>4,137</u>
<b>Total Liabilities</b>	11,979
Fund Equity:	
Fund balance - unassigned	<u>16,307</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$ 28,286</u></u>

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

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

Fund Balances, Total Government Funds (Exhibit C)	\$	16,307
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	66,049	
Less accumulated depreciation	<u>66,049</u>	
Net		-
Long-Term Debt:		
OPEB payable		<u>(13,675)</u>
Net Assets of Governmental Activities (Exhibit A)	\$	<u><u>2,632</u></u>

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

**Revenues**

Licenses and permits - marriage	\$ 255	
Fees, charges, and commissions for services:		
Court costs, fees, and charges	231,003	
Fees for recording legal documents	76,689	
Fees for certified copies of documents	3,312	
State supplemental pay	19,250	
UCC fees	8,392	
Use of money and property - interest earnings	70	
Miscellaneous	120	
Total revenues	<u>                    </u>	339,091

**Expenditures**

General government:		
Personal service and related benefits	271,592	
Operating services	27,180	
Material and supplies	12,042	
Travel and conventions	4,186	
Total expenditures	<u>                    </u>	<u>315,000</u>

**EXCESS OF REVENUES OVER EXPENDITURES**

24,091

**FUND BALANCE AT BEGINNING OF YEAR**(7,784)**FUND BALANCE AT END OF YEAR**\$ 16,307

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

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

Net Change in Fund Balances, Total Governmental Funds, (Exhibit E)	\$ 24,091
--	-----------

The Statement of Activities recorded unfunded cost of post employment medical insurance cost (OPEB) in the current year, but will not be recorded in Governmental funds until actually paid.	<u>(6,312)</u>
--	----------------

Change in Net Assets of Governmental Activities, (Exhibit B)	<u><u>\$ 17,779</u></u>
--	-------------------------

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
STATEMENT OF AGENCY ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
JUNE 30, 2011

<b>ASSETS</b>	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Cash	<u>\$ 80,089</u>	<u>\$ 93,025</u>	<u>\$ 173,114</u>
 <b>LIABILITIES</b>			
Due to litigants and others	<u>\$ 80,089</u>	<u>\$ 93,025</u>	<u>\$ 173,114</u>

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



TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

## 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, 2011

**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, 2011

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

**Fund Financial Statements (FFS) (cont.)**

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

**Revenues**

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

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

Substantially, all other revenues are recorded when received.

**Expenditures**

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

**Government-Wide Financial Statements (GWFS)**

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**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 2011 fiscal year was made available for public inspection at the Clerk's office on June 15, 2010. The budget hearing was held at the Clerk's office at 9:00 a.m., June 15, 2010.

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 only the original adopted budget, since there were no amendments to the year ended June 30, 2011.

This amendment was adopted and made available for public inspection June 30, 2011.

**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, 2011

**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, 2011.

**J. FUND EQUITY**

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

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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

**J. FUND EQUITY (cont.)**

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

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

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

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

Beginning fund balances for the Clerk's governmental funds have been restated to reflect the above classifications.

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

**K. ESTIMATES**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

A June 30, 2011, the Tensas Parish Clerk of Court had cash and cash equivalents totaling \$187,988 of which \$173,114 is attributable to fiduciary funds and therefore, is not presented in the Statement of Net Assets. The bank balances at June 30, 2011, were \$207,523, of which \$207,523 was insured from loss by FDIC insurance and \$0 was secured by pledged securities. Cash and investments are stated at cost which approximates

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 2 - CASH AND CASH EQUIVALENTS (cont.)**

market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

**NOTE 3 - RECEIVABLES**

The breakdown on General Fund Receivables at June 30, 2011, as shown on the accompanying balance sheet, is as follows:

Fees for services	\$14,816
Less: allowances for bad debt	<u>(1,404)</u>
Net	<u><u>\$13,412</u></u>

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

Capital asset activity for the year ended June 30, 2011, was as follows:

	Cost			Accumulated Depreciation				
	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Equipment	<u>\$ 66,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,049</u>	<u>\$ 66,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,049</u>

**NOTE 5 - PENSION PLAN**

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 5 - PENSION PLAN (cont.)**

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

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

Funding Policy

Plan members are required by state statute to contribute 8.25% of their annual salary and the Tensas Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Tensas Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tensas Parish Clerk Court's contributions to the System for the years ending June 30, 2011, 2010, and 2009, were \$45,710, \$29,154, and \$40,594, respectively, equal to the required contributions for each year.

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

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

**NOTE 7 - OPERATING LEASES**

The Clerk does not have any capital or operating lease at June 30, 2011.



TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**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, 2011, 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, 2010	\$ 99,372	\$ 20,553	\$ 119,925
Additions	149,834	1,221,495	1,371,329
Reductions	(169,117)	(1,149,023)	(1,318,140)
Balance, June 30, 2011	<u>\$ 80,089</u>	<u>\$ 93,025</u>	<u>\$ 173,114</u>

**NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk contributes 50% of the cost of the current-year premiums for eligible retired plan members and 0% of the cost for retired plan members' spouses and dependent children. For fiscal year 2011, the Clerk contributed \$2,737 to the plan and the retirees contributed \$2,546.

Annual OPEB Cost and Net OPEB Obligation. For 2011, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - continued**

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

Annual Required Contribution	\$ 9,018
Interest on Net OPEB Obligation	295
Adjustment to Annual Required Contribution	<u>(264)</u>
Annual OPEB Cost (Expense)	9,049
Contributions Made	<u>(2,737)</u>
Increase in Net OPEB Obligation	6,312
Net OPEB Obligation - beginning of year	<u>7,363</u>
Net OPEB Obligation - end of year	<u><u>\$ 13,675</u></u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and 2011 are as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 9,914	25.7%	\$ 7,363
6/30/2011	\$ 9,049	30.2%	\$ 13,675

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

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

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

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - continued**

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

**NOTE 11 - FIDUCIARY FUND TYPE - AGENCY FUNDS**

Advance Deposit Fund

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

Registry of Court Fund

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

REQUIRED SUPPLEMENTAL INFORMATION

PART II

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - BUDGET BASIS  
YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	ACTUAL AMOUNTS	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>			
Licenses and permits - marriage	\$ -	\$ 255	\$ 255
Fees, charges and commissions for services:			
Court costs, fees and charges	185,100	231,003	45,903
Fees for recording legal documents	70,000	76,689	6,689
Fees for certified copies of documents	3,000	3,312	312
State supplemental pay	29,500	19,250	(10,250)
UCC fees	9,000	8,392	(608)
Use of money and property - interest earnings	150	70	(80)
Miscellaneous	-	120	120
Total revenues	<u>296,750</u>	<u>339,091</u>	<u>42,341</u>
<b>Expenditures</b>			
General government:			
Personal service and related benefits	260,400	271,592	(11,192)
Operating services	24,850	27,180	(2,330)
Material and supplies	12,425	12,042	383
Travel and conventions	5,500	4,186	1,314
Total expenditures	<u>303,175</u>	<u>315,000</u>	<u>(11,825)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(6,425)	24,091	30,516
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>(7,784)</u>	<u>(7,784)</u>	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ (14,209)</u>	<u>\$ 16,307</u>	<u>\$ 30,516</u>

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN  
FOR THE YEAR ENDED JUNE 30, 2011

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

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, 2011

<b>Assets</b>	Advance Deposit	Registry of Court	Total
Balances, beginning of year	\$ 99,372	\$ 20,553	\$ 119,925
Additions:			
Deposits in civil suits	149,834	1,219,995	1,369,829
Interest earnings	-	1,500	1,500
Total additions	<u>149,834</u>	<u>1,221,495</u>	<u>1,371,329</u>
 Total	 <u>249,206</u>	 <u>1,242,048</u>	 <u>1,491,254</u>
Reductions:			
Payments by order of the court	-	1,149,023	1,149,023
Clerk's fees transferred to general fund	135,108	-	135,108
Settlements to litigants	13,627	-	13,627
Appraisals and other fees	7,252	-	7,252
Sheriff's fees	13,130	-	13,130
Total reductions	<u>169,117</u>	<u>1,149,023</u>	<u>1,318,140</u>
 Balances, end of year	 <u>\$ 80,089</u>	 <u>\$ 93,025</u>	 <u>\$ 173,114</u>
<b>Liabilities</b>			
Due to litigants and others, beginning of year	\$ 99,372	\$ 20,553	\$ 119,925
 Additions	 149,834	 1,221,495	 1,371,329
 Reductions	 <u>(169,117)</u>	 <u>(1,149,023)</u>	 <u>(1,318,140)</u>
 Due to litigants and others, end of year	 <u>\$ 80,089</u>	 <u>\$ 93,025</u>	 <u>\$ 173,114</u>



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

**DAVID Q. RICHARDSON**

Certified Public Accountant  
Post Office Box 891  
Tallulah, Louisiana 71284  
cpa2912@bellsouth.net  
(318) 574-0514  
(318) 574-0176

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

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

I have audited the financial statements of the Tensas Parish Clerk of Court, as of and for the year ended June 30, 2011, and have issued my report thereon dated December 9, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. However, I identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item #11-1 that I consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

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



Tallulah, Louisiana  
December 9, 2011

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

I have audited the basic financial statements of the Tensas Parish Clerk of Court as of and for the year ended June 30, 2011, and have issued my report thereon dated December 9, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2011, resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:

**A. SUMMARY OF AUDIT RESULTS**

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control  
 Material Weaknesses  Yes  No      Significant Deficiency  Yes  No

Compliance  
 Compliance Material to Financial Statements  Yes  No

2. Federal Awards - N/A

Internal Control  
 Material Weaknesses  Yes  No      Reportable  Yes  No

Type of Opinion On Compliance      Unqualified       Qualified   
 For Major Programs                      Disclaimer       Adverse

Are their findings required to be reported in accordance with circular A-133, Section .510 (a)?  
 Yes  No

Was a management letter issued?  Yes  No

3. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
<u>N/A</u>	

Dollar threshold used to distinguish between Type A and Type B Programs: N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  Yes  No

**B. FINANCIAL STATEMENTS FINDINGS**

11-1. Segregation of duties - Due to limited personnel, the Clerk's office does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

TENSAS PARISH CLERK OF COURT  
ST. JOSEPH, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2011

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

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

This was a finding in the current year also. See 11-1 in the current year.

Section II. Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III. Management Letter

No Management letter was issued in the prior year.

**Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 2011**

Ref No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
11-1	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.