

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**
SCHEDULE OF NONCOMPLIANCE WITH LAWS AND REGULATIONS
For the Year Ended June 30, 1997

1. *Findings*

During our compliance testing of the asset management laws and regulations of the State of Louisiana, it was determined that an annual physical inventory of fixed assets was not performed for the year ended June 30, 1997, as well as for the year ended June 30, 1996, in accordance with Louisiana Revised Statute 29:324. During our testing of property, plant and equipment we also noted that some assets had not been properly logged and recorded on the inventory list for the State of Louisiana for the years ended June 30, 1997 and 1996.

Management's Response

Due to the change in administration and the turnover of employees, the employees responsible for these tasks are no longer employed by the Custodian. However, the current administration is aware of the problem and plans to implement these procedures for the year ending June 30, 1998.

2. *Findings*

During our compliance testing of the Budget Act of the State of Louisiana, it was determined that the published budget for the year ended June 30, 1997, was not published until September 27, 1996. Per the Budget Act, the budget must be made available for public inspection not later than 15 days prior to the beginning of the fiscal year.

Management's Response

Due to delays in finalizing the budget for the year ended June 30, 1997, the budget was published late. The Custodian is aware of the requirements to publish the budget timely in accordance with the Budget Act and will make every effort to do so for the year ending June 30, 1998.

Kushner, LaPraize & Moore, L.L.P.

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AUDITORS' LETTER

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana
New Orleans, Louisiana

We have audited the financial statements of The Custodian of Notarial Records of Orleans Parish, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 27, 1997. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the Custodian's compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

The attached schedule of noncompliance with laws and regulations includes findings of noncompliance noted as a result of the items tested.

We have already discussed these findings with various Custodian personnel and have included their responses. We will be pleased to discuss these comments with you in further detail at your convenience, or to perform any additional study of these matters.

KUSHNER, LAPRAIZE & MOORE, L.L.P.

Kushner, LaPraize & Moore, L.L.P.

Metairie, Louisiana
August 27, 1997

COMPLIANCE WITH LAWS AND REGULATIONS

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**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

Memorandum of Advisory Comments

June 26, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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: _____

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Kushner, Lafrenze & Means, L.L.P.

Metairie, Louisiana
August 27, 1997

Kushner, Polyzos & Moore, LLP

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana
New Orleans, Louisiana

We have audited the financial statements of the Custodian of Notarial Records of Orleans Parish, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 27, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Custodian of Notarial Records of Orleans Parish, State of Louisiana, is the responsibility of the Custodian's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the Custodian's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain nonmaterial instances of noncompliance that we have reported to the management of the Custodian in a separate letter dated August 27, 1997.

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana

In planning and performing our audit of the component unit financial statements of the Custodian of Notarial Records of Orleans Parish, State of Louisiana, for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Kishner, Lafrenge & Moore, L.L.P.

Monroe, Louisiana
August 27, 1997

Kushner, LaGrange & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana
New Orleans, Louisiana

We have audited the financial statements of the Custodian of Notarial Records of Orleans Parish, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated August 27, 1997.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

The management of the Custodian of Notarial Records of Orleans Parish, State of Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

COMPLIANCE SECTION

***THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA***

***NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997***

NOTE 6 - RELATED PARTY TRANSACTIONS

For the year ended June 30, 1997, the Custodian received office space, maintenance on the office space, and utilities excluding telephone from the City of New Orleans at no charge.

NOTE 7 - FUND BALANCE

At June 30, 1997, the Custodian's unreserved fund balance of \$100,001 was designated by the Custodian for future microfilming expenditures.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 4 - GENERAL LONG-TERM DEBT ACCOUNT GROUP

General long-term debt, as discussed in Note 1, consisted of capital lease obligations. A summary of the changes in general long-term debt during the year ended June 30, 1997, is as follows:

	Balance 07/01/96	Increase	Decrease	Balance 06/30/97
Capital lease obligation	\$ 38,269	\$ 12,235	\$ 8,700	\$ 41,804

Future minimum lease payments under the capital lease obligations at June 30, 1997, are as follows:

Year Ending 06/30	Amount
1998	\$ 18,362
1999	18,362
2000	10,276
Total minimum lease payments	46,996
Less amount representing interest	(7,194)
Present value of future payments	\$ 39,804

NOTE 5 - EMPLOYEES' RETIREMENT PLAN

Employees of the Custodian participate in the Louisiana State Employees' Retirement System (LASERS).

LASERS was established on July 1, 1947, and is a system for classified and unclassified employees of state government. Employees are eligible for a service retirement annuity upon reaching age 60 or thereafter, and 25 years or more service credit or completion of 30 years of mere credited service. The system is supported by contributions of its members and the state. The member contribution as of June 30, 1997, amounted to 8.0 percent of state employees' gross salaries, and the contribution of the Custodian was 13.0 percent.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the carrying amount of the Custodian's deposits was \$153,781 and the bank balance was \$125,528 of which \$124,250 was covered by federal depository insurance and \$51,272 was collateralized by securities.

At year end and during the year, there were times when the Custodian's deposits exceeded the FDIC insurance and were collateralized by securities held by the Federal Reserve Bank of Nashville, Tennessee, in the name of the financial institution pledged to the Custodian. The Governmental Accounting Standards Board (GASB) considers these deposits collateralized as Category 1.

Even though the pledged securities are considered collateralization under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds on demand.

NOTE 3 - GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in General Fixed Assets during the year is as follows:

	<u>Balance</u> <u>07/01/96</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance</u> <u>06/30/97</u>
Furniture and fixtures	\$ 33,018	\$ 4,818	\$ 0	\$ 37,834
Office equipment	<u>198,883</u>	<u>22,372</u>	<u>24,905</u>	<u>196,350</u>
	<u>\$ 231,901</u>	<u>\$ 27,190</u>	<u>\$ 24,905</u>	<u>\$ 234,186</u>

At June 30, 1997, fixed assets under capital leases amounted to \$58,836.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual and Sick Leave

Annual leave of one to three weeks is earned on a calendar year basis depending on the length of service. Annual leave earned must be used within that calendar year and compensation in lieu of any remaining leave time is not available.

Sick leave is earned on a calendar year basis at a rate of one day per month. Any unused accrued sick leave available to the employee at the end of the current calendar year can be carried forward from year to year; however, compensation in lieu of leave time is not available. Accumulated sick leave is not paid upon termination of employment.

Fund Equity

Reserves represent those portions of fund balance not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Such plans are subject to change and may never be legally authorized or result in expenditures.

Risk Management

The Custodian pays insurance premiums to the State of Louisiana, Office of Risk Management to cover risks that may occur in normal operations. The state pays premiums to the state's self-insurance program and to various insurance agencies for stop-loss coverage.

Total Columns on Combined Statements

The total columns on the combined statement is captioned "Memorandum Only" to indicate that they are presented to facilitate financial analysis. Data in these columns does not present financial position in conformity with generally accepted accounting principles.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Deposits (continued)

Louisiana statutes permit the Custodian to invest in United States bonds, treasury notes, certificates, or other obligations of the U.S. Government and agencies of the U.S. Government which are federally insured, and certificates of deposit of state and national banks having their principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are recorded in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation is not recorded on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

General Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Such liabilities include the capital lease obligations.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Accounting

The administration of the Custodian prepares an annual budget for the Custodian. The budget is legally enacted and amended through a meeting of the administration of the Custodian. The budget is prepared on the modified accrual basis of accounting.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Type - Budget and Actual presents comparisons of the legally adopted budget with actual data. Budgeted amounts are as originally adopted or as finally amended by the Custodian.

Encumbrances

Encumbrances are not recorded, and therefore, no reservation of fund balance is necessary.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management 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 amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash Deposits

Cash reported on the balance sheet includes amounts in demand deposits. Fair value estimates, methods and assumptions for the Custodian's financial instruments of cash are that the carrying amount reported in the balance sheet is a reasonable estimate of fair value.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The accounts of the Custodian are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts which are maintained for the purpose of carrying on special activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The Custodian has the following fund type and account groups:

1. Governmental Fund

General Fund - The General Fund is the general operating fund of the Custodian. It is used to account for all financial resources.

2. Account Groups

General Fund Assets - This account group is established to account for all fixed assets of the Custodian.

General Long-Term Debt - This account group is established to account for all long-term debt of the Custodian and for those long-term liabilities to be liquidated with resources to be provided in future periods.

Basis of Accounting

The modified accrual basis of accounting is used by governmental fund types. Under this method, revenues are recognized when susceptible to accrual *i.e.*, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities within the current period. Revenues are considered measurable and available when received within 60 days after the current year ended. Revenues susceptible to accrual are City of New Orleans document tax fees and notary fees. Expenditures are generally recorded when the liability is incurred.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
June 30, 1997**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Custodian of Notarial Records of Orleans Parish, State of Louisiana (the Custodian) is presented to assist in understanding the Custodian's financial statements. The financial statements and notes are representations of the management of the Custodian, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applied to governmental units, and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The Custodian was created by Act 147 of the Louisiana legislature in 1867. This act provided that a central office be established and provided a custodian to care and discharge the duties of that office. As provided by Revised Statute 35:332, the Custodian is appointed by the Governor for a term of 4 years. The term of office shall run concurrent with that of the Governor.

As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government and its component units. The accompanying financial statements present only the Custodian which is a component unit of the State of Louisiana (The Primary Government).

The Custodian is a component unit of the State of Louisiana because the Governor of the State of Louisiana appoints the Custodian to office and the State of Louisiana has the ability to significantly influence the designation of management.

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPE
- BUDGET AND ACTUAL - CONTINUED**

For the Year Ended June 30, 1997

	General Fund		Variance Favorable (Unfavorable)
	Actual	Budget	
EXPENDITURES (Continued)			
Current - general government (continued)			
Operating services	\$ 2,170	\$ 2,308	\$ 30
Payroll taxes	4,588	8,808	3,417
Photography project	5,928	3,808	(2,928)
Postage	2,078	2,308	182
Printing	4,004	3,508	(534)
Professional services	42,185	37,708	(4,084)
Repairs	2,378	1,508	(738)
State retirement	35,344	38,808	2,858
Telephone	2,538	2,408	(138)
Travel	1,691	1,508	(181)
Unemployment	12,851	8,808	(4,041)
Capital additions	37,188	36,808	(112,188)
Debt service			
Capital lease payments	12,412	11,508	(912)
Total expenditures	<u>885,202</u>	<u>724,808</u>	<u>168,788</u>
EXCESS REVENUES (EXPENDITURES)	70,827	8,808	75,001
OTHER FINANCING SOURCES			
Capital lease	12,236	0	12,236
Interest on cash deposits	4,808	3,808	(1,000)
TOTAL OTHER FINANCING SOURCES	<u>17,044</u>	<u>3,808</u>	<u>12,136</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	88,871	\$ <u>0</u>	\$ <u>89,036</u>
FUND BALANCE, BEGINNING OF YEAR	<u>38,245</u>		
FUND BALANCE, END OF YEAR	<u>\$ <u>127,116</u></u>		

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPE
- BUDGET AND ACTUAL**

For the Year Ended June 30, 1987

	General Fund		Variance Favorable (Unfavorable)
	Actual	Budget	
REVENUES			
Filing fees	\$ 285,000	\$ 285,000	\$ 0
Copying fees	298,251	280,000	(18,251)
Certification fees	72,485	70,000	2,485
Notary fees	58,007	55,000	3,007
Service charge fees	5,589	6,000	(411)
City of New Orleans document fee fees	42,985	40,000	2,985
Miscellaneous income	2,752	3,000	(248)
TOTAL REVENUES	778,123	778,000	1,23
EXPENDITURES			
Current - general government			
Salaries	338,588	340,000	1,302
Custodian withdrawals	35,000	35,000	0
Archival supplies	516	1,000	384
Bank charges	1,488	1,500	12
Binding	18,505	21,500	1,524
Copier supplies	4,000	4,000	(0)
Document restoration	560	0	(560)
dues and subscriptions	283	500	207
Insurance	42,351	40,000	2,349
Janitorial and pest control	8,130	8,000	(130)
Maintenance contracts	0	1,000	1,000
Medical	1,000	1,000	0
Printings and services	883	1,000	107
Miscellaneous expenditures	37,622	122,000	84,378
Miscellaneous expense	1,382	1,000	282
Office supplies	8,532	8,000	(532)

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

*STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND - CONTINUED
For the Year Ended June 30, 1997*

	<u>General Fund</u>
EXPENDITURES (Continued)	
Current - general government (continued)	
Professional services	\$ 42,186
Repairs	2,329
State retirement plan cost	39,344
Telephone	2,639
Travel	1,891
Unemployment	12,891
Capital additions	27,189
Debt service	
Capital lease payments	<u>12,417</u>
TOTAL EXPENDITURES	<u>695,202</u>
EXCESS OF REVENUES OVER EXPENDITURES	70,821
OTHER FINANCING SOURCES	
Capital lease	13,236
Interest on cash deposits	<u>4,898</u>
TOTAL OTHER FINANCING SOURCES	<u>17,134</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	88,056
FUND BALANCE, BEGINNING OF YEAR	<u>15,295</u>
FUND BALANCE, END OF YEAR	<u>\$ 103,301</u>

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

*STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND*

For the Year Ended June 30, 1997

	<u>GENERAL FUND</u>
REVENUES	
Filing fees	4,288,060
Copying fees	268,261
Certification fees	72,496
Notary fees	68,037
Service charge fees	5,583
City of New Orleans document tax fees	42,985
Miscellaneous income	<u>2,752</u>
TOTAL REVENUES	726,123
EXPENDITURES	
Current - general government	
Salaries	338,688
Custodian withdrawals	36,000
Archival supplies	816
Bank charges	1,486
Binding	18,878
Copier supplies	4,029
Document restoration	860
Dues and subscriptions	253
Insurance	42,361
Janitorial and pest control	5,120
Medical	1,000
Meetings and seminars	693
Microfilm expenditures	37,027
Miscellaneous expense	1,382
Office supplies	3,537
Operating services	2,170
Payroll taxes	4,588
Photography project	5,925
Postage	2,018
Printing	<u>4,024</u>

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**
COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND ACCOUNT GROUPS - CONTINUED
June 30, 1997

	Account Groups			Total (Memorandum Only)
	General Fund	Special Fixed Assets	General Long-Term Debt	
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 13,470	\$ 0	\$ 0	\$ 13,470
Accrued annual leave	11,085	0	0	11,085
Accrued sick leave	4,878	0	0	4,878
Payroll taxes payable	475	0	0	475
Unearned revenue - notary fees	8,738	0	0	8,738
Taxover - City of New Orleans	15,808	0	0	15,808
Capital lease obligations	0	0	38,804	38,804
TOTAL LIABILITIES	64,354	0	38,804	103,158
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	0	233,884	0	233,884
Fund balance				
Designated for future encroaching expenditures	183,301	0	0	183,301
Total fund balance	183,301	0	0	183,301
TOTAL EQUITY AND OTHER CREDITS	183,301	233,884	0	417,185
	\$ 157,655	\$ 233,884	\$ 38,804	\$ 430,343

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**
COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE
AND ACCOUNT EMPLOYERS
June 30, 1997

	<u>Account Group</u>			<u>Total (Millions and Cents)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>General Long Term Both</u>	
ASSETS AND OTHER DEBITS				
ASSETS				
Cash	4 753,781	4 0	4 0	4 753,781
Accounts receivable - City of New Orleans	4,147	0	0	4,147
Office equipment	0	198,150	0	198,150
Furniture and fixtures	0	37,834	0	37,834
OTHER DEBITS				
Amount to be provided for retirement of capital lease obligations	0	0	38,884	38,884
	<u>\$ 757,928</u>	<u>\$ 235,984</u>	<u>\$ 38,884</u>	<u>\$ 1,032,796</u>

Kushner, Lafraize & Moore, L.L.P.

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INDEPENDENT AUDITORS' REPORT

To the Custodian of Notarial Records
of Orleans Parish, State of Louisiana
New Orleans, Louisiana

We have audited the accompanying financial statements of the Custodian of Notarial Records of Orleans Parish, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997. These component unit financial statements are the responsibility of the Custodian's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Custodian of Notarial Records of Orleans Parish, a component unit of the State of Louisiana, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 27, 1997, on our consideration of the Custodian's internal control structure and a report dated August 27, 1997, on its compliance with laws and regulations.

Kushner, Lafraize & Moore, L.L.P.

[Signature]
CPA

Metairie, Louisiana
August 27, 1997

**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**
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**THE CUSTODIAN OF NOTARIAL RECORDS
OF ORLEANS PARISH
STATE OF LOUISIANA**

AUDITED FINANCIAL STATEMENTS

For ended June 30, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or assumed, entity and other appropriate public officials. This 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 SEP 17 1987

Kathryn - la guide - 9/87