

## TABLE OF CONTENTS -

Independent Auditor's Report

Report on Compliance, Internal Controls, and Financial Records

Exhibit A - Statement of Assets and Liabilities

Exhibit A-1 - Statement of Cash Receipts and Disbursements

Notes to Financial Statements

December 3, 1999

The Honorable Keary R. Williams  
Chief Judge of the Circuit Court  
Buchanan, Virginia

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of assets and liabilities arising from cash transactions of

PAT B. HALE  
GENERAL RECEIVER OF THE CIRCUIT COURT  
of the  
COUNTY OF BUCHANAN

as of June 30, 1999, and the related statement of cash receipts and disbursements for the period July 1, 1996 through June 30, 1999. All records supporting these financial statements are the responsibility of the General Receiver. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the General Receiver of the Circuit Court of the County of Buchanan as of June 30, 1999, and the cash receipts and disbursements for the period July 1, 1996 through June 30, 1999, on the basis of accounting described in Note 1.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom  
aom:9

COUNTY OF BUCHANAN  
GENERAL RECEIVER OF THE CIRCUIT COURT  
REPORT ON COMPLIANCE, INTERNAL CONTROLS, AND FINANCIAL RECORDS

INTRODUCTION

We conducted the audit of the General Receiver of the Circuit Court of the County of Buchanan for the year ended June 30, 1999. The audit was designed to accomplish the following objectives:

- (1) review and evaluate the General Receiver's internal accounting control systems to determine whether the controls are adequate and the effect thereof on the extent of our audit procedures;
- (2) test for compliance with state laws, regulations and policies relating to the receipt, disbursement and custody of trust funds and other assets;
- (3) determine whether the records and accounts of the General Receiver accurately reflect financial transactions and balances; and
- (4) render an opinion on the fairness of the General Receiver's financial statements.

The following comment is made to assist the General Receiver in enhancing his financial practices. We discussed this comment with the General Receiver on December 3, 1999, and we acknowledge the cooperation extended to us during this engagement.

Properly Allocate Interest to Individual Trust Accounts

The General Receiver does not allocate interest earned on his checking account to the individual trust accounts. The General Receiver initially deposits trust funds into the checking account before investment and also deposits the proceeds of the investment into the account before disbursing the funds. At June 30, 1999, the General Receiver has accumulated \$5,015 in unallocated interest in the checking account.

The General Receiver should immediately allocate the identifiable interest earned in past periods to the individual accounts using their pro rata share and remit any unidentifiable interest to the State as unclaimed property. When pooling funds in an account, the General Receiver must develop procedures to promptly allocate interest earned to each account on a pro rata share.

COUNTY OF BUCHANAN  
GENERAL RECEIVER OF THE CIRCUIT COURT  
STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 1999

Exhibit A

A S S E T S

Cash	\$ 14,978
Investments	<u>754,632</u>
Total	<u>\$ 769,610</u>

L I A B I L I T I E S

Trust funds	\$ 754,632
Bond premiums	8,452
Receiver fees	1,511
Undistributed interest	<u>5,015</u>
Total	<u>\$ 769,610</u>

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

COUNTY OF BUCHANAN  
GENERAL RECEIVER OF THE CIRCUIT COURT  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For the Period July 1, 1996 through June 30, 1999

Exhibit A-1

	Balance July 1, 1 9 9 6	Receipts	Disburse- ments	Balance June 30, 1 9 9 9
Trust Funds	\$ 1,471,990	\$ 629,665	\$ 1,347,023	\$ 754,632
Bond premium account	8,225	11,203	10,976	8,452
General Receiver fees	1,866	15,584	15,939	1,511
Undistributed interest	<u>2,977</u>	<u>2,072</u>	<u>34</u>	<u>5,015</u>
Total receipts, disbursements and balances	<u>\$ 1,485,058</u>	<u>\$ 658,524</u>	<u>\$ 1,373,972</u>	<u>\$ 769,610</u>

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

COUNTY OF BUCHANAN  
GENERAL RECEIVER OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the General Receiver of the Circuit Court of the County of Buchanan have been prepared using the cash basis of accounting. Under the cash basis of accounting, revenues are recorded when received in cash and disbursements are recorded when made.

2. SURETY BOND

The General Receiver was bonded under a Trust Fund Administrators Bond with the Firemen's Insurance Company of Newark, New Jersey, as surety.