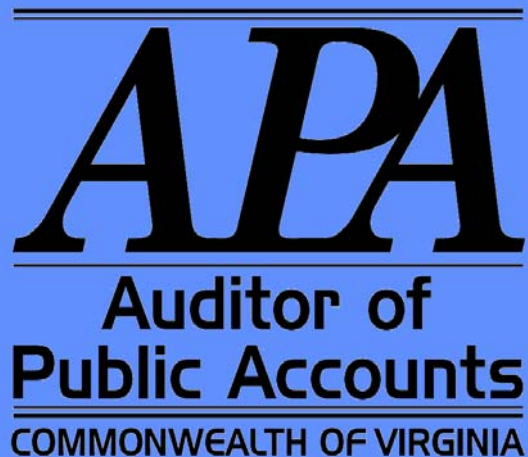


**SUE K. DUDLEY  
CLERK OF THE CIRCUIT COURT  
OF THE  
THE COUNTY OF HIGHLAND**

**REPORT ON AUDIT  
FOR THE PERIOD  
APRIL 1, 2007 THROUGH DECEMBER 31, 2007**



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# Commonwealth of Virginia

**Auditor of Public Accounts**

**P.O. Box 1295**

**Richmond, Virginia 23218**

**Walter J. Kucharski, Auditor**

January 23, 2008

Lois S. Ralston  
Clerk of the Circuit Court  
County of Highland

Board of Supervisors  
County of Highland

We have audited the accompanying Statement of Assets and Liabilities of Sue K. Dudley, former Clerk of the Circuit Court of the County of Highland for the period April 1, 2007 through December 31, 2007. All records supporting the amounts presented in this financial statement are the responsibility of this Clerk. Our responsibility is to express an opinion on the financial statement based on our audit.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The purpose of the audit was to determine the accountability of the former Clerk at December 31, 2007, and to turn over the assets, accounts, and records of the office to Lois S. Ralston, the newly appointed Clerk of the Circuit Court.

As described in Note 1, this financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting is prescribed by the State Comptroller and approved by the Auditor of Public Accounts as it is deemed the appropriate method of reporting by Clerks of the Circuit Court.

Lois S. Ralston, Clerk of the Circuit Court  
Board of Supervisors  
January 23, 2008  
Page Two

In our opinion, the financial statement referred to above presents fairly, in all material respects, the assets and liabilities of the Clerk of the Circuit court of the County of Highland as of December 31, 2007, on the basis of accounting described in Note 1.

We acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable Humes J. Franklin, Jr., Chief Judge  
County Administrator, Roberta Lambert  
Paul DeLosh, Director of Judicial Services  
Supreme Court of Virginia

COUNTY OF HIGHLAND  
CLERK OF THE CIRCUIT COURT  
STATEMENT OF ASSETS AND LIABILITIES  
AS OF DECEMBER 31, 2007

ASSETS

Cash and Cash Equivalents	\$204,587.01
Unreimbursed Clerk's Expenses	<u>0.00</u>
Total	<u>\$204,587.01</u>

LIABILITIES

Due to the Commonwealth of Virginia	\$ 3,965.94
Due to the County of Highland	5,504.18
Collections for others	101.00
Depository bonds	1,000.00
Moneys under control of the court	194,015.89
Condemnation Funds	0.00
Unspecified receipts	<u>0.00</u>
Total	<u>\$204,587.01</u>

The accompanying Notes to the Financial Statement are an integral part of this statement.

COUNTY OF HIGHLAND  
CLERK OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENT  
AS OF DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clerk of the Circuit Court is an elected constitutional officer who administers the County of Highland's court of record. The Circuit Court is where individuals file documents requiring formal recording by law to include deeds, wills, marriage licenses and various other documents. The Circuit Court has exclusive original jurisdiction in all felony criminal cases, in civil chancery, and civil cases where the amount exceeds \$15,000. It also hears appeals from district courts.

Basis of Accounting

The financial statement is prepared using the cash basis of accounting, which records cash receipts when received and disbursements when made.

2. SURETY BOND

In accordance with Sections 2.2-1840 and 2.2-1841, Code of Virginia, the Clerk was bonded under a Public Officials Position Schedule Bond in the amount of \$500,000 with the Fidelity and Deposit Company of Maryland and through a self-insurance plan administered by the Virginia Department of Treasury's Division of Risk Management as sureties.

