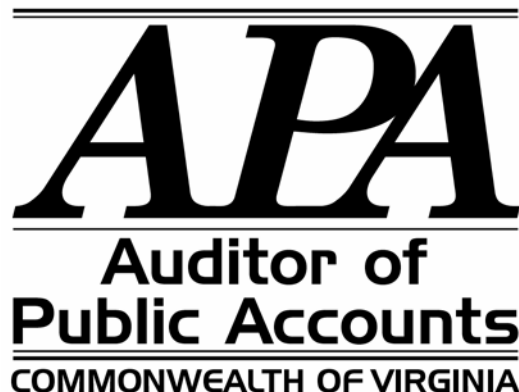


**DEBORAH M. PENDLETON  
GENERAL RECEIVER OF THE CIRCUIT COURT  
OF THE COUNTY OF LEE**

**REPORT ON AUDIT  
FOR THE PERIOD  
JULY 1, 2005 THROUGH JUNE 30, 2006**



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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

December 12, 2006

The Honorable Birg E. Sergent  
Chief Judge of the Circuit Court  
County of Lee

## INDEPENDENT AUDITOR'S REPORT

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

DEBORAH M. PENDLETON  
GENERAL RECEIVER OF THE CIRCUIT COURT  
of the  
COUNTY OF LEE

as of June 30, 2006, and the related statement of cash receipts and disbursements for the period July 1, 2005 through June 30, 2006. 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 Lee as of June 30, 2006, and the cash receipts and disbursements for the period July 1, 2005 through June 30, 2006, on the basis of accounting described in Note 1.

AUDITOR OF PUBLIC ACCOUNTS

MMT:jab  
jab:5

COUNTY OF LEE  
GENERAL RECEIVER OF THE CIRCUIT COURT  
STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2006

Exhibit A

Assets:	
Cash	\$ 2,549
Investments	525,443
Total Assets	<u>\$ 527,992</u>
Liabilities:	
Bonds payable	\$ 1,581
General receiver fees	968
Trust funds	<u>525,443</u>
Total Liabilities	<u>\$ 527,992</u>

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

COUNTY OF LEE  
GENERAL RECEIVER OF CIRCUIT COURT  
STATEMENT OF TRUST FUND RECEIPTS AND DISBURSEMENTS  
FOR THE PERIOD ENDING JUNE 30, 2006

Exhibit A1

Receipts:

Trust funds	\$ 36,895
Interest	<u>14,358</u>
Total receipts	<u>51,253</u>

Disbursements:

Penalties	135
Trust funds	65,226
General Receiver fees	968
Bond premiums	<u>1,581</u>
Total disbursements	<u>67,910</u>

Excess/(deficiency) of receipts over/(under) disbursements (16,657)

Trust fund balance at July 1, 2005 542,100

Trust fund balance at June 30, 2006 \$ 525,443

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

COUNTY OF LEE  
GENERAL RECEIVER OF THE CIRCUIT COURT  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the General Receiver of the Circuit Court of the County of Lee 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.