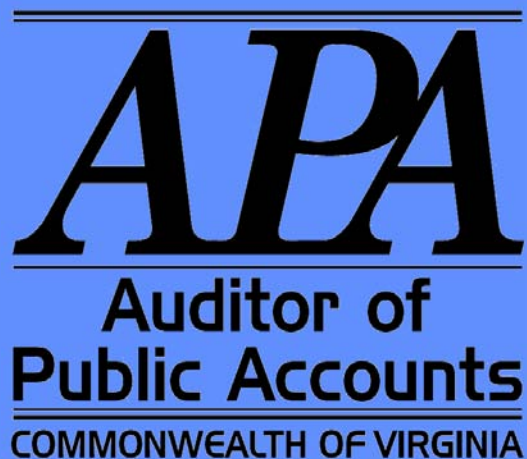


**REPORT ON
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF MADISON, VIRGINIA
CAROLINE WATTS**

**FOR THE PERIOD
OCTOBER 1, 2008 THROUGH DECEMBER 31, 2008**





Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

December 31, 2008

Linda M. Parrish
Clerk of the Circuit Court
County of Madison

Board of Supervisors
County of Madison

We have examined the accompanying Schedule of Assets and Liabilities of Caroline Watts, former Clerk of the Circuit Court of the County of Madison for the period October 1, 2008 through December 31, 2008. All records supporting the amounts presented in this schedule are the responsibility of this Clerk. Our responsibility is to express an opinion on the financial data based on our review.

The purpose of this examination was to establish the accountability of the former Clerk at January 26, 2009, and to turn over the assets, accounts, and records of the office to Linda M. Parrish, the newly appointed Clerk of the Circuit Court.

Our primary objective was to confirm the accuracy of financial transactions recorded on the Court's financial management system. Our examination was more limited than would be necessary to provide absolute assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards include examining evidence supporting the asset amounts in the Clerk's financial records and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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.

In our opinion, the schedule referred to above presents fairly, in all material respects, the assets and liabilities of the Clerk of the Circuit Court of the County of Madison as of January 26, 2009, on the basis of accounting described in Note 1.

We acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable Timothy K. Sanner, Chief Judge
Lisa R. Kelly, County Administrator
Paul DeLosh, Director of Judicial Services, Supreme Court of Virginia

COUNTY OF MADISON
CLERK OF THE CIRCUIT COURT
SCHEDULE OF ASSETS AND LIABILITIES
AS OF JANUARY 26, 2009

ASSETS

Cash and Cash Equivalents	\$367.52
Unreimbursed Clerk's Expenses	<u>-</u>
Total	<u>\$303,962.23</u>

LIABILITIES

Due to the Commonwealth of Virginia	\$8,274.53
Due to the County of Madison	23,463.68
Collections for others	128,194.92
Depository bonds	76,830.99
Moneys under control of the court	954,393.28
Condemnation Funds	-
Unspecified receipts	<u>-</u>
Total	<u>\$270,047.62</u>

The accompanying Notes to this Schedule are an integral part of this report.

COUNTY OF MADISON

CLERK OF THE CIRCUIT COURT

NOTES TO SCHEDULE

AS OF JANUARY 26, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clerk of the Circuit Court is an elected constitutional officer who administers the County of Madison'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 schedule 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.