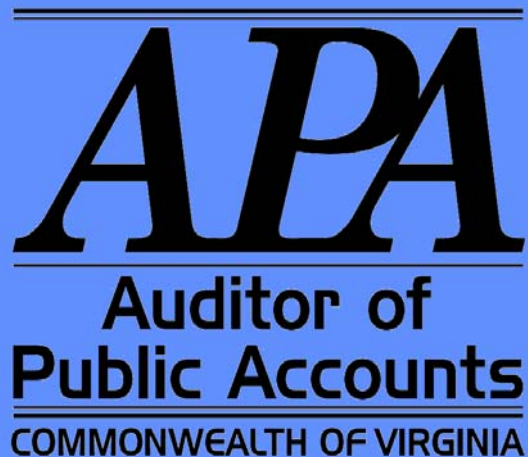


**CHARLES T. STURGILL  
CLERK OF THE CIRCUIT COURT  
OF THE  
THE COUNTY OF GRAYSON**

**REPORT ON AUDIT  
FOR THE PERIOD  
JUNE 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 31, 2008

Susan M. Herrington  
Clerk of the Circuit Court  
County of Grayson

Board of Supervisors  
County of Grayson

We have audited the accompanying Statement of Assets and Liabilities of Charles T. Sturgill, former Clerk of the Circuit Court of the County of Grayson for the period July 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 Susan M. Herrington, 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.

Susan M. Herrington, Clerk of the Circuit Court  
Board of Supervisors  
January 31, 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 Grayson 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 Josiah T. Showalter, Jr., Chief Judge  
William D. Ring, County Administrator  
Paul DeLosh, Director of Judicial Services  
Supreme Court of Virginia

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

ASSETS

|                               |                     |
|-------------------------------|---------------------|
| Cash and Cash Equivalents     | \$282,373.06        |
| Unreimbursed Clerk's Expenses | <u>0.00</u>         |
| Total                         | <u>\$282,373.06</u> |

LIABILITIES

|                                     |                     |
|-------------------------------------|---------------------|
| Due to the Commonwealth of Virginia | \$ 7,509.13         |
| Due to the County of Grayson        | 25,752.89           |
| Collections for others              | 16,520.57           |
| Depository bonds                    | 28,073.90           |
| Moneys under control of the court   | 200,237.98          |
| Condemnation Funds                  | 0.00                |
| Unspecified receipts                | <u>4,278.59</u>     |
| Total                               | <u>\$282,373.06</u> |

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

COUNTY OF GRAYSON  
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 Grayson'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.

