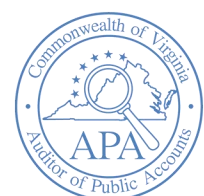




REX A. DAVIS
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF NEWPORT NEWS

REPORT ON AUDIT
AT MAY 31, 2015

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350



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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 8, 2015

Gary S. Anderson
Clerk of the Circuit Court
City of Newport News

McKinley L. Price, Mayor
City of Newport News

We have audited the accompanying Statement of Assets and Liabilities of Rex A. Davis, former Clerk of the Circuit Court of the City of Newport News as of May 31, 2015. 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 May 31, 2015, and to turn over the assets, accounts, and records of the office to Gary S. Anderson, 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.

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 City of Newport News as of May 31, 2015, on the basis of accounting described in Note 1.

We acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

MSM:alh

cc: The Honorable C. Peter Tench, Chief Judge
James M. Bourey, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia

CITY OF NEWPORT NEWS
CLERK OF THE CIRCUIT COURT
STATEMENT OF ASSETS AND LIABILITIES
AS OF MAY 31, 2015

ASSETS	
Cash and Cash Equivalents	\$4,943,667
Unreimbursed Clerk's Expenses	-
Total	\$4,943,667
LIABILITIES	
Due to the Commonwealth of Virginia	\$51,598
Due to the City of Newport News	211,606
Collections for others	456,920
Depository bonds	364,829
Moneys under control of the court	3,620,721
Condemnation Funds	237,095
Unspecified receipts	898
Total	\$4,943,667

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

CITY OF NEWPORT NEWS
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENT
AS OF MAY 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Clerk of the Circuit Court is an elected constitutional officer who administers the City of Newport News'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 \$25,000. 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.