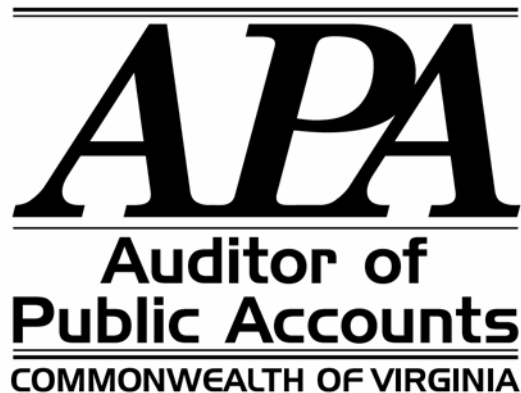


W. STEPHEN SOUTHARD, TREASURER
of the
COUNTY OF CULPEPER, VIRGINIA

REPORT ON EXAMINATION
of
COMMONWEALTH REVENUES

FOR THE PERIOD
JULY 1, 2004 THROUGH MAY 31, 2005



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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295

Richmond, Virginia 23218

Walter J. Kucharski, Auditor

June 10, 2005

David L. Dejarnette
Incoming Treasurer

W. Stephen Southard
Outgoing Treasurer

Board of Supervisors
County of Culpeper

Independent Auditor's Report

We have examined the accompanying Schedule of the Treasurer's Accountability to the Commonwealth of W. Stephen Southard, Treasurer of the County of Culpeper, for the period July 1, 2004 through May 31, 2005. All records supporting the amounts in this schedule are the Treasurer's responsibility. Our responsibility is to express an opinion based on our examination.

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

Section 58.1-3136 of the Code of Virginia requires a turnover audit whenever a treasurer leaves office. The examination was performed to determine the accountability of the Treasurer at May 31, 2005 and to turn over the assets, accounts, and records of the office to David L. Dejarnette, the newly appointed Treasurer.

In our opinion, based on our examination, the schedule referred to above presents fairly, in all material respects, Commonwealth Funds collected and remitted by W. Stephen Southard, Treasurer of the County of Culpeper, Virginia, for the period July 1, 2004 through May 31, 2005, on the cash basis of accounting.

AUDITOR OF PUBLIC ACCOUNTS

COUNTY OF CULPEPER
SCHEDULE OF THE TREASURER'S ACCOUNTABILITY TO THE COMMONWEALTH
For the Period Ended May 31, 2005

	Balance July 1, 2004	Collections	Remittances	Balance May 31, 2005
2005 Taxes:				
Estimated income taxes	\$ -	\$ 380,157	\$ 376,127	\$ 4,030
2004 Taxes:				
Taxable year income taxes	-	1,237,163	1,237,114	49
Estimated income taxes	10,436	1,592,764	1,603,200	-
2003 Taxes:				
Taxable year income taxes	-	91,266	91,266	-
Other Collections:				
Penalty	-	6,932	6,932	-
Interest	-	612	612	-
Share of fees of sheriff and deputies	5,950	68,034	74,149	(165)
Tobacco revenue stamps	-	373,065	355,290	17,775
Total	\$ 16,386	\$ 3,749,993	\$ 3,744,690	\$ 21,689

This schedule has been prepared on the cash basis of accounting.

COUNTY OF CULPEPER

TREASURER

NOTES TO THE SCHEDULE OF ACCOUNTABILITY

FOR THE PERIOD JULY 1, 2004 THROUGH MAY 31, 2005

1. SCHEDULE PRESENTATION

The Schedule of Treasurer's Accountability to the Commonwealth represents the Treasurer's accounting for state taxes and fees collected for the Commonwealth of Virginia. The schedule is prepared on the cash basis of accounting.

2. DISCHARGE FROM LIABILITY

In accordance with Section 58.1-3145 of the Code of Virginia, the outgoing treasurer is required to file certificates with the circuit court showing the final settlement of his account as treasurer to secure final discharge from liability.