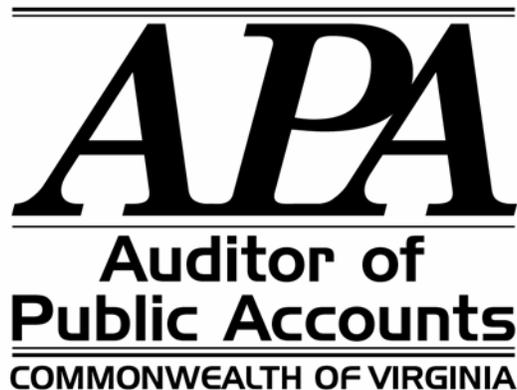


DELORIS HOLT, TREASURER
of the
CITY OF FRANKLIN, VIRGINIA

REPORT ON EXAMINATION
of
COMMONWEALTH REVENUES

FOR THE PERIOD
SEPTEMBER 29, 2004 THROUGH FEBRUARY 28, 2005



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Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

March 16, 2005

Dinah Babb
Incoming Treasurer

Deloris Holt
Outgoing Treasurer

City Council
City of Franklin

Independent Auditor's Report

We have examined the accompanying Schedule of the Treasurer's Accountability to the Commonwealth of Deloris Holt, Treasurer of the City of Franklin, for the period September 29, 2004 through February 28, 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 February 28, 2005 and to turn over the assets, accounts, and records of the office to Dinah Babb, 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 Deloris Holt, Treasurer of the City of Franklin, Virginia, for the period September 29, 2004 through February 28, 2005, on the cash basis of accounting.

AUDITOR OF PUBLIC ACCOUNTS

CITY OF FRANKLIN
 SCHEDULE OF THE TREASURER'S ACCOUNTABILITY TO THE COMMONWEALTH
 For the Period September 29, 2004 through February 28, 2005

	Balance September 29, 2004	Collections	Remittances	Balance February 28, 2005
2004 Taxes:				
Taxable year income taxes	\$ -	\$ 130	\$ 130	\$ -
Estimated income taxes	-	128,605	128,605	-
2003 Taxes:				
Taxable year income taxes	-	2,127	2,127	-
Other Collections:				
Share of fees of sheriff and deputies	-	9,872	9,872	-
Total	\$ -	\$ 140,734	\$ 140,734	\$ -

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

CITY OF FRANKLIN

TREASURER

NOTES TO THE SCHEDULE OF ACCOUNTABILITY

FOR THE PERIOD SEPTEMBER 29, 2004 THROUGH FEBRUARY 28, 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.

