

COUNTY OF WISE, VIRGINIA

AUDIT REPORT

JUNE 30, 2002

COUNTY OF WISE, VIRGINIA

BOARD OF SUPERVISORS

Doug Stallard, Chairman  
Jeff Salyers, Vice-Chairman  
Robert Adkins  
Betty Cornett  
Virginia Meador  
Doug Mullins  
Edgar Mullins  
Robbie Robbins  
Jeff Salyers

COUNTY SCHOOL BOARD

Milas D. Franks, Chairperson  
Terry Collier, Vice-Chairman  
Wendell Caldwell  
Margaret Craft  
Kyle Fletcher  
Ann Gregory  
Robert M. Mullins  
Cecilia Robinette  
Judy Clawson, Clerk

WISE COUNTY PUBLIC SERVICE AUTHORITY

Jeff Salyers, Chairman  
Fred Luntsford, Vice-Chairman  
Larry Bland, Treasurer  
Kathy Roberson  
Kenneth Sturgill  
Kenneth Hillman  
Betty Cornett  
Loyd Robinette

COUNTY WELFARE BOARD

Sam Gilbert, Chairman  
Jeff Salyers, Vice-Chairman  
Charles Bennett  
Marilyn Bumgardner  
J. D. Cassell  
Demos Cantrell  
Sarah Collier  
Richard Coronet  
Robert Rollings  
Elizabeth Stuart

COUNTY OF WISE, VIRGINIA

OTHER OFFICIALS

Judge of the Circuit Court	J. Robert Stump
Judge of the Circuit Court	James Roberson
Clerk of the Circuit Court	Jack Kennedy
Judge of the District Court	Suzanne Fulton
Judge of Juvenile & Domestic Relations Court	Elizabeth Sturgill
Judge of Juvenile & Domestic Relations Court	David Summerfield
Commonwealth's Attorney	Joseph Carico
Commissioner of the Revenue	Delmar Wilson, Jr.
Treasurer	Rita Holbrook
Sheriff	Ronnie D. Oakes
Superintendent of Schools	Michael G. Basham
Director of Social Services	Thomas Stanley
County Administrator	Edward Sealoover
Director of Public Service Authority	Danny Buchanan

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JUNE 30, 2002

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**LARRY D. STURGILL, P. C.**

**LARRY D. STURGILL**

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL**  
**STATEMENTS AND SUPPLEMENTARY SCHEDULE**  
**OF EXPENDITURES OF FEDERAL AWARDS**

November 21, 2002

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293

Supervisors:

I have audited the accompanying general purpose financial statements of the County of Wise, Virginia, as of and for the year ended June 30, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the County of Wise, Virginia's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audit of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Wise, Virginia as of June 30, 2002, and the results of its

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 21, 2002  
Page 2

operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 21, 2002 on my consideration of the County of Wise Virginia's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of Wise County, Virginia. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The statistical schedules listed in the Table of Contents are not a required part of the basic financial statements, and I did not audit or apply limited procedures to such information. Accordingly, I do not express any assurances on such information.



Larry D. Sturgill  
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

November 21, 2002

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293

Supervisors:

I have audited the general purpose financial statements of the County of Wise, Virginia as of and for the year ended June 30, 2002, and have issued my report thereon dated November 21, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County of Wise, Virginia's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 21, 2002  
Page 2

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the County of Wise, Virginia's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the organization, and federal awarding agencies and pass-through entities.

However, this report is a matter of public record and its distribution is not limited.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH**  
**REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM**  
**AND INTERNAL CONTROL OVER COMPLIANCE IN**  
**ACCORDANCE WITH OMB CIRCULAR A-133**

November 21, 2002

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293

Supervisors:

**Compliance**

I have audited the compliance of the County of Wise, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 21, 2002  
Page 2

on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, Wise County, Virginia, complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

#### Internal Control Over Compliance

The management of the County of Wise, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of Management, the Board of Supervisors, Federal and State awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



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**INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION**  
**OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

November 21, 2002

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293

Supervisors:

I have reviewed the prior year report during the course of this audit to determine if the County of Wise, has implemented adequate corrective action with respect to previously reported audit findings.



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**SUMMARY OF COMPLIANCE MATTERS**

November 21, 2002

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293

Supervisors:

As more fully described in the Independent Auditor's Report on Compliance, I performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS**

**Code of Virginia:**

Budget and Appropriation Laws  
Cash and Investments Laws  
Conflicts of Interest Act  
Local Retirement Systems

Debt Provisions  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act

**State Agency Requirements:**

Education

Social Services

**FEDERAL COMPLIANCE MATTERS**

**Compliance Supplement for Single Audits of State and Local Governments**

Provisions and conditions of agreements related to federal programs selected for testing

**LOCAL COMPLIANCE MATTERS**

None



Larry D. Sturgill



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COUNTY OF WISE, VIRGINIA  
 COMBINED BALANCE SHEET - ALL FUNDS, ACCOUNT GROUPS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 AT JUNE 30, 2002

<u>ASSETS</u>	<u>GOVERNMENTAL FUNDS</u>		<u>PROPRIETARY FUND</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>ENTERPRISE</u>
Cash	\$ 206,260	\$ 207,293	\$ 100,843
Petty Cash	7,800	-	-
Investments	3,229,667	2,649,247	176,950
Reserved Deposits	-	-	921,805
Bond Insurance Costs	-	-	50,290
Receivable (Net Of Allowances For Uncollectibles):			
Taxes Including Penalties	627,444	-	-
Accounts	96,684	61,931	217,834
Mineral Taxes	308,932	276,936	-
Due From Other Governmental Units	212,275	-	-
Due From Other Funds	2,030,459	341,661	30,219
Amount To Be Provided For The Retirement of General Long-Term Obligations	-	-	-
General Fixed Assets	-	-	6,845,363
<b>TOTAL ASSETS</b>	<b>\$ 6,719,521</b>	<b>\$ 3,537,068</b>	<b>\$ 8,343,304</b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 120,278	\$ 257,455	\$ 11,188
Due To Other Funds	341,661	42,821	148,189
Due To Other Governmental Units	-	160,156	-
Due To Social Service Clients	-	-	-
Due To Customers - Deposits	-	-	-
Deferred Revenues:			
Taxes	1,053,694	-	-
Claims, Judgments & Compensated Absences	-	-	44,160
Landfill Closure Cost Liability	-	-	3,306,047
State Literary Fund Loans Payable	-	-	-
General Obligation Bonds Payable	-	-	114,157
General Long-Term Financing Loans	-	-	-
Revenue Bond Payable	-	-	2,696,011
<b>TOTAL LIABILITIES</b>	<b>\$ 1,515,633</b>	<b>\$ 460,432</b>	<b>\$ 6,319,752</b>
<u>FUND EQUITY</u>			
Investment in General Fixed Assets	\$ -	\$ -	\$ -
Contributed Capital	-	-	5,006,177
Retained Earnings:			
Reserved	-	-	921,805
Unreserved	-	-	(3,904,430)
Fund Balances:			
Designated for Subsequent Years' Expenditures	1,645,981	-	-
Undesignated	3,557,907	3,076,636	-
<b>TOTAL FUND EQUITY</b>	<b>\$ 5,203,888</b>	<b>\$ 3,076,636</b>	<b>\$ 2,023,552</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 6,719,521</b>	<b>\$ 3,537,068</b>	<b>\$ 8,343,304</b>

<u>FIDUCIARY FUNDS</u>	<u>ACCOUNT GROUPS</u>	<u>TOTALS</u> (Memorandum Only)	
<u>TRUST &amp; AGENCY</u>	<u>GENERAL LONG- TERM OBLIGATION</u>	<u>GENERAL FIXED ASSETS</u>	<u>PRIMARY GOVERNMENT</u>
\$ 121,517	\$ -	\$ -	\$ 635,913
-	-	-	7,800
-	-	-	6,055,864
-	-	-	921,805
-	-	-	50,290
-	-	-	627,444
-	-	-	376,449
236,859	-	-	585,868
-	-	-	449,134
-	-	-	2,402,339
-	952,474	-	952,474
-	-	37,522,846	44,368,209
<u>\$ 358,376</u>	<u>\$ 952,474</u>	<u>\$ 37,522,846</u>	<u>\$ 57,433,589</u>
\$ -	\$ -	\$ -	\$ 388,921
202,844	-	-	735,515
86,047	-	-	246,203
69,485	-	-	69,485
-	-	-	-
-	-	-	1,053,694
-	565,099	-	609,259
-	-	-	3,306,047
-	-	-	114,157
-	387,375	-	387,375
-	-	-	2,696,011
<u>\$ 358,376</u>	<u>\$ 952,474</u>	<u>\$ -</u>	<u>\$ 9,606,667</u>
\$ -	\$ -	\$ 37,522,846	\$ 37,522,846
-	-	-	5,006,177
-	-	-	-
-	-	-	921,805
-	-	-	(3,904,430)
-	-	-	1,645,981
-	-	-	6,634,543
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,522,846</u>	<u>\$ 47,826,922</u>
<u>\$ 358,376</u>	<u>\$ 952,474</u>	<u>\$ 37,522,846</u>	<u>\$ 57,433,589</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED BALANCE SHEET - ALL FUNDS, ACCOUNT GROUPS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 AT JUNE 30, 2002

<u>ASSETS</u>	Component Units	
	<u>SCHOOL BOARD</u>	<u>WISE COUNTY PUBLIC SERVICE AUTHORITY</u>
Cash	\$ 233,529	\$ 854,542
Petty Cash	200	500
Investments	1,580,243	374,208
Reserved Deposits	-	591,531
Bond Insurance Costs	-	-
Receivable (Net Of Allowances For Uncollectibles):		
Taxes Including Penalties	-	-
Accounts	23,903	168,378
Mineral Taxes	-	-
Due From Other Governmental Units	1,806,029	-
Due From Other Funds	-	-
Amount To Be Provided For The Retirement of General Long-Term Obligations	14,163,162	-
General Fixed Assets	131,282,147	16,355,088
<b>TOTAL ASSETS</b>	<b>\$ 149,089,213</b>	<b>\$ 18,344,247</b>
<u>LIABILITIES</u>		
Accounts Payable	\$ 285,193	\$ 56,024
Due To Other Funds	1,636,605	30,219
Due To Other Governmental Units	-	-
Due To Social Service Clients	-	-
Due To Customers - Deposits	-	277,575
Deferred Revenues:		
Taxes	-	-
Claims, Judgments & Compensated Absences	836,770	13,861
Landfill Closure Cost Liability	-	-
State Literary Fund Loans Payable	12,911,392	-
General Obligation Bonds Payable	415,000	-
General Long-Term Financing Loans	-	-
Revenue Bond Payable	-	1,724,788
<b>TOTAL LIABILITIES</b>	<b>\$ 16,084,960</b>	<b>\$ 2,102,467</b>
<u>FUND EQUITY</u>		
Investment in General Fixed Assets	\$ 131,282,147	\$ -
Contributed Capital	-	14,209,021
Retained Earnings:		
Reserved	-	591,531
Unreserved	-	1,441,228
Fund Balances:		
Designated for Subsequent Years' Expenditures	-	-
Undesignated	1,722,106	-
<b>TOTAL FUND EQUITY</b>	<b>\$ 133,004,253</b>	<b>\$ 16,241,780</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 149,089,213</b>	<b>\$ 18,344,247</b>

TOTALS (Memorandum Only) COMPONENT UNITS	TOTALS (Memorandum Only) REPORTING ENTITY
\$ 1,088,071	\$ 1,723,984
700	8,500
1,954,451	8,010,315
591,531	1,513,336
-	50,290
-	627,444
192,281	568,730
-	585,868
1,806,029	2,255,163
-	2,402,339
14,163,162	15,115,636
147,637,235	192,005,444
<u>\$ 167,433,460</u>	<u>\$ 224,867,049</u>
\$ 341,217	\$ 730,138
1,666,824	2,402,339
-	246,203
-	69,485
277,575	277,575
-	1,053,694
850,631	1,459,890
-	3,306,047
12,911,392	12,911,392
415,000	529,157
-	387,375
1,724,788	4,420,799
<u>\$ 18,187,427</u>	<u>\$ 27,794,094</u>
\$ 131,282,147	\$ 168,804,993
14,209,021	19,215,198
591,531	1,513,336
1,441,228	(2,463,202)
-	1,645,981
1,722,106	8,356,649
<u>\$ 149,246,033</u>	<u>\$ 197,072,955</u>
<u>\$ 167,433,460</u>	<u>\$ 224,867,049</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 2002

	GOVERNMENTAL FUNDS	
	GENERAL	SPECIAL REVENUE
<b>REVENUES:</b>		
General Property Taxes	\$ 11,748,220	\$ -
Other Local Taxes	7,340,656	3,598,493
Permits, Privilege Fees & Regulatory Licenses	50,295	-
Fines & Forfeitures	4,347	-
Revenues From Use Of Money & Property	228,429	77,818
Charges For Services	231,322	99,817
Miscellaneous	53,173	2,876
Recovered Costs	543,407	-
Intergovernmental	11,686,621	231,613
TOTAL REVENUES	<u>\$ 31,886,470</u>	<u>\$ 4,010,617</u>
<b>EXPENDITURES:</b>		
Current:		
General Government Administration	\$ 2,338,964	\$ 200
Judicial Administration	1,721,719	13,248
Public Safety	5,053,335	356,556
Public Works	467,564	409,970
Health & Welfare	7,119,945	-
Education	109,156	-
Parks, Recreation & Cultural	758,228	-
Community Development	612,591	3,627,684
Capital Projects	-	-
Debt Service:		
Principal Retirement	74,576	-
Interest & Fiscal Charges	13,486	-
TOTAL EXPENDITURES	<u>\$ 18,269,564</u>	<u>\$ 4,407,658</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 13,616,906</u>	<u>\$ (397,041)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers In	\$ 12,825	\$ 63,465
Operating Transfers Out	(15,612,719)	(61,115)
Proceeds From Issuance Of Debt	448,646	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (15,151,248)</u>	<u>\$ 2,350</u>
<b>EXCESS (DEFICIENCY) OF REVENUES &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER USES</b>	<u>\$ (1,534,342)</u>	<u>\$ (394,691)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED</b>	<u>6,738,230</u>	<u>3,471,327</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 5,203,888</u>	<u>\$ 3,076,636</u>

TOTALS (Memorandum Only)	Component Unit	TOTALS (Memorandum Only)
<u>PRIMARY GOVERNMENT</u>	<u>SCHOOL BOARD</u>	<u>REPORTING ENTITY</u>
\$ 11,748,220	\$ -	\$ 11,748,220
10,939,149	-	10,939,149
50,295	-	50,295
4,347	-	4,347
306,247	54,409	360,656
331,139	1,028,131	1,359,270
56,049	205,020	261,069
543,407	230,164	773,571
11,918,234	39,287,891	51,206,125
<u>\$ 35,897,087</u>	<u>\$ 40,805,615</u>	<u>\$ 76,702,702</u>
\$ 2,339,164	\$ -	\$ 2,339,164
1,734,967	-	1,734,967
5,409,891	-	5,409,891
877,534	-	877,534
7,119,945	-	7,119,945
109,156	51,798,649	51,907,805
758,228	-	758,228
4,240,275	-	4,240,275
-	1,904,309	1,904,309
74,576	944,605	1,019,181
13,486	318,916	332,402
<u>\$ 22,677,222</u>	<u>\$ 54,966,479</u>	<u>\$ 77,643,701</u>
<u>\$ 13,219,865</u>	<u>\$ (14,160,864)</u>	<u>\$ (940,999)</u>
\$ 76,290	\$ 13,418,937	\$ 13,495,227
(15,673,834)	(14,516)	(15,688,350)
448,646	-	448,646
<u>\$ (15,148,898)</u>	<u>\$ 13,404,421</u>	<u>\$ (1,744,477)</u>
\$ (1,929,033)	\$ (756,443)	\$ (2,685,476)
<u>10,209,557</u>	<u>2,478,549</u>	<u>12,688,106</u>
<u>\$ 8,280,524</u>	<u>\$ 1,722,106</u>	<u>\$ 10,002,630</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 GENERAL, SPECIAL REVENUE, & DISCRETELY PRESENTED  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2002

GENERAL FUND

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
General Property Taxes	\$ 10,995,000	\$ 11,748,220	\$ 753,220
Other Local Taxes	7,306,000	7,340,656	34,656
Permits, Privilege Fees & Regulatory Licenses	71,500	50,295	(21,205)
Fines & Forfeitures	4,000	4,347	347
Revenues From Use Of Money & Property	523,000	228,429	(294,571)
Charges For Services	227,200	231,322	4,122
Miscellaneous	5,279	53,173	47,894
Recovered Costs	404,540	543,407	138,867
Intergovernmental	11,970,529	11,686,621	(283,908)
TOTAL REVENUES	<u>\$ 31,507,048</u>	<u>\$ 31,886,470</u>	<u>\$ 379,422</u>
<b>EXPENDITURES:</b>			
Current:			
General Government Administration	\$ 2,113,208	\$ 2,338,964	\$ (225,756)
Judicial Administration	1,563,132	1,721,719	(158,587)
Public Safety	4,546,715	5,053,335	(506,620)
Public Works	546,811	467,564	79,247
Health & Welfare	7,356,584	7,119,945	236,639
Education	109,156	109,156	-
Parks, Recreation & Cultural	732,732	758,228	(25,496)
Community Development	638,660	612,591	26,069
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	75,000	74,576	424
Interest & Fiscal Charges	13,500	13,486	14
TOTAL EXPENDITURES	<u>\$ 17,695,498</u>	<u>\$ 18,269,564</u>	<u>\$ (574,066)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 13,811,550</u>	<u>\$ 13,616,906</u>	<u>\$ (194,644)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	\$ 9,000	\$ 12,825	\$ 3,825
Operating Transfers Out	(15,589,446)	(15,612,719)	(23,273)
Proceeds From Issuance Of Debt	-	448,646	448,646
Prior Year Appropriations	1,768,896	-	(1,768,896)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (13,811,550)</u>	<u>\$ (15,151,248)</u>	<u>\$ (1,339,698)</u>

SPECIAL REVENUE FUND			COMPONENT UNIT - SCHOOL BOARD		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,994,900	3,578,626	(416,274)	-	-	-
-	-	-	-	-	-
-	77,818	77,818	53,900	54,409	509
9,000	99,817	90,817	942,800	1,028,131	85,331
-	2,876	2,876	1,887,200	205,020	(1,682,180)
-	-	-	189,900	230,164	40,264
-	231,613	51,746	40,611,500	39,287,891	(1,323,609)
<u>\$ 4,003,900</u>	<u>\$ 3,990,750</u>	<u>\$ (193,017)</u>	<u>\$ 43,685,300</u>	<u>\$ 40,805,615</u>	<u>\$ (2,879,685)</u>
\$ -	\$ 200	\$ (200)	\$ -	\$ -	\$ -
9,000	13,248	(4,248)	-	-	-
294,900	356,556	(61,656)	-	-	-
450,000	409,970	40,030	-	-	-
-	-	-	-	-	-
-	-	-	54,984,800	51,798,649	3,186,151
-	-	-	-	-	-
3,250,000	3,611,561	(361,561)	-	-	-
-	-	-	2,373,800	1,904,309	469,491
-	-	-	944,605	944,605	-
-	-	-	319,495	318,916	579
<u>\$ 4,003,900</u>	<u>\$ 4,391,535</u>	<u>\$ (387,635)</u>	<u>\$ 58,622,700</u>	<u>\$ 54,966,479</u>	<u>\$ 3,656,221</u>
\$ -	\$ (400,785)	\$ (580,652)	\$ (14,937,400)	\$ (14,160,864)	\$ 776,536
\$ -	\$ 63,465	\$ 63,465	\$ 13,366,200	\$ 13,418,937	\$ 52,737
-	(61,115)	(61,115)	(12,800)	(14,516)	(1,716)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,350</u>	<u>\$ 2,350</u>	<u>\$ 13,353,400</u>	<u>\$ 13,404,421</u>	<u>\$ 51,021</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 GENERAL, SPECIAL REVENUE, & DISCRETELY PRESENTED  
 COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ -	\$ (1,534,342)	\$ (1,534,342)
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	-	6,738,230	6,738,230
FUND BALANCE AT END OF YEAR	\$ -	\$ 5,203,888	\$ 5,203,888

SPECIAL REVENUE FUND			COMPONENT UNIT - SCHOOL BOARD		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ (398,435)	\$ (578,302)	\$ (1,584,000)	\$ (756,443)	\$ 827,557
-	3,471,327	3,471,327	-	2,478,549	2,478,549
<u>\$ -</u>	<u>\$ 3,072,892</u>	<u>\$ 2,893,025</u>	<u>\$ (1,584,000)</u>	<u>\$ 1,722,106</u>	<u>\$ 3,306,106</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2002

OPERATING REVENUES:		
Landfill Usable Fees	\$	802,180
Sewer Rents		38,321
Tipping Fees		33,132
Other Revenues		<u>70,786</u>
TOTAL OPERATING REVENUES		\$ 944,419
OPERATING EXPENSES:		
Other Operating Charges	\$	1,853,936
Landfill Closure Expense		478,376
Depreciation		<u>299,724</u>
TOTAL OPERATING EXPENSES		<u>2,632,036</u>
NET OPERATING INCOME (LOSS)		\$ (1,687,617)
NON-OPERATING REVENUE AND EXPENSE		
Interest Revenue	\$	19,539
Interest Expense		<u>(162,621)</u>
TOTAL NON-OPERATING REVENUE AND (EXPENSE)		<u>(143,082)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS		\$ (1,830,699)
Operating Transfers In		<u>2,193,123</u>
NET INCOME (LOSS)		\$ 362,424
RETAINED EARNINGS AT BEGINNING OF YEAR		<u>(3,345,049)</u>
RETAINED EARNINGS AT END OF YEAR		<u><u>\$ (2,982,625)</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



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COUNTY OF WISE, VIRGINIA  
COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2002

Cash Flow From Operating Activities:		
Cash Received from Customers	\$ 932,563	
Cash Payments to Suppliers for Goods & Services	<u>(1,941,246)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (1,008,683)
Cash Flow from Noncapital Financing Activities:		
Operating Transfers From Other Funds	\$ 2,197,200	
Decrease in Due From Other Funds	<u>(6,695)</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		2,190,505
Cash Flows from Capital & Related Financing Activities:		
Principal Paid on Revenue Bond Maturities	\$ (762,601)	
Interest Paid on Debt Obligations	(162,621)	
Principal Paid on General Obligation Loans	(51,178)	
Proceeds from Issuance of Debt	<u>34,123</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		(942,277)
Cash Flows form Investing Activities:		
Sinking Fund Deposits	(190,236)	
Interest Earned on Investments	19,539	
Increase in Construction in Progress	(180,664)	
Sale of Investments	548,268	
Purchase of Equipment	<u>(357,892)</u>	
NET CASH PROVIDED FORM INVESTING ACTIVITIES		<u>(160,985)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 78,560
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>22,283</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		\$ 100,843

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2002

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income		\$ (1,687,617)
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation	\$ 299,724	
Decrease in Accounts Receivable	(11,857)	
Increase in Closure Cost Liability	407,727	
Increase (Decrease) in Accrued Compensation	1,793	
Increase in Accounts Payable	(18,453)	
TOTAL ADJUSTMENTS		<u>678,934</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ (1,008,683)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
COMBINED STATEMENT OF REVENUES, EXPENSES  
& CHANGES IN RETAINED EARNINGS  
DISCRETELY PRESENTED COMPONENT UNIT -  
WISE COUNTY PUBLIC SERVICE AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2002

OPERATING INCOME:

Water Charges	\$	1,364,332
Sewer Charges		21,104
Miscellaneous		17,637
TOTAL OPERATING INCOME	\$	1,403,073

OPERATING EXPENSES:

Salaries	\$	577,147
Payroll Taxes		47,699
VRA Retirement & Life		31,636
Hospitalization Insurance		83,019
Workers Compensation Insurance		16,932
Uniform Rental		5,021
Water Purchased		63,287
Utilities		125,452
Line Crew Supplies & Plant Expenses		213,916
Repairs & Maintenance		63,398
Telephone & Telemetry		27,342
Sewer Expense		8,628
Professional Services		3,636
Office Expense/Postage		38,611
Office Utilities & Telephone		6,341
Office Rent		6,000
Conferences & Continuing Education		1,054
Licenses, Fees & Tags		1,110
Equipment Rental		4,689
Insurance		4,282
Vehicle Expense		26,038
State Waterworks Fee		6,698
Advertising		412
Travel		8,671
Miscellaneous		2,489
Compensation - Board Members		6,975
TOTAL OPERATING EXPENSES		1,380,483

Net Operating Income (Loss) Before Depreciation	\$	22,590
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Depreciation of Utility Plant In Service		403,505
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TOTAL OPERATING INCOME (LOSS)	\$	(380,915)
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN RETAINED EARNINGS  
 DISCRETELY PRESENTED COMPONENT UNIT -  
 WISE COUNTY PUBLIC SERVICE AUTHORITY  
 FOR THE YEAR ENDED JUNE 30, 2002

NON-OPERATING REVENUES & (EXPENSES):

Interest Income	\$	33,749
Penalties and Finance Charges		35,548
Connection Fees		65,523
Interest Expense		(64,802)
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$	<u>70,018</u>
NET INCOME (LOSS)	\$	(310,897)
Depreciation On Assets Acquired Or Constructed Through Capital Grants		567,561
Retained Earnings, Beginning Of Year		<u>1,776,095</u>
Retained Earnings, End Of Year	\$	<u><u>2,032,759</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
COMBINED STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNIT -  
WISE COUNTY PUBLIC SERVICE AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2002

Cash Flow from Operating Activities:		
Cash Received from Customers	\$	1,384,519
Cash Payments to Suppliers for Goods & Services		(866,729)
Cash Payments to Employees for Services		(577,712)
Other Operating Revenues		<u>17,637</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (42,285)
Cash Flow from Noncapital Financing Activities:		
Increase in Customer Deposits	\$	21,480
Connection Fees		65,523
Penalties and Finance Charges		<u>35,548</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		122,551
Cash Flows from Investing Activities:		
Interest on Investments	\$	<u>33,749</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		33,749
Cash Flows from Capital & Related Financing Activities:		
Increase in Due to Other Governmental Units	\$	6,695
Purchase of Equipment		(179,012)
Construction of Capital Assets		(2,364,008)
Contributions & Grants		2,489,755
Principal Paid on FHA Bonds		(49,643)
Interest Paid on Revenue Bonds & Equipment Contracts		(72,188)
Proceeds from Issuance of Debt		<u>468,926</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		<u>300,525</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 414,540
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,406,241</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		<u>\$ 1,820,781</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
COMBINING STATEMENT OF CASH FLOWS  
DISCRETELY PRESENTED COMPONENT UNIT -  
WISE COUNTY PUBLIC SERVICE AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2002

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:

Operating Income (Loss)		\$ (380,915)
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Adjustments to Reconcile Operating Income  
to Net Cash Provided by Operating Activities:

Depreciation	\$ 403,505
Provision for Uncollectible Accounts	(15,962)
Provision for Compensated Absences	3,349
Change in Assets & Liabilities:	
(Increase) Decrease in Accounts Receivable	15,045
Increase (Decrease) in Accounts Payable	(63,393)
Increase (Decrease) in Wages Payables	(3,914)

TOTAL ADJUSTMENTS

338,630

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ (42,285)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Wise, Virginia conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

**A. The Financial Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the County of Wise, Virginia (primary government) and its component units. The component units discussed in Note B are included in the County's reporting entity because of the significance of their operational or financial relationships with the County of Wise, Virginia.

**B. Individual Component Unit Disclosures**

Discretely Presented Component Units:

(1) Wise County School Board - The County has the responsibility for fiscal matters of the School Board, including authorizations of budgetary appropriations, funding of operating deficiencies, control or use of surplus funds, responsibility for debts, and control over the collections and disbursement of funds.

(2) Wise County Public Service Authority - The County has a financial accountability for the authority, including the appointment of the Authority's governing body, the contribution of a material amount of funds to the Authority interrelated reporting of retirement and insurance benefits as well as, serving as fiscal agent for grant receipts for capital project

The financial activities of the following organizations are excluded from the County of Wise, Virginia annual report for the reasons indicated:

(1) The Wise County Redevelopment and Housing Authority was excluded primarily because the County Board of Supervisors does not control the Authority's financial and fiscal matters.

**C. Financial Statement Presentation**

The accompanying financial statements are prepared in accordance with the provisions of Statement 1. Governmental Accounting and Financial Reporting Principles, issued by the National Council on Governmental Accounting in March, 1979. The principles described by Statement 1 represent generally accepted accounting principles applicable to governmental units.

The accounts are organized on the basis of fund classifications, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The various funds are grouped in the financial statements as follows:

- (1) Governmental Funds account for the expendable financial resources, other than those accounted for in Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

**General Fund**

The General Fund accounts for all revenues and expenditures applicable to the general operations of the County which are not accounted for in other funds.

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than those derived from special assessments, expendable trusts, or dedicated from major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consists of the School Operating, School Cafeteria, School Textbook Rental, Law Library Fund, Coal Road Improvement Funds, Emergency Numbers Fund and Community Development Fund.

**Capital Project Fund**

Capital Project Fund account for financial resources to be used for the acquisition or construction of major capital facilities. Capital Project Funds consist of the School Construction Fund.

- (2) Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. Proprietary Funds consist of Enterprise and Internal Service Funds.

**Enterprise Funds**

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County of Wise is that the cost of providing services to the general public be financed or recovered through user charges. Enterprise Funds consist of the Sewer Fund and Landfill Fund.

- (3) Fiduciary Funds (Trust and Agency Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private corporations, other governmental units, or other funds.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(4) Account Groups are used to account for general obligation long-term debt and general fixed assets. A long-term obligation account group and a general fixed assets are included herein.

(5) Combined/Combining Format

Combined Financial Statements - These statements are referred as General Purpose Financial Statements and provide a summary overview of the financial position of all funds and account groups and of the operating results of all funds. All funds and account groups of a specific fund classification are combined and presented as one in the financial statements. For example, all funds classified as Special Revenue Funds are combined and presented under the caption "Special Revenue Funds".

Combining Financial Statements - By Fund Classification - These statements present individual financial statements for each fund of a given fund classification. For example, each Special Revenue Fund is shown individually.

(6) Total Columns on Combined Statements

The total columns on the combined statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**D. Basis of Accounting**

(1) Governmental Funds:

Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts, except that property taxes not collected within 45 days after year end are reflected as deferred revenues. Sales taxes, which are collected by the State and subsequently remitted to the County are recognized as revenues and receivables upon collection by the State, which is generally in the month preceding receipt by the County. Licenses, permits, and fines are recorded as revenues when received.

Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants, are recognized in the period to which the grant applies.

Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(2) Proprietary Funds

The accrual basis of accounting is used for the Enterprise and Internal Service Funds. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

(3) Fiduciary Funds

Agency Funds utilize the modified accrual basis of accounting.

**E. Budgets and Budgetary Accounting**

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

- (1) Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain citizen comments.
- (3) Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- (4) The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within the school system's categories.
- (5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Fund), and the General Capital Projects Fund.
- (6) All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (7) Appropriations lapse on June 30, for all County units.
- (8) All budget data presented in the accompanying financial statements is the revised budget for the year.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant and Equipment**

All purchased property, plant and equipment are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value at the date of donation.

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the assets capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. Such assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation for property, plant and equipment in the proprietary fund types is computed over the following useful lives using the straight-line method:

Plant, Equipment and System	35 – 45 Years
Motor Vehicles	5 – 10 Years
Equipment	2 – 15 Years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period.

**G. Allowance for Uncollectible Accounts**

**Property Taxes:**

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$607,274 at June 30, 2002.

**H. Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short term highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less.

**I. Investments**

Investments are stated at cost which approximates market. Certificate of deposits and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments in a deferred compensation agency fund are reported at market value.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 2: CASH AND INVESTMENTS**

Deposits: At year-end the carrying value of the County's deposits with banks and savings and loans was \$1,270,243 , and the bank balance was \$635,913. Of the bank balance, \$635,913 was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Of the bank balance, \$ -0- was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 2002.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$3,935,843 and the bank balance was \$233,529. Of the bank balance, \$233,529 was covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act while \$ -0- was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 2002.

Investments: Statutes authorize the local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) the Asian Development Bank, the African Development Bank, "prime quality", commercial paper and certain corporate notes; banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

Investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the government or its safekeeping agent in the government's name. Category 2 included uninsured or unregistered investments for which the securities are held by the broker's or dealer's trust department or safekeeping agent in the government's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or safekeeping agent but not in the government's name.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 2: CASH AND INVESTMENTS (Continued)**

At year end, the County's investment balances were as follows:

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 2,973,305	\$ -	\$ -	\$ 2,973,305	\$ 2,973,305
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 3,990,864	\$ 3,990,864
Total Investments				\$ 6,964,169	\$ 6,964,169
Total Deposits				635,913	
Total Reserved Deposits				13,500	
Total Deposits and Investments				\$ 7,613,582	

At year end, the School Board's investment balances were as follows:

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 425,000	\$ -	\$ -	\$ 425,000	\$ 425,000
Total				\$ 425,000	\$ 425,000
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 1,155,243	\$ 1,155,243
Total Investments				\$ 1,580,243	\$ 1,580,243
Total Deposits				\$ 233,529	
Total Deposits and Investments				\$ 1,813,772	

Due to significantly higher cash flows at certain times during the year, the County's investment in overnight repurchase agreements for which the underlying securities were held by the dealer increased significantly. As a result, the amounts that were in Category 3 at those times were significantly higher than at year-end.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 2: CASH AND INVESTMENTS (Continued)**

At year-end the carrying value of the Wise County Public Service Authority's deposits with banks and savings and loans was \$1,289,949 and the bank balance was \$1,239,593. Of the bank balance, \$1,239,593 was covered by federal depository insurance and collateralized in accordance with the Virginia Security for Public Deposits Act.

Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization reporting requirements of the Act and for notifying local governments of compliance with banks and savings and loans. Of the bank balance, none was uninsured or uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 2002.

**Investments**

Statutes authorize the Wise County Public Service Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The Wise County Public Service Authority's investments are fully collateralized by securities issued by the United States Government and/or its agents. The securities are held by the Wise County Public Service Authority or its safekeeping agent in the Wise County Public Service Authority's name.

At year end, the Authority's investment balances were as follows:

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 580,688	\$ -	\$ -	\$ 580,688	\$ 580,658
Total Investments				\$ 580,688	\$ 580,658
Total Deposits				\$ 1,239,593	
Total Deposits and Investments				\$ 1,820,281	

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 3: TAXES RECEIVABLE**

**Property:** Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on May 15th and October 15th. The County bills and collects its own property taxes.

**Coal Severance:** Coal severance tax is assessed monthly based on the gross receipts of the mining operation for the preceding month. Coal severance taxes attach as enforceable lien on the mining operation in the month of assessment. Taxes are payable in the month of assessment. The County bills and collects its own coal severance taxes.

**NOTE 4: DUE FROM OTHER GOVERNMENTAL UNITS**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GENERAL FUND	FIDUCIARY FUND	ENTERPRISE FUND	SCHOOL BOARD
<b>Local Governmental Units:</b>				
Towns	\$ 191,134	\$ -	\$ -	\$ -
School Boards	-	-	-	247,449
<b>TOTAL LOCAL</b>	<b>\$ 191,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 247,449</b>
<b>Commonwealth of Virginia:</b>				
Tax on Wills	\$ 9,699	\$ -	\$ -	\$ -
Charges for Services	11,442	-	-	-
Local Sales Taxes	-	236,859	-	-
State Sales Taxes	-	-	-	395,031
School Funds	-	-	-	125,698
<b>TOTAL STATE</b>	<b>\$ 21,141</b>	<b>\$ 236,859</b>	<b>\$ -</b>	<b>\$ 520,729</b>
<b>Federal Government:</b>				
School Funds	\$ -	\$ -	\$ -	\$ 1,037,851
<b>TOTAL FEDERAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,037,851</b>
<b>TOTAL DUE</b>	<b>\$ 212,275</b>	<b>\$ 236,859</b>	<b>\$ -</b>	<b>\$ 1,806,029</b>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 5: INTERFUND OBLIGATIONS**

General	\$ 2,030,459	\$ 341,661
Enterprise Funds	30,219	148,189
School Fund	-	1,636,605
Local Sales Tax Fund	-	202,844
Community Development Fund	-	42,821
Coal Road Improvement	341,661	-
Public Service Authority	-	30,219
	<hr/>	<hr/>
TOTALS	\$ 2,402,339	\$ 2,402,339
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS**

	<u>PRIMARY GOVERNMENT</u>	
	<u>SPECIAL</u>	
	<u>REVENUE</u>	<u>FIDUCIARY</u>
Appalachia	\$ 21,381	\$ 5,122
Big Stone Gap	27,066	11,345
Coeburn	22,262	6,326
Pound	19,299	2,222
St. Paul	19,138	2,273
Wise	24,664	6,727
Norton	26,346	-
Others	-	52,032
	<hr/>	<hr/>
TOTALS	\$ 160,156	\$ 86,047
	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT**

**PRIMARY GOVERNMENT**

Annual requirements to amortize long-term debt and related interest are as follows:

**GENERAL LONG-TERM DEBT**

YEAR ENDING JUNE 30,	GENERAL LONG-TERM FINANCING LOANS		ENTERPRISE FUNDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2003	\$ 387,375	\$ 3,978	\$ 911,759	\$ 120,743
2004	-	-	832,601	81,695
2005	-	-	872,601	42,250
2006	-	-	27,601	-
2007	-	-	27,601	-
2008	-	-	27,601	-
2009	-	-	27,601	-
2010	-	-	27,601	-
2011	-	-	27,601	-
2012	-	-	27,601	-
<b>TOTALS</b>	<b>\$ 387,375</b>	<b>\$ 3,978</b>	<b>\$ 2,810,168</b>	<b>\$ 244,688</b>

**Changes in Long-term Debt:**

The following is a summary of long-term obligations of the County for the year ended June 30, 2002, as categorized on the next page:

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued):**

	Amounts Payable at July 1, 2001	Increases	Decreases	Amounts Payable at June 30, 2002
<b>General Long-Term Debt Account Group:</b>				
General Long-Term Financing Loans	\$ 24,709	\$ 448,646	\$ 85,980	\$ 387,375
Claims, Judgments and Compensated Absences	654,291	-	89,192	565,099
<b>TOTAL GENERAL LONG-TERM DEBT ACCOUNT GROUP</b>	<b>\$ 679,000</b>	<b>\$ 448,646</b>	<b>\$ 175,172</b>	<b>\$ 952,474</b>
<b>Enterprise Fund:</b>				
VRA Revenue Bonds	\$ 3,458,612	\$ -	\$ 762,601	\$ 2,696,011
General Long-Term Financing Loans	131,212	34,123	51,178	114,157
Claims, Judgements and Compensated Absences	42,367	1,793	-	44,160
<b>TOTAL ENTERPRISE FUND</b>	<b>\$ 3,632,191</b>	<b>\$ 35,916</b>	<b>\$ 813,779</b>	<b>\$ 2,854,328</b>
<b>TOTAL PRIMARY GOVERNMENT DEBT</b>	<b>\$ 4,311,191</b>	<b>\$ 484,562</b>	<b>\$ 988,951</b>	<b>\$ 3,806,802</b>

AMOUNT  
OUTSTANDING

**DETAILS OF LONG-TERM INDEBTEDNESS**

**General Long-Term Debt Account Group:**

**General Long-Term Financing:**

93% of \$482,769 Loan payable to First Commonwealth Bank issued September 19, 2002, due in twelve monthly installments of \$8,923.68; interest payable at 4.15% annually. 93% of this note is recorded in the General Long-Term Debt Account Group and 7% is recorded as Enterprise Liability.

\$ 387,375

TOTAL GENERAL LONG-TERM FINANCING

\$ 387,375

TOTAL COMPENSATED ABSENCES

565,099

TOTAL GENERAL LONG-TERM OBLIGATION DEBT

\$ 952,474

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

**ENTERPRISE FUND LOANS**

**Enterprise Fund:**

**VRA Revenue Bonds:**

\$524,421 Virginia Resources Authority, Virginia Revolving Loan Fund issued April 8, 1991, due in semi-annual installments of \$13,801 through April 1, 2012, interest payable annually at 0%. \$ 276,011

\$3,835,000 Virginia Resources Authority, Virginia Revolving Loan Fund issued March 29, 2000, due in annual installments through April 1, 2005, interest payable in semi-annual payments at a varying rate of 4.2% to 5.0%. 2,420,000

TOTAL VRA REVENUE BONDS \$ 2,696,011

**General Long-Term Financing:**

\$253,150 Caterpillar Financial Services Corporation issued September 24, 1997, due in monthly installments of \$3,658 and one installment of \$85,000 on October 24, 2002; interest payable at 6.00%. 85,000

70% of \$482,769 loan payable to First Commonwealth Bank issued September 19, 2002, due in twelve monthly installments of \$8,923.68 interest payable at 4.15% annually. 7% of this note is recorded in the VRA Enterprise Fund and 93% is recorded as General Long-Term Debt Account Group Liability. 29,157

TOTAL GENERAL LONG-TERM FINANCING \$ 114,157

TOTAL COMPENSATED ABSENCES 44,160

TOTAL ENTERPRISE FUND LONG-TERM DEBT \$ 2,854,328

**TOTAL PRIMARY GOVERNMENT DEBT \$ 3,806,802**

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

**COMPONENT UNIT SCHOOL BOARD**

Annual requirements to amortize long-term debt and related interest are as follows:

**GENERAL LONG-TERM DEBT**

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS		STATE LITERARY FUND LOANS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2003	\$ 60,000	\$ 29,465	\$ 889,605	\$ 266,248
2004	55,000	25,205	889,605	246,502
2005	55,000	21,300	864,555	226,734
2006	50,000	17,395	864,555	207,647
2007	45,000	13,845	734,845	188,560
2008	55,000	10,838	685,000	173,365
2009	50,000	6,864	685,000	159,665
2010	45,000	3,251	685,000	145,965
2011	-	-	685,000	132,265
2012	-	-	685,000	118,565
2013	-	-	585,000	104,865
2014	-	-	585,000	93,165
2015	-	-	585,000	81,465
2016	-	-	585,000	69,765
2017	-	-	585,000	58,065
2018	-	-	585,000	46,365
2019	-	-	585,000	34,665
2020	-	-	585,000	22,965
2021	-	-	563,227	11,265
<b>TOTALS</b>	<b>\$ 415,000</b>	<b>\$ 128,163</b>	<b>\$ 12,911,392</b>	<b>\$ 2,388,101</b>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

**Changes in Long-Term Debt:**

The following is a summary of long-term debt transactions of the County of Wise Component Unit -- School Board for the year ended June 30, 2002:

	Amounts Payable at July 1, 2001	Increases	Decreases	Amounts Payable at June 30, 2002
<b>General Long-Term Debt Account Group:</b>				
General Obligations Bonds	\$ 470,000	\$ -	\$ 55,000	\$ 415,000
State Literary Fund Loans	13,800,997	-	889,605	12,911,392
Claims, Judgments and Compensated Absences Payable	1,046,071	-	209,301	836,770
<b>TOTAL GENERAL LONG-TERM DEBT ACCOUNT GROUP COMPONENT UNIT - SCHOOL BOARD</b>	<u>\$ 15,317,068</u>	<u>\$ -</u>	<u>\$ 1,153,906</u>	<u>\$ 14,163,162</u>

**DETAILS OF LONG-TERM INDEBTEDNESS**

**General Long-Term Debt Account Group:**

**General Obligation Bonds:**

\$1,000,000 School Bonds 1990A, issued March 8, 1990, maturing annually with principal installments of varying amounts and interest rates from 7% to 7.225%. \$ 415,000

Total General Obligation Bonds \$ 415,000

**State Literary Fund Loans:**

\$500,000 State Literary Fund loan issued October 15, 1973, due in annual installments of \$16,700 through 2003; interest payable annually at 3%. \$ 33,400

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7:      LONG-TERM DEBT (Continued)**

\$250,000 State Literary Fund loan issued February 15, 1974, due in annual installments of \$8,350 through 2004; interest payable annually at 3%.	16,700
\$2,000,000 State Literary Fund loan issued November 15, 1985, due in annual installments of \$100,000 through 2005; interest payable annually at 3%.	400,000
\$433,447 State Literary Fund loan issued February 15, 1986, due in annual installments of \$21,675 for 1988 through 2006; interest payable annually at 3%.	86,700
\$160,625 State Literary Fund loan issued February 15, 1986, due in annual installments of \$8,035 through 2006; interest payable annually at 3%.	32,140
\$298,255 State Literary Fund loan issued December 1, 1986, due in annual installments of \$14,920 through 2006; interest payable annually at 3%.	74,600
\$231,818 State Literary Fund loan issued December 1, 1986, due in annual installments of \$11,418 through 2006; interest payable annually at 3%.	58,000
\$700,000 State Literary Fund loan issued December 15, 1976, due in annual installments of \$23,325 through 2007; interest payable annually at 3%.	116,625
\$2,000,000 State Literary Fund loan issued December 15, 1991, due in annual installments of \$100,000 through 2011; interest payable annually at 2%.	1,000,000
\$3,700,000 State Literary Fund loan issued March 01, 2001, due in annual installments of \$185,000 through 2021; interest payable at 2%.	3,515,000
\$2,978,227 State Literary Fund loan issued December 15, 2000, due in annual installments of \$150,000 through 2021; interest payable at 2%.	2,828,227
\$5,000,000 State Literary Fund loan issued March 15, 2001, due in annual installments of \$250,000 through 2021; interest payable at 2%.	<u>4,750,000</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

TOTAL STATE LITERARY FUND LOANS	<u>\$ 12,911,392</u>
TOTAL COMPENSATED ABSENCES	<u>\$ 836,770</u>
<b>TOTAL GENERAL LONG-TERM OBLIGATION DEBT      COMPONENT UNIT – SCHOOL BOARD</b>	<b><u>\$ 14,163,162</u></b>

**COMPONENT UNIT-WISE COUNTY PUBLIC SERVICE AUTHORITY**

**BONDS & NOTES OUTSTANDING**

Annual requirements to amortize long-term debt and related interest are as follows:

PERIOD ENDED JUNE 30,	LONG-TERM BONDS & NOTES	
	PRINCIPAL	INTEREST
2003	\$ 55,732	\$ 73,374
2004	57,873	71,233
2005	60,129	68,977
2006	62,507	66,599
2007	65,013	64,092
2008	67,656	61,450
2009	70,441	58,665
2010	73,377	55,729
2011	83,393	52,634
2012	62,558	49,025
2013	65,139	46,444
2014	67,609	43,720
2015	68,964	40,856
2016	71,911	37,909
2017	64,851	34,796
2018	59,410	32,017
<i>SUBTOTAL</i>	\$ 1,056,563	\$ 857,520

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

<u>JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
<i>CARRIED FORWARD</i>	\$ 1,056,563	\$ 857,520
2019	57,301	29,491
2020	60,194	26,598
2021	63,761	23,989
2022	53,398	21,178
2023	55,716	18,860
2024	58,178	16,398
2025	60,791	13,785
2026	63,565	11,011
2027	66,510	8,066
2028	41,068	4,252
2029	48,663	2,790
2030	15,632	-
2031	15,632	-
2032	7,816	-
<b>TOTALS</b>	<b>\$ 1,724,788</b>	<b>\$ 1,033,938</b>

**Changes in Bonds & Notes Outstanding**

The following is a summary of long-term debt transactions of the Authority for the year ended June 30, 2002:

Debt Payable at July 1, 2001 as Previously Reported	\$ 1,305,505
<b>Additions:</b>	
Virginia Resources Authority Bonds	468,926
<b>Retirements:</b>	
Virginia Resources Authority Bonds	7,816
Farmer's Home Administration Bond	<u>41,827</u>
Bond/Loans Payable at June 30, 2002	\$ 1,724,788

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 7: LONG-TERM DEBT (Continued)**

**Details of Changes in Bonds & Notes Outstanding**

**Farmers Home Administration Loans and Bonds:**

	<u>Amount</u>
\$295,600 Farmers Home Administration bond issued January 31, 1973, with payments of \$17,523 due annually applied first to interest at 5% per annum then to principal through January 31, 2013.	\$ 128,430
\$30,000 Farmers Home Administration loans issued October 18, 1974, with payments of \$1,763 due annually, applied first to interest at 5% per annum then to principal through October 18, 2014.	15,422
\$390,800 Farmers Home Administration loans issued January 4, 1979, with payments of \$1,919 due monthly, applied first to interest at 5% per annum then to principal through January 4, 2019.	233,826
\$209,000 Farmers Home Administration bond issued April 20, 1983, with payments of \$1,018 due monthly, applied first to interest at 5% per annum then to principal through April 20, 2023.	146,809
\$411,100 Farmers Home Administration bond issued November 5, 1987, with interest payable only on the first and second anniversary dates and monthly payments of \$2,438 beginning December, 1989, applied first to principal at 6.5% through November 5, 2027.	342,433
\$457,200 Farmers Home Administration bond issued August 24, 1989, with payments of \$2,474 due monthly. The first 24 months will consist of interest only at 5.75% then payments will be applied to the principal through August 24, 2029.	<u>396,758</u>
<b>TOTAL FARMERS HOME ADMINISTRATION BONDS</b>	<u>1,263,678</u>
\$107,926 Water and Sewer Revenue Bond, Series 2001, Virginia Resources Authority issued April 25, 2002, due in semi-monthly installments of \$1,799 through September 01, 2031, interest payable annually at 0%.	\$ 106,127
\$361,000 Water and Sewer Revenue Bond, Series 2001, Virginia Resources Authority issued June 19, 2002, due in semi-monthly installments of \$6,017 through January 01, 2032, interest payable annually at 0%.	<u>354,983</u>
<b>TOTAL WATER AND SEWER REVENUE BONDS</b>	<u>461,110</u>
<b>TOTAL BONDS &amp; NOTES INDEBTEDNESS</b>	
<b>COMPONENT UNIT – WISE COUNTY PUBLIC SERVICE AUTHORITY</b>	<u><u>\$ 1,724,788</u></u>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 8:      CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES**

In accordance with NCGA Statement 4 "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences", the County has accrued the liability arising from outstanding claims and judgments and compensated absences. County employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. At June 30, 2002 the value of accrued vacation pay, for the primary government was \$565,099.

The Wise County School Board adopted on June 13, 1989 the Early Retirement Option Plan, making it possible for any full-time certified or professional of Wise County Schools who is covered by the Virginia Retirement System to retire early. This plan is no longer open to employees who desire to retire early, effective June 30, 2000. As of June 30, 2002, accrued liability under this plan amounted to \$642,277. As noted in the plan document, the funding of this option is subject to available appropriations each fiscal year. There exists only a moral obligation and not a legal obligation to fund this plan. The amount of accrued vacation pay for the professional School Board employees was \$113,728 and non-professional employees was \$80,755. The total value of these liabilities, including the early retirement option plan, for the Component Unit - School Board was \$836,770.

The Wise County Public Service Authority employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. At June 30, 2002 the value of accrued vacation pay was \$13,861.

**NOTE 9:      DEFINED BENEFIT PENSION PLAN**

**A.      Plan Description**

The County of Wise, Virginia contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a Company, investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employees (age 50 with 25 years for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service. In addition, retirees

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 9:      DEFINED BENEFIT PENSION PLAN (Continued)**

qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of salary. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P. O. Box 2500, Richmond, VA, 23218-2500.

**B.      Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution may be assumed by the employer. In addition, the County of Wise is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Statute and approved by the VRS Board of Trustees. The County of Wise and Wise County School Board's Non-Professional employees contribution rate for the fiscal year ended 2002 was 6.90% of annual covered payroll. Total employer and employee contributions made to the VRS statewide teacher pool for professional employees by Wise County School Board for fiscal year 2002, 2001 and 2000 amounted to \$2,156,828, \$3,235,227, and \$3,566,878, respectively, and represented, 8.58%, 12.54%, and 14.04%, respectively.

**C.      Annual Pension Cost**

For 2002, County of Wise (including the Wise County Public Service Authority) and the School Board's Non-Professional Employees annual pension cost of \$519,827 and \$135,167, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method. This actuarial valuation uses the assumptions and methods that were adopted as a result of the 2000 Experience Study. In particular, it uses an assumed investment return rate of 8.00%; and assumed annual cost-of-living adjustment of 3.00%; salary increases that range between 4.25% and 6.10% depending on the member's service and classification (general employee or uniformed officer); and retirement, mortality, disability

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

and termination rates that were also based on the 2000 Experience Study prepared for VRS. Liabilities were determined under the Entry Age Normal actuarial cost method.

**THREE-YEAR TREND INFORMATION FOR COUNTY OF WISE, VIRGINIA**

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<b>Wise County</b>	June 30, 2002	\$519,827	100%	\$0
	June 30, 2001	\$647,584	100%	\$0
	June 30, 2000	\$709,901	100%	\$0
<b>Wise County Schools</b>	June 30, 2002	\$135,167	100%	\$0
	June 30, 2001	\$140,803	100%	\$0
	June 30, 2000	\$165,113	100%	\$0

**NOTE 10: DEFERRED REVENUE**

**General Fund:**

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$1,053,694 is comprised of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures in the amount of \$238,958 and collection of 2002 taxes not due until October 15, 2002 in the amount of \$814,736.

**NOTE 11: CONTINGENT LIABILITIES**

Federal programs in which the County participates were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 12: FUND BALANCE AND RETAINED EARNINGS**

The County had the following changes to beginning fund balance and contributed capital:

General Fund:

Fund Balance, as of June 30, 2001 (As previously stated)	\$ 9,216,159
Adjustment for change in amount due from Enterprise Fund Restated as a contribution to the Landfill.	<u>(2,477,929)</u>
Fund Balance, as of June 30, 2001 (As restated)	<u>\$ 6,738,230</u>

Enterprise Fund:

Retained Earnings, as of June 30, 2001 (As previously stated)	\$( 3,711,912)
Adjustment for restatement of Landfill Closure Cost Liability Restated as a result of change in estimated life of the landfill	<u>347,798</u>
Retained Earnings, as of June 30, 2001 (As restated)	<u>\$ (3,364,114)</u>

Contributed Capital, as of June 30, 2001 (As previously stated)	\$ 2,528,248
Adjustment for restatement of amount due to General Fund Restated as a contribution from the General Fund	<u>2,477,929</u>
Contributed Capital, as of June 30, 2001 (As restated)	<u>\$ 5,006,177</u>

**NOTE 13: SURETY BONDS**

	<u>Amount</u>
Fidelity & Deposit Company Of Maryland - Surety	
Jack Kennedy, Clerk of the Circuit Court	\$ 25,000
Rita Holbrook, Treasurer	500,000
Delmar Wilson, Commissioner of the Revenue	3,000
Ronnie D. Oakes, Sheriff	30,000
All Constitutional Officer's Employees: Blanket Bond	50,000
United States Fidelity and Guaranty Company Surety:	
Michael G. Basham, Superintendent of Schools	10,000
Fidelity and Deposit Company of Maryland Surety:	
Judy Clawson , Clerk of the School Board Deputy	10,000
Clerk of the School Board	10,000
All School Board Employees: Blanket Bond	5,000
Director, Manpower Skill Center	111,000
Secretary/Bookkeeper, Manpower Skill Center	111,000
Director, Summer Youth Employment	100,000
Bookkeeper, Summer Youth Employment	100,000
All Social Services Employees: Blanket Bond	100,000

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 13: SURETY BONDS (Continued)**

Western Surety Company:	
Chairman of Board of Supervisors	2,500
Continental Insurance Company:	
All County Employees: Blanket Bond	10,000

**NOTE 14: LITIGATION**

In regard to litigation involving the County of Wise, Virginia at June 30, 2002, the County's legal counsel informed us that there are four cases brought against the County and no material loss is expected. There is no unasserted claims or assessments against the County, and no other suits are pending.

**NOTE 15: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**

Interest Paid - Proprietary Fund

Cash paid interest expense relating to debt for the year ended June 30, 2002 amounted to \$162,621.

The County considers all short-term investments with an original maturity date of three months or less to be cash equivalents.

**NOTE 16: INTEREST PAID - WISE COUNTY PUBLIC SERVICE AUTHORITY**

Cash paid interest expense relating to debt for the period ending June 30, 2002 amounted to \$72,188.

The Wise County Public Service Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.

The cash and cash equivalent at beginning of year on the statement of cash flows has been restated. The prior year balance did not include restricted funds.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 17: PROPRIETARY FIXED ASSETS**

A summary of proprietary fund property, plant and equipment at June 30, 2002 follows:

	<u>VRA Landfill Enterprise</u>	<u>Ridgeview Sewer Project Fund</u>	<u>Total</u>
Improvements Other Than Buildings	\$ 6,722,512	\$ 549,300	\$ 7,271,812
Equipment	971,042	-	971,042
Less: Accumulated Depreciation	(1,260,166)	(137,325)	(1,397,491)
<b>TOTAL, NET</b>	<u><u>\$ 6,433,388</u></u>	<u><u>\$ 411,975</u></u>	<u><u>\$ 6,845,363</u></u>

Changes in Proprietary Fixed Assets for Landfill Enterprise and Riverview Sewer Funds are as follows:

	<u>Balance July 01, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Landfill Construction	\$ 4,647,863	\$ 2,623,949	\$ -	\$ 7,271,812
Construction in Progress	2,443,285	-	2,443,285	-
Equipment	613,150	357,892	-	971,042
<b>Total</b>	<u><u>\$ 7,704,298</u></u>	<u><u>\$ 2,981,841</u></u>	<u><u>\$ 2,443,285</u></u>	<u><u>\$ 8,242,854</u></u>

**NOTE 18: GENERAL FIXED ASSETS**

**Primary Government:**

A summary of general fixed assets for the primary government is as follows:

Land	\$ 14,677,000
Buildings	15,216,354
Vehicles	5,805,434
Equipment	1,824,058
<b>TOTAL</b>	<u><u>\$ 37,522,846</u></u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 18: GENERAL FIXED ASSETS (Continued)**

A summary of changes in general fixed assets is as follows:

**Primary Government:**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 14,677,000	\$ -	\$ -	\$ 14,677,000
Buildings	15,097,934	118,420	-	15,216,354
Vehicles	5,610,241	195,193	-	5,805,434
Equipment	1,416,247	407,811	-	1,824,058
<b>TOTAL</b>	<b>\$ 36,801,422</b>	<b>\$ 721,424</b>	<b>\$ -</b>	<b>\$ 37,522,846</b>

**Component Unit - School Board:**

A summary of general fixed assets for the component unit school board is as follows:

Land & Buildings	\$ 116,609,838
Vehicles & Buses	4,427,832
Equipment	10,244,477
<b>TOTAL GENERAL FIXED ASSETS COMPONENT UNIT - SCHOOL BOARD</b>	<b>\$ 131,282,147</b>

A summary of changes in the general fixed assets for the component unit school board is as follows:

**Component Unit School Board:**

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land & Buildings	\$ 114,705,529	\$ 1,904,309	\$ -	\$ 116,609,838
Vehicles & Buses	4,173,547	254,285	-	4,427,832
Equipment	9,286,761	957,716	-	10,244,477
<b>TOTAL</b>	<b>\$ 128,165,837</b>	<b>\$ 3,116,310</b>	<b>\$ -</b>	<b>\$ 131,282,147</b>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 18: GENERAL FIXED ASSETS (Continued)**

**COMPONENT UNIT - WISE COUNTY PUBLIC SERVICE AUTHORITY:**

**UTILITY PLANT AND EQUIPMENT IN SERVICE**

Utility plant in service is stated at cost or estimated cost. Donated property is recorded at market value prevailing at date of donation. Depreciation on utility plant commences on the first day of the fiscal year following the date initially placed in service.

Depreciation for fixed assets have been provided over the following estimated useful lives using the straight-line method:

Water/Sewer System	50 Years
Equipment	5 - 10 Years

At June 30, 2002 utility plant in service consisted of the following:

	<u>TOTAL</u>	
Land	\$	45,000
Construction in Progress		1,557,577
Utility Plant		18,667,597
Equipment		273,179
Automobiles		183,513
Office Furniture & Equipment		128,676
Plant Building		28,041
		20,883,583
SUB-TOTAL PLANT & EQUIPMENT	\$	20,883,583
Less: Accumulated Depreciation		(4,528,495)
		16,355,088
NET	\$	16,355,088

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 18: GENERAL FIXED ASSETS (Continued)**

Changes in utility plant and equipment as of June 30, 2002 are as follows:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Construction in Progress	1,672,594	1,557,577	1,672,594	1,557,577
Utility Plant	16,189,776	2,477,821	-	18,667,597
Equipment	370,964	-	97,785	273,179
Automobiles	218,289	-	34,776	183,513
Office Furniture and Equipment	56,088	72,588	-	128,676
Plant Building	28,041	-	-	28,041
<b>TOTAL</b>	<b>\$ 18,580,752</b>	<b>\$ 4,107,986</b>	<b>\$ 1,805,155</b>	<b>\$ 20,883,583</b>

**NOTE 19: FUND BALANCE DEFICIT**

The following funds had deficits in the amounts shown at June 30, 2002:

Community Development Fund

A deficit of \$42,821 is reflected in the Community Development Fund. A positive balance of \$37,198 is reflected in the remaining Funds, thus resulting in a net deficit balance of \$5,623.

A change was made to the beginning fund balance in the Community Development Fund, Imboden Fund, for \$10,000. A grant received from TVA was omitted from receipts in the previous year.

**NOTE 20: LANDFILL CLOSURE COST LIABILITY**

According to laws and regulations the County must perform closure and postclosure care to the Landfill as specified in Part V, Section 5.1.E of the Virginia Solid Waste Management Regulations (VR 672-20-10). The regulations require the County to close its facility in a manner that minimizes the need for further maintenance and controls, minimizes or eliminates the post-closure escape of uncontrolled leachate, surface runoff, decomposition gas, migration or waste decomposition products to the groundwater, surface water or to the atmosphere. The regulations also requires that the County conduct postclosure care for ten years after the date of completing closure or for as long as leachate is generated, whichever is later.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 20: LANDFILL CLOSURE COST LIABILITY (Continued)**

The total estimated closure and postclosure care costs for the County's landfill operation is \$12,122,174. The accrued liability for these costs reported as of June 30, 2002 is based on the capacity of the landfill used to date. The landfill capacity used as of June 30, 2002 is approximately 27% and the remaining life of the landfill is approximately 32 years. The remaining costs to be accrued in the future is as follows:

Total Estimated Liability	\$ 12,122,174
Accrued Liability as of June 30, 2002	<u>3,306,047</u>
 Total Closure and Postclosure Care Costs Remaining to be Recognized	 <u>\$ 8,816,127</u>

It should be noted that the total estimated liability for the closure and postclosure care is only an estimate based on current projections. Uncontrollable factors such as inflation, changes in technology, and changes in applicable laws and regulations may affect these projections.

The County has restated the Accrued Liability to reflect a change in the estimated life of the landfill. It was previously reported based on an estimated life of 39 years, which has now been changed to 44 years. As a result, the Accrued Liability was decreased \$347,798 for prior period adjustments.

At this time the County complied with the regulations of the Virginia Financial Assurance Regulations for Solid Waste Facilities, 9 VAC 20-70-10 etseq. The regulation requires local government owners and operators to maintain a financial mechanism, or combination of mechanisms, demonstrating assurance for the closure, post-closure care, and, if applicable, corrective actions costs associated with their owned and operated solid waste facilities. The County has fulfilled the requirements as set forth in the financial ratio test mechanism. The County has a reserved fund designated for the purpose of landfill closure. During the current year ending June 30, 2002, the County has deposited \$908,305 into this fund.

**NOTE 21: ACCOUNTS RECEIVABLE**

Proprietary Fund:

Riverview Sewer Project:

Total Accounts Receivable	\$ 11,794
Less: Allowance For Doubtful Accounts	<u>(1,674)</u>
 NET ACCOUNTS RECEIVABLE	 <u>\$ 10,120</u>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 21: ACCOUNTS RECEIVABLE (Continued)**

COMPONENT UNIT - WISE COUNTY PUBLIC SERVICE AUTHORITY

Accounts receivable for water and collection fees amount to the following:

	<u>AMOUNT</u>
Accounts Receivable	\$ 200,463
Less: Allowance for Doubtful Accounts	(32,085)
NET ACCOUNTS RECEIVABLE	<u>\$ 168,378</u>

**NOTE 22: CONTRIBUTED CAPITAL**

Contributions received from individuals or other governmental units which are used to defray a part of all of the cost of installing a portion of the utility plant are credited to contributions in aid of construction. The Authority amortizes contributions against depreciation of utility plants in service in the ratio that such related contributions bear to total utility plants in service.

Contributions in aid of construction at June 30, 2002 include non-refundable donations or contributions in cash, services, or property from corporations, individuals, and others for the construction and extension of water and sewer facilities as follows:

<u>SOURCE</u>	<u>AMOUNT</u>
Wise County Ind. Development Auth.	\$ 60,850
County of Wise	10,333,955
Town of Wise	38,427
State Department of Health	20,230
Federal Government	7,339,290
Developers	75,725
Others	656,681
SUB-TOTAL	\$ 18,525,158
Less: Accumulated Amortization	4,316,137
NET	<u>\$ 14,209,021</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2002

**NOTE 23: COMMITMENTS AND CONTINGENCIES - COMPONENT UNIT:  
 WISE COUNTY PUBLIC SERVICE AUTHORITY**

Federal programs in which the Wise County Public Service Authority participates were audited in accordance with the provisions of the U. S. Office of Management and Budget Circular A-133 and, Audits of State and Local Governments. Pursuant to these provisions all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matter of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

The Authority operates by providing water & sewer services to the general public financed through user charges. A significant reduction in the level of services provided, if this were to occur, may have an effect on the Authority's ability to continue operations.

**NOTE 24: RESTRICTED CASH/DEBT RESERVE - COMPONENT UNIT:  
 WISE COUNTY PUBLIC SERVICE AUTHORITY**

In accordance with applicable subsections of Farmers Home Administration Loan Agreements, the Wise County Public Service Authority is required to transfer funds to the Reserve Account the yearly amount of repayment on all loans. In order to be in compliance with all loan agreements, the required balance of restricted cash is \$113,755. As of June 30, 2002, the Authority has a balance in the reserve account of \$114,460. The balance of customer deposits held by the Public Service Authority at June 30, 2002 is \$277,475. This amount is restricted and refunded to customers upon termination of their respective water hookup.

Total restricted cash held by the Wise County Public Service Authority at June 30, 2002 is as follows:

FmHA Reserve Account	\$	114,460
Customer Deposit Account		277,475
Debt Service Account		31,949
Rural Development Account		14,059
Bean Gap/Dotson Creek Project Account		153,575
Indian Creek Project Account		13
TOTAL	\$	591,531

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

COUNTY OF WISE, VIRGINIA  
 SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 AT JUNE 30, 2002

<u>ASSETS</u>	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND
	FUND	FUND	FUND
Cash	\$ 5,561	\$ 74,030	\$ 430
Investments	-	-	-
Mineral Taxes Receivable	-	-	-
Accounts Receivable	60,252	-	-
Due From Other Funds	-	-	-
Governmental Units	-	-	-
TOTAL ASSETS	\$ 65,813	\$ 74,030	\$ 430
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts Payable	\$ 456	\$ -	\$ -
Due to Other Funds	-	-	-
Governmental Units	-	-	-
TOTAL LIABILITIES	\$ 456	\$ -	\$ -
FUND BALANCES:			
Undesignated	\$ 65,357	\$ 74,030	\$ 430
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,813	\$ 74,030	\$ 430

COAL ROAD IMPROVE- MENT FUND	COMMUNITY DEVELOPMENT FUND	TRANSIENT OCCUPANCY TAX FUND	SHERIFF DRUG SEIZURE & FORFEITURE AND COMMISSION FUND	TOTALS
\$ 7,529	\$ 63,307	\$ 3,744	\$ 52,692	\$ 207,293
2,649,247			-	2,649,247
276,936			-	276,936
1,679				61,931
341,661				341,661
-				-
<u>\$ 3,277,052</u>	<u>\$ 63,307</u>	<u>\$ 3,744</u>	<u>\$ 52,692</u>	<u>\$ 3,537,068</u>
\$ 230,890	\$ 26,109	\$ -	\$ -	\$ 257,455
-	42,821	-	-	42,821
160,156	-	-	-	160,156
<u>\$ 391,046</u>	<u>\$ 68,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,432</u>
\$ 2,886,006	\$ (5,623)	\$ 3,744	\$ 52,692	\$ 3,076,636
<u>\$ 3,277,052</u>	<u>\$ 63,307</u>	<u>\$ 3,744</u>	<u>\$ 52,692</u>	<u>\$ 3,537,068</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES &  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2002

REVENUES:	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND
Other Local Taxes	\$ 257,745	\$ -	\$ -
Revenues From Use of Money & Property	1,821	-	-
Charges for Services	-	15,520	-
Miscellaneous	-	-	-
Intergovernmental	-	-	430
TOTAL REVENUES	<u>\$ 259,566</u>	<u>\$ 15,520</u>	<u>\$ 430</u>
EXPENDITURES:			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	13,248	-
Public Safety	286,545	-	-
Public Works	-	-	-
Education	-	-	-
Community Development	-	-	-
Non-Departmental	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>\$ 286,545</u>	<u>\$ 13,248</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (26,979)</u>	<u>\$ 2,272</u>	<u>\$ 430</u>
OTHER FINANCING SOURCES (USES):			
Insurance Recoveries	\$ -	\$ -	\$ -
Operating Transfers In	-	13,265	-
Operating Transfers Out	-	(11,015)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ 2,250</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>\$ (26,979)</u>	<u>\$ 4,522</u>	<u>\$ 430</u>
FUND BALANCE AT THE BEGINNING OF YEAR	<u>92,336</u>	<u>69,508</u>	<u>-</u>
FUND BALANCE AT THE END OF YEAR	<u>\$ 65,357</u>	<u>\$ 74,030</u>	<u>\$ 430</u>

COAL ROAD IMPROVEMENT FUND	COMMUNITY DEVELOPMENT FUND	TRANSIENT OCCUPANCY TAX FUND	DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	TOTAL
\$ 3,320,881	\$ -	\$ 19,867	\$ -	\$ 3,598,493
75,997	-	-	-	77,818
-	-	-	84,297	99,817
-	-	-	2,876	2,876
-	231,183	-	-	231,613
<u>\$ 3,396,878</u>	<u>\$ 231,183</u>	<u>\$ 19,867</u>	<u>\$ 87,173</u>	<u>\$ 4,010,617</u>
\$ 200	\$ -	\$ -	\$ -	\$ 200
-	-	-	-	13,248
-	-	-	70,011	356,556
409,970	-	-	-	409,970
-	-	-	-	-
3,352,376	259,185	16,123	-	3,627,684
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,762,546</u>	<u>\$ 259,185</u>	<u>\$ 16,123</u>	<u>\$ 70,011</u>	<u>\$ 4,407,658</u>
\$ (365,668)	\$ (28,002)	\$ 3,744	\$ 17,162	\$ (397,041)
\$ -	\$ 50,200	\$ -	\$ -	\$ 63,465
(50,000)	(100)	-	-	(61,115)
<u>\$ (50,000)</u>	<u>\$ 50,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,350</u>
\$ (415,668)	\$ 22,098	\$ 3,744	\$ 17,162	\$ (394,691)
3,301,674	(27,721)	-	35,530	3,471,327
<u>\$ 2,886,006</u>	<u>\$ (5,623)</u>	<u>\$ 3,744</u>	<u>\$ 52,692</u>	<u>\$ 3,076,636</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

EMERGENCY NUMBERS FUND

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Other Local Taxes	\$ 294,900	\$ 257,745	\$ (37,155)
Revenues From Use Of Money & Property	-	1,821	1,821
Charges For Services	-	-	-
Miscellaneous	-	-	-
Intergovernmental	-	-	-
TOTAL REVENUES	<u>\$ 294,900</u>	<u>\$ 259,566</u>	<u>\$ (35,334)</u>
EXPENDITURES:			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	-	-
Public Safety	294,900	286,545	8,355
Public Works	-	-	-
Education	-	-	-
Community Development	-	-	-
Non-departmental	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>\$ 294,900</u>	<u>\$ 286,545</u>	<u>\$ 8,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (26,979)</u>	<u>\$ (26,979)</u>
OTHER FINANCING SOURCES (USES):			
Insurance Recoveries	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>\$ -</u>	<u>\$ (26,979)</u>	<u>\$ (26,979)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>92,336</u>	<u>92,336</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 65,357</u>	<u>\$ 65,357</u>

<u>LAW LIBRARY FUND</u>			<u>DOG AND CAT STERILIZATION FUND</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,000	15,520	6,520	-	-	-
-	-	-	-	-	-
-	-	-	-	430	430
<u>\$ 9,000</u>	<u>\$ 15,520</u>	<u>\$ 6,520</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 430</u>
\$ 9,000	13,248	(4,248)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 9,000</u>	<u>\$ 13,248</u>	<u>\$ (4,248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 2,272	\$ 2,272	\$ -	\$ 430	\$ 430
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,265	13,265	-	-	-
-	(11,015)	(11,015)	-	-	-
<u>\$ -</u>	<u>\$ 2,250</u>	<u>\$ 2,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 4,522	\$ 4,522	\$ -	\$ 430	\$ 430
-	69,508	69,508	-	-	-
<u>\$ -</u>	<u>\$ 74,030</u>	<u>\$ 74,030</u>	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ 430</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

COAL ROAD IMPROVEMENT FUND

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Other Local Taxes	\$ 3,700,000	\$ 3,320,881	\$ (379,119)
Revenues From Use Of Money & Property	-	75,997	75,997
Charges For Services	-	-	-
Miscellaneous	-	-	-
Intergovernmental	-	-	-
TOTAL REVENUES	<u>\$ 3,700,000</u>	<u>\$ 3,396,878</u>	<u>\$ (303,122)</u>
EXPENDITURES:			
General Government Administration	\$ -	\$ 200	\$ (200)
Judicial Administration	-	-	-
Public Safety	-	-	-
Public Works	450,000	409,970	40,030
Education	-	-	-
Community Development	3,250,000	3,352,376	(102,376)
Non-departmental	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>\$ 3,700,000</u>	<u>\$ 3,762,546</u>	<u>\$ (62,546)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ (365,668)</u>	<u>\$ (365,668)</u>
OTHER FINANCING SOURCES (USES):			
Insurance Recoveries	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-
Operating Transfers Out	-	(50,000)	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>\$ -</u>	<u>\$ (415,668)</u>	<u>\$ (415,668)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>3,301,674</u>	<u>3,301,674</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 2,886,006</u>	<u>\$ 2,886,006</u>

<u>COMMUNITY DEVELOPMENT FUND</u>			<u>TRANSIENT OCCUPANCY TAX FUND</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,867	\$ 19,867
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	231,183	51,746	-	-	-
<u>\$ -</u>	<u>\$ 231,183</u>	<u>\$ 231,183</u>	<u>\$ -</u>	<u>\$ 19,867</u>	<u>\$ 19,867</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	259,185	(259,185)	-	16,123	(16,123)
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 259,185</u>	<u>\$ (259,185)</u>	<u>\$ -</u>	<u>\$ 16,123</u>	<u>\$ (16,123)</u>
\$ -	\$ (28,002)	\$ (28,002)	\$ -	\$ 3,744	\$ 3,744
\$ -	\$ 50,200	\$ 50,200	\$ -	\$ -	\$ -
-	(100)	(100)	-	-	-
<u>\$ -</u>	<u>\$ 50,100</u>	<u>\$ 50,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 22,098	\$ 22,098	\$ -	\$ 3,744	\$ 3,744
-	(27,721)	(27,721)	-	-	-
<u>\$ -</u>	<u>\$ (5,623)</u>	<u>\$ (5,623)</u>	<u>\$ -</u>	<u>\$ 3,744</u>	<u>\$ 3,744</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

	<u>DRUG SEIZURE &amp; FORFEITURE FUND AND COMMISSIONS</u>		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Other Local Taxes	\$ -	\$ -	\$ -
Revenues From Use Of Money & Property	-	-	-
Charges For Services	-	84,297	84,297
Miscellaneous	-	2,876	2,876
Intergovernmental	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 87,173</u>	<u>\$ 87,173</u>
EXPENDITURES:			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	-	-
Public Safety	-	70,011	(70,011)
Public Works	-	-	-
Education	-	-	-
Community Development	-	-	-
Non-departmental	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 70,011</u>	<u>\$ (70,011)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 17,162</u>	<u>\$ 17,162</u>
OTHER FINANCING SOURCES (USES):			
Insurance Recoveries	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>\$ -</u>	<u>\$ 17,162</u>	<u>\$ 17,162</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>35,530</u>	<u>35,530</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ 52,692</u>	<u>\$ 52,692</u>

<u>TOTALS</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 3,994,900	\$ 3,578,626	\$ (416,274)
-	77,818	77,818
9,000	99,817	90,817
-	2,876	2,876
-	231,613	51,746
<u>\$ 4,003,900</u>	<u>\$ 3,990,750</u>	<u>\$ (193,017)</u>
\$ -	\$ 200	\$ (200)
9,000	13,248	(4,248)
294,900	356,556	(61,656)
450,000	409,970	40,030
-	-	-
3,250,000	3,611,561	(361,561)
-	-	-
-	-	-
<u>\$ 4,003,900</u>	<u>\$ 4,391,535</u>	<u>\$ (387,635)</u>
<u>\$ -</u>	<u>\$ (400,785)</u>	<u>\$ (580,652)</u>
\$ -	\$ 63,465	\$ 63,465
-	(61,115)	(61,115)
<u>\$ -</u>	<u>\$ 2,350</u>	<u>\$ 2,350</u>
\$ -	\$ (398,435)	\$ (578,302)
-	3,471,327	3,471,327
<u>\$ -</u>	<u>\$ 3,072,892</u>	<u>\$ 2,893,025</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



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### **ENTERPRISE FUNDS**

**Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.**

COUNTY OF WISE, VIRGINIA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
AT JUNE 30, 2002

	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
<b><u>ASSETS</u></b>			
Cash	\$ -	\$ 100,843	\$ 100,843
Investments	-	176,950	176,950
Reserved Escrow Deposit	13,500	-	13,500
Sinking Fund Deposits	-	908,305	908,305
Bond Issuance Costs (Net)	-	50,290	50,290
Receivables:			-
Accounts (Net Allowance For Uncollectibles)	10,120	207,714	217,834
Due From Other Funds	30,219	-	30,219
General Fixed Assets	411,975	6,433,388	6,845,363
<b>TOTAL ASSETS</b>	<b>\$ 465,814</b>	<b>\$ 7,877,490</b>	<b>\$ 8,343,304</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ -	\$ 11,188	\$ 11,188
Due to Other Funds	148,189	-	148,189
Accrued Compensated Absences	-	44,160	44,160
Revenue Bonds Payable	276,011	2,420,000	2,696,011
General Obligations Payable	-	114,157	114,157
Accrued Landfill Closure Costs	-	3,306,047	3,306,047
<b>TOTAL LIABILITIES</b>	<b>\$ 424,200</b>	<b>\$ 5,895,552</b>	<b>\$ 6,319,752</b>
<b><u>FUND EQUITY</u></b>			
Contributed Capital - General Fund	\$ -	\$ 5,006,177	\$ 5,006,177
Retained Earnings:			
Reserved	\$ 13,500	\$ 908,305	\$ 921,805
Unreserved	28,114	(3,932,544)	(3,904,430)
Total Retained Earnings	\$ 41,614	\$ (3,024,239)	\$ (2,982,625)
<b>TOTAL FUND EQUITY</b>	<b>\$ 41,614</b>	<b>\$ 1,981,938</b>	<b>\$ 2,023,552</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 465,814</b>	<b>\$ 7,877,490</b>	<b>\$ 8,343,304</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED JUNE 30, 2002

	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
<b>OPERATING REVENUES:</b>			
Landfill Usage Fees	\$ -	\$ 802,180	\$ 802,180
Tipping Fees	-	33,132	33,132
Sewer Rents	38,321	-	38,321
Other Revenue	-	70,786	70,786
	<u>38,321</u>	<u>906,098</u>	<u>944,419</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 38,321</b>	<b>\$ 906,098</b>	<b>\$ 944,419</b>
<b>OPERATING EXPENSES:</b>			
Operation Expense	\$ 2,040	\$ 1,851,896	\$ 1,853,936
Landfill Closure Expense	-	478,376	478,376
Depreciation & Amortization	13,732	285,992	299,724
	<u>15,772</u>	<u>2,616,264</u>	<u>2,632,036</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 15,772</b>	<b>\$ 2,616,264</b>	<b>\$ 2,632,036</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 22,549</b>	<b>\$ (1,710,166)</b>	<b>\$ (1,687,617)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Revenue	\$ -	\$ 19,539	\$ 19,539
Interest Expense	-	(162,621)	(162,621)
	<u>-</u>	<u>(143,082)</u>	<u>(143,082)</u>
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ (143,082)</b>	<b>\$ (143,082)</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ 22,549</b>	<b>\$ (1,853,248)</b>	<b>\$ (1,830,699)</b>
Operating Transfer In (Out)	-	2,193,123	\$ 2,193,123
	<u>-</u>	<u>2,193,123</u>	<u>\$ 2,193,123</u>
<b>NET INCOME (LOSS)</b>	<b>22,549</b>	<b>339,875</b>	<b>362,424</b>
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<b>19,065</b>	<b>(3,364,114)</b>	<b>(3,345,049)</b>
	<u>19,065</u>	<u>(3,364,114)</u>	<u>(3,345,049)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<b>\$ 41,614</b>	<b>\$ (3,024,239)</b>	<b>\$ (2,982,625)</b>
	<u>\$ 41,614</u>	<u>\$ (3,024,239)</u>	<u>\$ (2,982,625)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2002

	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 32,259	\$ 900,304	\$ 932,563
Cash Payments to Suppliers for Goods & Services	(2,040)	(1,939,206)	(1,941,246)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 30,219	 \$ (1,038,902)	 \$ (1,008,683)
Cash Flow From Noncapital Financing Activities:			
Operating Transfers From Other Funds	\$ 4,077	\$ 2,193,123	\$ 2,197,200
Increase in Due From Other Funds	(6,695)	-	(6,695)
 NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	 \$ (2,618)	 \$ 2,193,123	 \$ 2,190,505
Cash Flows From Capital & Related Financing Activities:			
Principal Paid on Bond Maturities	\$ (27,601)	\$ (735,000)	\$ (762,601)
Interest Paid on Debt Obligations	-	(162,621)	(162,621)
Principal Paid on General Obligation Loans	-	(51,178)	(51,178)
Proceeds from Issuance of Debt	-	34,123	34,123
 NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	 \$ (27,601)	 \$ (914,676)	 \$ (942,277)
Cash Flows From Investing Activities:			
Interest Revenue Earned on Investments	\$ -	\$ 19,539	\$ 19,539
Increase in Landfill Construction	-	(180,664)	(180,664)
Sinking Fund Deposits	-	(190,236)	(190,236)
Sale of Investments	-	548,268	548,268
Purchase of Equipment	-	(357,892)	(357,892)
 NET CASH PROVIDED FROM INVESTING ACTIVITIES	 \$ -	 \$ (160,985)	 \$ (160,985)
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 \$ -	 \$ 78,560	 \$ 78,560
 CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	 -	 22,283	 22,283
 CASH & CASH EQUIVALENTS AT END OF YEAR	 \$ -	 \$ 100,843	 \$ 100,843

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2002

	<u>RIVERVIEW SEWER PROJECT FUND</u>	<u>VRA LANDFILL ENTERPRISE FUND</u>	<u>TOTAL</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 22,549	\$ (1,710,166)	\$ (1,687,617)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 13,732	\$ 285,992	\$ 299,724
(Increase) Decrease in Accounts Receivable	(6,062)	(5,795)	(11,857)
Increase (Decrease) in Closure Cost Liability	-	407,727	407,727
Increase (Decrease) in Accrued Compensation	-	1,793	1,793
Increase (Decrease) in Accounts Payable	-	(18,453)	(18,453)
TOTAL ADJUSTMENTS	<u>\$ 7,670</u>	<u>\$ 671,264</u>	<u>\$ 678,934</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 30,219</u>	<u>\$ (1,038,902)</u>	<u>\$ (1,008,683)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



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**FIDUCIARY FUNDS**

**Fiduciary Funds are trust and agency funds used to account for assets held by the government in a trustee capacity and as an agent for individuals, private organizations, other governments and/or other funds.**

COUNTY OF WISE, VIRGINIA  
FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
AT JUNE 30, 2002

	SPECIAL WELFARE FUND	LOCAL SALES TAX FUND	LONESOME PINE YOUTH SERVICES FUND	TOTALS
<u>ASSETS</u>				
Cash	\$ 69,485	\$ -	\$ 52,032	\$ 121,517
Due From Other Governmental Units	-	236,859	-	236,859
<b>TOTAL ASSETS</b>	<u>\$ 69,485</u>	<u>\$ 236,859</u>	<u>\$ 52,032</u>	<u>\$ 358,376</u>
<u>LIABILITIES &amp; FUND BALANCE</u>				
LIABILITIES:				
Due To:				
Social Service Clients	\$ 69,485	\$ -	\$ -	\$ 69,485
Governmental Units	-	34,015	52,032	86,047
Due To Other Funds	-	202,844	-	202,844
<b>TOTAL LIABILITIES</b>	<u>\$ 69,485</u>	<u>\$ 236,859</u>	<u>\$ 52,032</u>	<u>\$ 358,376</u>
FUND BALANCE:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 69,485</u>	<u>\$ 236,859</u>	<u>\$ 52,032</u>	<u>\$ 358,376</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS  
 & LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2002

	BALANCE JULY 1, 2001	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2002
<u>ASSETS</u>				
Cash	\$ 84,079	\$ 549,592	\$ 512,154	\$ 121,517
Due From Other Government Units	220,115	236,859	220,115	236,859
<b>TOTAL ASSETS</b>	<b>\$ 304,194</b>	<b>\$ 786,451</b>	<b>\$ 732,269</b>	<b>\$ 358,376</b>
<u>LIABILITIES</u>				
Due To Localities & Government Units	\$ 34,904	\$ 416,807	\$ 365,664	\$ 86,047
Due To Other Funds	188,505	202,844	188,505	202,844
Due To Social Services	80,785	166,800	178,100	69,485
<b>TOTAL LIABILITIES</b>	<b>\$ 304,194</b>	<b>\$ 786,451</b>	<b>\$ 732,269</b>	<b>\$ 358,376</b>

These receipts and disbursements are recorded on a cash basis.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



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**DISCRETE COMPONENT UNIT**  
**SCHOOL BOARD**

COUNTY OF WISE, VIRGINIA  
 COMBINING BALANCE SHEET  
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 AT JUNE 30, 2002

<u>ASSETS</u>	<u>GOVERNMENTAL FUNDS</u>		
	<u>SCHOOL OPERATING FUND</u>	<u>SCHOOL CAFETERIA FUND</u>	<u>TEXTBOOK RENTAL FUND</u>
Cash	\$ 84,819	\$ 19,454	\$ 22,883
Petty Cash	200	-	-
Investments	-	492,890	492,663
Accounts Receivable	23,903	-	-
Due From Other Governmental Units	1,806,029	-	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-
Amount to Be Provided For the Retirement of General Long-Term Obligations	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,914,951</b>	<b>\$ 512,344</b>	<b>\$ 515,546</b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 278,146	\$ 7,047	\$ -
Due To Other Funds	1,636,605	-	-
Claims, Judgments & Compensated Absences	-	-	-
State Literary Fund Loans	-	-	-
General Obligation Bonds	-	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 1,914,751</b>	<b>\$ 7,047</b>	<b>\$ -</b>
<u>FUND EQUITY</u>			
Investment in General Fixed Assets	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>			
Undesignated	200	505,297	515,546
<b>TOTAL FUND EQUITY</b>	<b>\$ 200</b>	<b>\$ 505,297</b>	<b>\$ 515,546</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 1,914,951</b>	<b>\$ 512,344</b>	<b>\$ 515,546</b>

GOV'T FUNDS (CONT'D)

<u>CAPITAL PROJECTS FUND</u>	<u>GENERAL LONG-TERM OBLIGATION</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS</u>
\$ 106,373	\$ -	\$ -	\$ 233,529
-	-	-	200
594,690	-	-	1,580,243
-	-	-	23,903
-	-	-	1,806,029
-	-	131,282,147	131,282,147
-	14,163,162	-	14,163,162
<u>\$ 701,063</u>	<u>\$ 14,163,162</u>	<u>\$ 131,282,147</u>	<u>\$ 149,089,213</u>
\$ -	\$ -	\$ -	\$ 285,193
-	-	-	1,636,605
-	836,770	-	836,770
-	12,911,392	-	12,911,392
-	415,000	-	415,000
<u>\$ -</u>	<u>\$ 14,163,162</u>	<u>\$ -</u>	<u>\$ 16,084,960</u>
\$ -	\$ -	\$ 131,282,147	\$ 131,282,147
701,063	-	-	1,722,106
<u>\$ 701,063</u>	<u>\$ -</u>	<u>\$ 131,282,147</u>	<u>\$ 133,004,253</u>
<u>\$ 701,063</u>	<u>\$ 14,163,162</u>	<u>\$ 131,282,147</u>	<u>\$ 149,089,213</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 & CHANGES IN FUND BALANCES  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2002

	SCHOOL OPERATING FUND
REVENUES:	
Revenues From Use Of Money & Property	\$ 31,741
Charges For Services	168,138
Miscellaneous	205,020
Recovered Costs	230,164
Intergovernmental	36,841,072
TOTAL REVENUES	\$ 37,476,135
EXPENDITURES:	
General Government Administration	\$ -
Judicial Administration	-
Public Works	-
Education	49,605,939
Community Development	-
Non-departmental	-
Capital Outlay	-
Debt Service:	
Principal Retirement	944,605
Interest & Fiscal Charges	318,916
TOTAL EXPENDITURES	\$ 50,869,460
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (13,393,325)
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	\$ 13,406,131
Operating Transfers Out	(12,806)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 13,393,325
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ -
FUND BALANCE AT BEGINNING OF YEAR	200
FUND BALANCE AT END OF YEAR	\$ 200

GOVERNMENTAL FUNDS			
SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	TOTALS
\$ 12,442	\$ 10,226	\$ -	\$ 54,409
859,993	-	-	1,028,131
-	-	-	205,020
-	-	-	230,164
1,133,942	325,326	987,551	39,287,891
<u>\$ 2,006,377</u>	<u>\$ 335,552</u>	<u>\$ 987,551</u>	<u>\$ 40,805,615</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
2,022,321	170,389	-	51,798,649
-	-	-	-
-	-	-	-
-	-	1,904,309	1,904,309
-	-	-	944,605
-	-	-	318,916
<u>\$ 2,022,321</u>	<u>\$ 170,389</u>	<u>\$ 1,904,309</u>	<u>\$ 54,966,479</u>
<u>\$ (15,944)</u>	<u>\$ 165,163</u>	<u>\$ (916,758)</u>	<u>\$ (14,160,864)</u>
\$ 12,806	\$ -	\$ -	\$ 13,418,937
-	-	(1,710)	(14,516)
<u>\$ 12,806</u>	<u>\$ -</u>	<u>\$ (1,710)</u>	<u>\$ 13,404,421</u>
\$ (3,138)	\$ 165,163	\$ (918,468)	\$ (756,443)
508,435	350,383	1,619,531	2,478,549
<u>\$ 505,297</u>	<u>\$ 515,546</u>	<u>\$ 701,063</u>	<u>\$ 1,722,106</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 & CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2002

SCHOOL OPERATING FUND

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
Revenues From Use Of Money & Property	\$ 23,900	\$ 31,741	\$ 7,841
Charges For Services	23,000	168,138	145,138
Miscellaneous	1,548,100	205,020	(1,343,080)
Recovered Costs	189,900	230,164	40,264
Intergovernmental	38,363,300	36,841,072	(1,522,228)
TOTAL REVENUES	<u>\$ 40,148,200</u>	<u>\$ 37,476,135</u>	<u>\$ (2,672,065)</u>
<b>EXPENDITURES:</b>			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	-	-
Public Works	-	-	-
Education	52,224,700	49,605,939	2,618,761
Community Development	-	-	-
Non-departmental	-	-	-
Capital Outlays	-	-	-
Debt Service:			
Principal Retirement	944,605	944,605	-
Interest & Fiscal Charges	319,495	318,916	579
TOTAL EXPENDITURES	<u>\$ 53,488,800</u>	<u>\$ 50,869,460</u>	<u>\$ 2,619,340</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (13,340,600)</u>	<u>\$ (13,393,325)</u>	<u>\$ (52,725)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	\$ 13,353,400	\$ 13,406,131	\$ 52,731
Operating Transfers Out	(12,800)	(12,806)	(6)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 13,340,600</u>	<u>\$ 13,393,325</u>	<u>\$ 52,725</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ -	\$ -	\$ -
<b>FUND BALANCE AT BEGINNING OF YEAR (As Restated)</b>			
	<u>-</u>	<u>200</u>	<u>200</u>
<b>FUND BALANCE AT END OF YEAR</b>			
	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>

SCHOOL CAFETERIA FUND			TEXTBOOK RENTAL FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 20,000	\$ 12,442	\$ (7,558)	\$ 10,000	\$ 10,226	\$ 226
919,800	859,993	(59,807)	-	-	-
-	-	-	339,100	-	(339,100)
-	-	-	-	-	-
1,137,200	1,133,942	(3,258)	321,200	325,326	4,126
<u>\$ 2,077,000</u>	<u>\$ 2,006,377</u>	<u>\$ (70,623)</u>	<u>\$ 670,300</u>	<u>\$ 335,552</u>	<u>\$ (334,748)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,089,800	2,022,321	67,479	670,300	170,389	499,911
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,089,800</u>	<u>\$ 2,022,321</u>	<u>\$ 67,479</u>	<u>\$ 670,300</u>	<u>\$ 170,389</u>	<u>\$ 499,911</u>
\$ (12,800)	\$ (15,944)	\$ (3,144)	\$ -	\$ 165,163	\$ 165,163
\$ 12,800	\$ 12,806	\$ 6	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ 12,800</u>	<u>\$ 12,806</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (3,138)	\$ (3,138)	\$ -	\$ 165,163	\$ 165,163
-	508,435	508,435	-	350,383	350,383
<u>\$ -</u>	<u>\$ 505,297</u>	<u>\$ 505,297</u>	<u>\$ -</u>	<u>\$ 515,546</u>	<u>\$ 515,546</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 & CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2002

SCHOOL CAPITAL PROJECTS FUND

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
Revenues From Use Of Money & Property	\$ -	\$ -	\$ -
Charges For Services	-	-	-
Miscellaneous	-	-	-
Recovered Costs	-	-	-
Intergovernmental	789,800	987,551	197,751
<b>TOTAL REVENUES</b>	<b>\$ 789,800</b>	<b>\$ 987,551</b>	<b>\$ 197,751</b>
<b>EXPENDITURES:</b>			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	-	-
Public Works	-	-	-
Education	-	-	-
Community Development	-	-	-
Non-departmental	-	-	-
Capital Outlays	2,373,800	1,904,309	469,491
Debt Service:			
Principal Retirement	-	-	-
Interest & Fiscal Charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,373,800</b>	<b>\$ 1,904,309</b>	<b>\$ 469,491</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (1,584,000)</b>	<b>\$ (916,758)</b>	<b>\$ 667,242</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	\$ -	\$ -	\$ -
Operating Transfers Out	-	(1,710)	(1,710)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ (1,710)</b>	<b>\$ (1,710)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER USES</b>	<b>\$ (1,584,000)</b>	<b>\$ (918,468)</b>	<b>\$ 665,532</b>
<b>FUND BALANCE AT BEGINNING OF YEAR (As Restated)</b>	<b>-</b>	<b>1,619,531</b>	<b>1,619,531</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ (1,584,000)</b>	<b>\$ 701,063</b>	<b>\$ 2,285,063</b>

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 53,900	\$ 54,409	\$ 509
942,800	1,028,131	85,331
1,887,200	205,020	(1,682,180)
189,900	230,164	40,264
<u>40,611,500</u>	<u>39,287,891</u>	<u>(1,323,609)</u>
<u>\$ 43,685,300</u>	<u>\$ 40,805,615</u>	<u>\$ (2,879,685)</u>
\$ -	\$ -	\$ -
-	-	-
54,984,800	51,798,649	3,186,151
-	-	-
2,373,800	1,904,309	469,491
944,605	944,605	-
319,495	318,916	579
<u>\$ 58,622,700</u>	<u>\$ 54,966,479</u>	<u>\$ 3,656,221</u>
<u>\$ (14,937,400)</u>	<u>\$ (14,160,864)</u>	<u>\$ 776,536</u>
\$ 13,366,200	\$ 13,418,937	\$ 52,737
<u>(12,800)</u>	<u>(14,516)</u>	<u>(1,716)</u>
<u>\$ 13,353,400</u>	<u>\$ 13,404,421</u>	<u>\$ 51,021</u>
\$ (1,584,000)	\$ (756,443)	\$ 827,557
-	2,478,549	2,478,549
<u>\$ (1,584,000)</u>	<u>\$ 1,722,106</u>	<u>\$ 3,306,106</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



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**SUPPLEMENTARY SCHEDULE**

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
General Fund:			
Revenue From Local Sources:			
General Property Taxes:			
Real Property Taxes	\$ 5,245,000	\$ 5,575,679	\$ 330,679
Service Corporation Taxes	415,000	402,320	(12,680)
Personal Property Taxes	2,000,000	2,119,402	119,402
Machinery & Tool Taxes	2,150,000	2,377,784	227,784
Merchants Capital Taxes	680,000	723,420	43,420
Mobile Home Taxes	195,000	211,667	16,667
Penalties & Interest	310,000	337,948	27,948
<b>TOTAL GENERAL PROPERTY TAXES</b>	<b>\$ 10,995,000</b>	<b>\$ 11,748,220</b>	<b>\$ 753,220</b>
Other Local Taxes:			
Local Sales & Use Tax	\$ 2,250,000	\$ 2,343,884	\$ 93,884
Coal Severance Tax	3,700,000	3,561,291	(138,709)
Consumer's Utility Tax	845,000	860,990	15,990
Franchise Tax	305,000	380,038	75,038
Taxes on Recordation & Wills	90,000	72,184	(17,816)
County Decal Licenses	100,000	109,025	9,025
Transient Occupancy Tax	16,000	13,244	(2,756)
<b>TOTAL OTHER LOCAL TAXES</b>	<b>\$ 7,306,000</b>	<b>\$ 7,340,656</b>	<b>\$ 34,656</b>
Permits, Privilege Fees & Regulatory Licenses:			
Animal Licenses	\$ 1,500	\$ 1,844	\$ 344
Permits & Other Licenses	70,000	46,291	(23,709)
Zoning Department	-	760	760
Soil & Erosion	-	1,400	1,400
<b>TOTAL PERMITS, PRIVILEGE FEES &amp; REGULATORY LICENSES</b>	<b>\$ 71,500</b>	<b>\$ 50,295</b>	<b>\$ (21,205)</b>
Fines & Forfeitures:	\$ 4,000	\$ 4,347	\$ 347
Revenue From The Use of Money & Property:			
Revenue From The Use of Money	\$ 490,000	\$ 198,128	\$ (291,872)
Revenue From The Use of Property	33,000	30,301	(2,699)
<b>TOTAL REVENUE FROM THE USE OF MONEY &amp; PROPERTY</b>	<b>\$ 523,000</b>	<b>\$ 228,429</b>	<b>\$ (294,571)</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
Revenue From Local Sources:			
Charges For Services:			
Charges For Commonwealth's Attorney	\$ 1,000	\$ 2,215	\$ 1,215
Charges For Court	16,200	20,474	4,274
Charges For Health	40,000	40,367	367
Charges For Social Services	170,000	168,266	(1,734)
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ 227,200</b>	<b>\$ 231,322</b>	<b>\$ 4,122</b>
Miscellaneous:			
Miscellaneous	\$ 5,279	\$ 53,173	\$ 47,894
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>\$ 5,279</b>	<b>\$ 53,173</b>	<b>\$ 47,894</b>
Recovered Costs:			
City of Norton-Shared Services	\$ 126,000	\$ 191,134	\$ 65,134
CEDA Tourism	115,000	93,443	(21,557)
Adult Confinement Local Facilities	163,540	258,830	95,290
<b>TOTAL RECOVERED COSTS</b>	<b>\$ 404,540</b>	<b>\$ 543,407</b>	<b>\$ 138,867</b>
<b>TOTAL REVENUE FROM LOCAL SOURCES</b>	<b>\$ 19,536,519</b>	<b>\$ 20,199,849</b>	<b>\$ 663,330</b>
Revenue From The Commonwealth:			
Non-Categorical Aid:			
Payments in Lieu of Taxes	\$ 120,000	\$ 93,291	\$ (26,709)
ABC Profits	54,800	71,503	16,703
Wine Taxes	34,000	37,077	3,077
Rolling Stock Tax	122,000	105,901	(16,099)
Mobile Home Titling Taxes	235,000	186,972	(48,028)
Tax on Deeds	14,000	33,112	19,112
Personal Property Tax Reimbursement	1,100,000	1,225,633	125,633
Motor Vehicle Rental Tax	4,500	4,117	(383)
<b>TOTAL NON-CATEGORICAL AID</b>	<b>\$ 1,684,300</b>	<b>\$ 1,757,606</b>	<b>\$ 73,306</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

SCHEDULE 1  
 PAGE 3

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
Revenue From The Commonwealth:			
Categorical Aid:			
Shared Expenses:			
Commonwealth's Attorney	\$ 356,659	\$ 295,906	\$ (60,753)
Sheriff	2,616,044	2,243,853	(372,191)
Commissioner of Revenue	194,563	151,836	(42,727)
Treasurer	175,019	146,611	(28,408)
Medical Examiner	600	930	330
Registrar/Electoral Board	38,000	-	(38,000)
Clerk of Circuit Court	402,304	416,511	14,207
<b>TOTAL SHARED EXPENSES</b>	<b>\$ 3,783,189</b>	<b>\$ 3,255,647</b>	<b>\$ (527,542)</b>
Other Categorical Aid:			
Public Assistance & Welfare			
Administration	\$ 2,067,144	\$ 1,960,384	\$ (106,760)
WCHD Soil and Water Conservation	-	7,080	7,080
State Aid - M.E.O.C.	-	208,365	208,365
Litter Control - DEQ	7,173	-	(7,173)
SWVA Corrections - Justice	423,900	488,260	64,360
Victim Witness Grant - Justice	-	43,030	43,030
Cultural Arts Grant	-	5,000	5,000
Fire Grants	-	36,430	36,430
Two-For-Life Rescue	-	34,314	34,314
Emergency Services - Hazard			
Materials	-	264,787	264,787
Disaster Relief	85,898	162,499	76,601
School Resource Officer Grant	-	132,296	132,296
<b>TOTAL OTHER CATEGORICAL AID</b>	<b>\$ 2,584,115</b>	<b>\$ 3,342,445</b>	<b>\$ 758,330</b>
<b>TOTAL CATEGORICAL AID</b>	<b>\$ 6,367,304</b>	<b>\$ 6,598,092</b>	<b>\$ 230,788</b>
<b>TOTAL REVENUE FROM THE COMMONWEALTH</b>	<b>\$ 8,051,604</b>	<b>\$ 8,355,698</b>	<b>\$ 304,094</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
<b>Revenue From The Federal Government:</b>			
Payments in Lieu of Taxes	\$ 65,000	\$ 65,895	\$ 895
<b>Categorical Aid:</b>			
Public Assistance & Welfare			
Administration	\$ 3,845,660	\$ 3,192,138	\$ (653,522)
Victim Witness Grant - Justice	-	10,152	10,152
Dept Of Federal Highway Admin.			
Sugar Hill Project	-	17,753	17,753
Department of Justice - LLEBG	3,279	6,217	2,938
Violence Against Women - Justice	-	33,782	33,782
Highway Safety Grants	4,986	4,986	-
<b>TOTAL CATEGORICAL AID</b>	<b>\$ 3,853,925</b>	<b>\$ 3,265,028</b>	<b>\$ (588,897)</b>
<b>TOTAL REVENUE FROM THE FEDERAL GOVT.</b>	<b>\$ 3,918,925</b>	<b>\$ 3,330,923</b>	<b>\$ (588,002)</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 31,507,048</b>	<b>\$ 31,886,470</b>	<b>\$ 379,422</b>
<b>TOTAL GENERAL FUND &amp; OTHER FINANCING SOURCES</b>	<b>\$ 31,507,048</b>	<b>\$ 31,886,470</b>	<b>\$ 379,422</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>Special Revenue Funds:</b>			
<b>Emergency Numbers Funds:</b>			
<b>Revenue From Local Sources:</b>			
<b>Other Local Taxes:</b>			
911 Emergency Number Tax	\$ 294,900	\$ 257,745	\$ (37,155)
<b>Revenue From the Use of Money &amp; Property:</b>			
Revenue From the Use of Money	\$ -	\$ 1,821	\$ 1,821
<b>TOTAL EMERGENCY NUMBERS FUND</b>	<b>\$ 294,900</b>	<b>\$ 259,566</b>	<b>\$ (35,334)</b>
<b>Law Library Fund:</b>			
<b>Revenue From Local Sources:</b>			
<b>Charges For Services:</b>			
Charges For Law Library	\$ 9,000	\$ 15,520	\$ 6,520
<b>TOTAL LAW LIBRARY FUND</b>	<b>\$ 9,000</b>	<b>\$ 15,520</b>	<b>\$ 6,520</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
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SCHEDULE 1  
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FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>Special Revenue Funds:</b>			
<b>Coal Road Improvement Fund:</b>			
Revenue From Local Sources:			
Other Local Taxes:			
Coal Severance Tax	\$ 3,700,000	\$ 3,320,881	\$ (379,119)
Revenue From The Use of Money & Property:			
Revenue From The Use of Money	\$ -	\$ 75,997	\$ 75,997
<b>TOTAL COAL ROAD     IMPROVEMENT FUND</b>	<b>\$ 3,700,000</b>	<b>\$ 3,396,878</b>	<b>\$ (303,122)</b>
<b>Drug Seizure &amp; Forfeiture, Commission and RAID Fund:</b>			
<b>Sheriff Department:</b>			
Revenue From Local Sources:			
Charges For Services:			
Commissions	\$ -	\$ 25,252	\$ 25,252
RAID Funds	-	59,045	59,045
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ -</b>	<b>\$ 84,297</b>	<b>\$ 84,297</b>
Miscellaneous:			
Miscellaneous	\$ -	\$ 2,876	\$ 2,876
<b>TOTAL REVENUE FROM LOCAL     SOURCES</b>	<b>\$ -</b>	<b>\$ 87,173</b>	<b>\$ 87,173</b>
<b>TOTAL DRUG SEIZURE &amp;     FORFEITURE, COMMISSION     &amp; RAID FUND</b>	<b>\$ -</b>	<b>\$ 87,173</b>	<b>\$ 87,173</b>
<b>Transient Occupancy Tax Fund</b>			
Revenue From Local Sources:			
Other Local Taxes:			
Transient Occupancy Tax	\$ -	\$ 19,867	\$ 19,867
<b>TOTAL TRANSIENT OCCUPANCY     TAX FUND</b>	<b>\$ -</b>	<b>\$ 19,867</b>	<b>\$ 19,867</b>
<b>Dog &amp; Cat Sterilization Fund:</b>			
Revenue From The Commonwealth:			
Categorical Aid:			
Department of Motor Vehicles	\$ -	\$ 430	\$ 430
<b>TOTAL CATEGORICAL AID:</b>	<b>\$ -</b>	<b>\$ 430</b>	<b>\$ 430</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
Special Revenue Funds:			
TOTAL DOG & CAT			
STERILIZATION FUND	\$ -	\$ 430	\$ 430
Community Development Fund:			
Revenue From The Federal Government:			
Categorical Aid:			
Department of Housing & Community			
Development:			
Indian Creek Water Project	\$ -	\$ 51,746	\$ 51,746
Almira-Haddonville Self Help Project	-	163,306	163,306
Derby Community Renovation Project	-	16,131	16,131
TOTAL CATEGORICAL AID	\$ -	\$ 231,183	\$ 231,183
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ 231,183	\$ 231,183
TOTAL SPECIAL REVENUE FUNDS	\$ 4,003,900	\$ 3,990,320	\$ (13,580)
GRAND TOTAL REVENUES - PRIMARY GOVERNMENT	\$ 35,510,948	\$ 35,876,790	\$ 365,842
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
Special Revenue Funds:			
School Operating Fund:			
Revenue From Local Sources:			
Revenue From The Use of Money & Property:			
Revenue From The Use of Property	\$ 23,900	\$ 31,741	\$ 7,841
Charges For Services:			
Charges For Education	\$ 23,000	\$ 168,138	\$ 145,138
Miscellaneous Revenue:			
Miscellaneous	\$ 1,548,100	\$ 205,020	\$ (1,343,080)
Recovered Costs:			
Payments From Other Localities	\$ 189,900	\$ 230,164	\$ 40,264
TOTAL REVENUE FROM LOCAL SOURCES	\$ 1,784,900	\$ 635,063	\$ (1,149,837)

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

SCHEDULE 1  
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FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
COMPONENT UNIT - SCHOOL BOARD:			
Special Revenue Funds: (Cont'd)			
School Operating Fund: (Cont'd)			
Revenue From The Commonwealth:			
Categorical Aid:			
Share of State Sales & Use Taxes	\$ 4,740,300	\$ 4,439,683	\$ (300,617)
Basic School Aid	15,445,400	15,956,780	511,380
Remedial Education SOQ	409,000	408,981	(19)
State Lottery	505,800	505,800	-
Drop-Out Prevention	139,300	139,255	(45)
Gifted SOQ	194,000	196,523	2,523
Special Education	1,735,700	1,758,088	22,388
Vocational Education	849,100	844,270	(4,830)
Share of Fringe Benefits	1,623,200	1,515,800	(107,400)
Truancy	38,800	38,815	15
Early Intervention	151,900	76,885	(75,015)
Governors School	73,000	73,200	200
Electronic Classroom	453,300	469,159	15,859
SOL Algebra Readiness	85,600	71,759	(13,841)
Alternative Education	224,500	224,534	34
Special Education - Jails	-	4,246	4,246
Educational Technology	587,100	587,103	3
Primary Class Size	828,900	809,867	(19,033)
Foster Care	-	16,872	16,872
Salary Supplement	851,000	456,784	(394,216)
SOL Teaching Materials	52,400	53,114	714
Adult Literacy	-	253,248	253,248
Remedial Education - Summer	135,400	93,720	(41,680)
Other State Funds	-	4,229	4,229
GED	23,600	32,109	8,509
Enrollment Loss	248,100	117,533	(130,567)
Maintenance Supplement	78,700	79,672	972
At Risk	493,100	498,881	5,781
Homebound	68,900	33,513	(35,387)
School Report Card	-	2,827	2,827
Additional Teachers	222,000	220,631	(1,369)
Health Incentive	22,500	19,976	(2,524)
Retirement Health Credit	-	158,996	158,996
SOL Remediation	172,500	179,431	6,931
SOL Teacher Training	101,300	102,630	1,330
English Second Language	-	6,763	6,763
Adult Second	-	1,613	1,613
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 30,554,400	\$ 30,453,290	\$ (101,110)

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
Special Revenue Funds: (Cont'd)			
School Operating Fund: (Cont'd)			
Revenue From The Federal Government:			
Categorical Aid:			
Adult Basic	\$ 967,000	\$ 165,820	\$ (801,180)
Title I	2,195,300	1,743,720	(451,580)
E-Rate	-	148,640	148,640
Title II - D & E Projects	45,200	53,150	7,950
Forest Reserve	11,200	11,429	229
Jobs Training Partnership Act (JTPA)	1,958,000	1,949,059	(8,941)
Goals 2000	161,500	108,145	(53,355)
School Work	-	60,604	60,604
Even Start	450,000	-	(450,000)
Title VI - B - Special Education	792,500	877,749	85,249
Vocational Education	231,500	192,252	(39,248)
Drug Free School	26,000	40,573	14,573
Literary Challenge	-	111,000	111,000
Title X Grant	511,100	269,259	(241,841)
Class Size - Title VI	253,000	307,592	54,592
Homeless	-	21,326	21,326
Title VI - Instruction Materials	56,600	59,079	2,479
National Community Service	-	13,397	13,397
Education for Independence	-	24,395	24,395
Pre-School Handicapped	-	49,587	49,587
AFROTC	-	27,310	27,310
VBPD	-	3,696	3,696
<b>TOTAL CATEGORICAL AID</b>	<b>\$ 7,658,900</b>	<b>\$ 6,237,782</b>	<b>\$ (1,421,118)</b>
<b>TOTAL REVENUE FROM THE     FEDERAL GOVERNMENT</b>	<b>\$ 7,658,900</b>	<b>\$ 6,237,782</b>	<b>\$ (1,421,118)</b>
<b>Debt Service:</b>			
Revenue from Commonwealth:			
Categorical Aid:			
Lottery Funds	\$ 150,000	\$ 150,000	\$ -
<b>TOTAL CATEGORICAL AID</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>
<b>TOTAL REVENUE FROM THE     COMMONWEALTH</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ -</b>
<b>TOTAL SCHOOL OPERATING     FUND</b>	<b>\$ 40,148,200</b>	<b>\$ 37,476,135</b>	<b>\$ (2,672,065)</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
<b>Special Revenue Funds: (Cont'd)</b>			
<b>School Cafeteria Fund:</b>			
<b>Revenue From Local Sources:</b>			
<b>Revenue From The Use of Money &amp; Property:</b>			
Revenue From The Use of Money	\$ 20,000	\$ 12,442	\$ (7,558)
<b>TOTAL REVENUE FROM THE USE OF MONEY &amp; PROPERTY</b>	<b>\$ 20,000</b>	<b>\$ 12,442</b>	<b>\$ (7,558)</b>
<b>Charges For Services:</b>			
Cafeteria Sales	\$ 919,800	\$ 859,993	\$ (59,807)
<b>TOTAL REVENUE FROM LOCAL SOURCES</b>	<b>\$ 939,800</b>	<b>\$ 872,435</b>	<b>\$ (67,365)</b>
<b>Revenue From The Commonwealth:</b>			
<b>Categorical Aid:</b>			
School Food	\$ 37,200	\$ 39,806	\$ 2,606
<b>TOTAL REVENUE FROM THE COMMONWEALTH</b>	<b>\$ 37,200</b>	<b>\$ 39,806</b>	<b>\$ 2,606</b>
<b>Revenue From The Federal Government:</b>			
<b>Categorical Aid:</b>			
School Food Program Grant	\$ 1,100,000	\$ 1,094,136	\$ (5,864)
<b>TOTAL REVENUE FROM THE FEDERAL GOVERNMENT</b>	<b>\$ 1,100,000</b>	<b>\$ 1,094,136</b>	<b>\$ (5,864)</b>
<b>TOTAL SCHOOL CAFETERIA FUND</b>	<b>\$ 2,077,000</b>	<b>\$ 2,006,377</b>	<b>\$ (70,623)</b>
<b>School Textbook Rental Fund:</b>			
<b>Revenue From Local Sources:</b>			
<b>Revenue From The Use of Money &amp; Property:</b>			
Revenue From The Use of Money	\$ 10,000	\$ 10,226	\$ 226
Miscellaneous	\$ 339,100	\$ -	\$ (339,100)
<b>TOTAL FROM LOCAL SOURCES</b>	<b>\$ 349,100</b>	<b>\$ 10,226</b>	<b>\$ (338,874)</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
<b>Special Revenue Funds: (Cont'd)</b>			
<b>School Textbook Rental Fund: (Cont'd)</b>			
<b>Revenue From The Commonwealth:</b>			
<b>Categorical Aid:</b>			
Total Rental Payments	\$ 321,200	\$ 325,326	\$ 4,126
<b>TOTAL REVENUE FROM THE COMMONWEALTH</b>	<u>\$ 321,200</u>	<u>\$ 325,326</u>	<u>\$ 4,126</u>
<b>TOTAL TEXTBOOK RENTAL FUND</b>	<u>\$ 670,300</u>	<u>\$ 335,552</u>	<u>\$ (334,748)</u>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<u>\$ 42,895,500</u>	<u>\$ 39,818,064</u>	<u>\$ (3,077,436)</u>
<b>School Capital Project Fund:</b>			
<b>Revenue From The Commonwealth:</b>			
<b>Categorical Aid:</b>			
Lottery Funds	\$ 355,800	\$ 552,876	\$ 197,076
Public School Construction	434,000	434,675	675
<b>TOTAL REVENUE FROM THE COMMONWEALTH</b>	<u>\$ 789,800</u>	<u>\$ 987,551</u>	<u>\$ 197,751</u>
<b>TOTAL CAPITAL PROJECT FUND</b>	<u>\$ 789,800</u>	<u>\$ 987,551</u>	<u>\$ 197,751</u>
<b>GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD</b>	<u>\$ 43,685,300</u>	<u>\$ 40,805,615</u>	<u>\$ (2,879,685)</u>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
<b>General Government Administration:</b>			
<b>Legislative:</b>			
Board Of Supervisors	\$ 277,417	\$ 221,121	\$ 56,296
<b>General &amp; Financial Administration:</b>			
County Administrator	\$ 312,545	\$ 301,306	\$ 11,239
Legal Services	109,940	379,020	(269,080)
Commissioner Of Revenue	423,441	392,372	31,069
Data Processing	109,239	173,267	(64,028)
Treasurer	442,086	641,942	(199,856)
Assessor	295,000	106,630	188,370
Judicial Sale	20,000	96	19,904
<b>TOTAL GENERAL &amp; FINANCIAL ADMINISTRATION</b>	<b>\$ 1,712,251</b>	<b>\$ 1,994,633</b>	<b>\$ (282,382)</b>
<b>Board Of Elections:</b>			
Electoral Board & Officials	\$ 36,700	\$ 36,527	\$ 173
Registrar	86,840	86,683	157
<b>TOTAL BOARD OF ELECTIONS</b>	<b>\$ 123,540</b>	<b>\$ 123,210</b>	<b>\$ 330</b>
<b>TOTAL GENERAL GOVERNMENT ADMINISTRATION</b>	<b>\$ 2,113,208</b>	<b>\$ 2,338,964</b>	<b>\$ (225,756)</b>
<b>Judicial Administration:</b>			
<b>Courts:</b>			
Clerk Of The Circuit Court	\$ 573,417	\$ 591,028	\$ (17,611)
Circuit Court	104,725	108,008	(3,283)
District Court	6,530	5,742	788
Magistrate	1,620	1,956	(336)
Juvenile & Domestic Relations Court	253,850	394,908	(141,058)
Sheriff	142,703	146,353	(3,650)
<b>TOTAL COURTS</b>	<b>\$ 1,082,845</b>	<b>\$ 1,247,995</b>	<b>\$ (165,150)</b>
Commonwealth Attorney	\$ 425,704	\$ 420,035	\$ 5,669
Victim Witness Protection	54,583	53,689	894
<b>TOTAL JUDICIAL ADMINISTRATION</b>	<b>\$ 1,563,132</b>	<b>\$ 1,721,719</b>	<b>\$ (158,587)</b>

COUNTY OF WISE, VIRGINIA  
GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
<b>Public Safety:</b>			
<b>Law Enforcement &amp; Traffic Control:</b>			
Sheriff	\$ 2,225,566	\$ 2,339,294	\$ (113,728)
Dispatcher/E911	140,200	134,875	5,325
<b>TOTAL LAW ENFORCEMENT &amp; TRAFFIC CONTROL</b>	<b>\$ 2,365,766</b>	<b>\$ 2,474,169</b>	<b>\$ (108,403)</b>
<b>Fire &amp; Rescue Services:</b>			
Fire & Rescue Departments	\$ 210,300	\$ 273,508	\$ (63,208)
<b>TOTAL FIRE &amp; RESCUE SERVICES</b>	<b>\$ 210,300</b>	<b>\$ 273,508</b>	<b>\$ (63,208)</b>
<b>Correction &amp; Detention:</b>			
Jail	\$ 1,283,536	\$ 1,316,995	\$ (33,459)
SWVA Community Corrections Center	366,195	405,456	(39,261)
<b>TOTAL CORRECTION &amp; DETENTION</b>	<b>\$ 1,649,731</b>	<b>\$ 1,722,451</b>	<b>\$ (72,720)</b>
<b>Inspections:</b>			
Building Inspector	\$ 218,352	\$ 211,568	\$ 6,784
<b>TOTAL INSPECTIONS</b>	<b>\$ 218,352</b>	<b>\$ 211,568</b>	<b>\$ 6,784</b>
<b>Other Protection:</b>			
Emergency Services	\$ 17,267	\$ 283,788	\$ (266,521)
Animal Control	85,299	87,851	(2,552)
<b>TOTAL OTHER PROTECTION</b>	<b>\$ 102,566</b>	<b>\$ 371,639</b>	<b>\$ (269,073)</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 4,546,715</b>	<b>\$ 5,053,335</b>	<b>\$ (506,620)</b>

COUNTY OF WISE, VIRGINIA  
GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
Public Works: (Cont'd)			
Maintenance Of Buildings & Grounds:			
General Properties	\$ 546,811	\$ 467,564	\$ 79,247
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 546,811</b>	<b>\$ 467,564</b>	<b>\$ 79,247</b>
<b>Welfare/Social Services:</b>			
Health & Welfare:			
Health:			
Supplement To Local Health Department	\$ 421,375	\$ 413,792	\$ 7,583
<b>TOTAL HEALTH</b>	<b>\$ 421,375</b>	<b>\$ 413,792</b>	<b>\$ 7,583</b>
Mental Health & Mental Retardation:			
Chapter X Board	\$ 126,859	\$ 126,859	\$ -
<b>TOTAL MENTAL HEALTH &amp;     MENTAL RETARDATION</b>	<b>\$ 126,859</b>	<b>\$ 126,859</b>	<b>\$ -</b>
Welfare/Social Services:			
Welfare Administration	\$ 6,706,160	\$ 6,182,277	\$ 523,883
Property Tax Relief for Elderly	-	87,962	(87,962)
Youth Service Board	34,790	34,790	-
Agency On Aging	41,800	248,665	(206,865)
Group Home	25,600	25,600	-
<b>TOTAL WELFARE/SOCIAL     SERVICES</b>	<b>\$ 6,808,350</b>	<b>\$ 6,579,294</b>	<b>\$ 229,056</b>
<b>TOTAL HEALTH &amp; WELFARE</b>	<b>\$ 7,356,584</b>	<b>\$ 7,119,945</b>	<b>\$ 236,639</b>
<b>Education:</b>			
Community Colleges	\$ 109,156	\$ 109,156	\$ -
<b>TOTAL EDUCATION</b>	<b>\$ 109,156</b>	<b>\$ 109,156</b>	<b>\$ -</b>
<b>Parks, Recreation &amp; Cultural:</b>			
Parks & Recreation:			
Recreation Authority	\$ 38,500	\$ 58,996	\$ (20,496)
<b>TOTAL PARKS &amp; RECREATION</b>	<b>\$ 38,500</b>	<b>\$ 58,996</b>	<b>\$ (20,496)</b>

COUNTY OF WISE, VIRGINIA  
GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>General Fund:</b>			
<b>Library:</b>			
Contributions To Local Libraries	\$ 684,232	\$ 684,232	\$ -
<b>TOTAL LIBRARY</b>	<b>\$ 684,232</b>	<b>\$ 684,232</b>	<b>\$ -</b>
<b>Cultural:</b>			
Pro-Art Association	\$ 10,000	\$ 15,000	\$ (5,000)
<b>TOTAL CULTURAL</b>	<b>\$ 10,000</b>	<b>\$ 15,000</b>	<b>\$ (5,000)</b>
<b>TOTAL PARKS, RECREATION &amp;     CULTURAL</b>	<b>\$ 732,732</b>	<b>\$ 758,228</b>	<b>\$ (25,496)</b>
<b>Planning &amp; Community Development:</b>			
Economic Development	\$ 61,337	\$ 64,901	\$ (3,564)
Planning	1,000	798	202
Housing Authority	7,000	7,000	-
Cumberland Airport Commission	56,900	56,900	-
Lenowisco	57,450	28,725	28,725
Planning Commission	10,300	8,600	1,700
Industrial Development Authority	203,000	203,000	-
CEDA - Tourism	65,396	74,871	(9,475)
VCEDA - Economic Development	120,000	120,840	(840)
<b>TOTAL PLANNING &amp; COMMUNITY     DEVELOPMENT</b>	<b>\$ 582,383</b>	<b>\$ 565,635</b>	<b>\$ 16,748</b>
<b>Community Development:</b>			
<b>Cooperative Extension Program:</b>			
VPI & SU Extension Office	\$ 56,277	\$ 46,956	\$ 9,321
<b>TOTAL COOPERATIVE EXTENSION     PROGRAM</b>	<b>\$ 56,277</b>	<b>\$ 46,956</b>	<b>\$ 9,321</b>
<b>TOTAL COMMUNITY     DEVELOPMENT</b>	<b>\$ 638,660</b>	<b>\$ 612,591</b>	<b>\$ 26,069</b>

COUNTY OF WISE, VIRGINIA  
GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
General Fund:			
Debt Service:			
Principal Retirement	\$ 75,000	\$ 74,576	\$ 424
Interest & Fiscal Charges	13,500	13,486	14
<b>TOTAL DEBT SERVICE</b>	<b>\$ 88,500</b>	<b>\$ 88,062</b>	<b>\$ 438</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,695,498</b>	<b>\$ 18,269,564</b>	<b>\$ (574,066)</b>
Special Revenue Funds:			
Law Library Fund:			
Judicial Administration:			
Courts:			
Law Library	\$ 9,000	\$ 13,248	\$ (4,248)
<b>TOTAL LAW LIBRARY FUND</b>	<b>\$ 9,000</b>	<b>\$ 13,248</b>	<b>\$ (4,248)</b>
Coal Road Improvement Fund:			
General Government Administration	\$ -	\$ 200	\$ (200)
Public Works:			
Maintenance Of Highways, Streets, Bridges & Sidewalks:			
Coal Road Projects	\$ 450,000	\$ 409,970	\$ 40,030
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 450,000</b>	<b>\$ 409,970</b>	<b>\$ 40,030</b>
Community Development:			
Distribution to Towns	\$ 675,000	\$ 674,147	\$ 853
Community Development	2,575,000	2,678,229	(103,229)
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$ 3,250,000</b>	<b>\$ 3,352,376</b>	<b>\$ (102,376)</b>
<b>TOTAL COAL ROAD IMPROVEMENT FUND</b>	<b>\$ 3,700,000</b>	<b>\$ 3,762,546</b>	<b>\$ (62,546)</b>
Emergency Numbers Fund:			
Public Safety:			
Law Enforcement & Traffic Control:			
911 System	\$ 294,900	\$ 286,545	\$ 8,355
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 294,900</b>	<b>\$ 286,545</b>	<b>\$ 8,355</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>PRIMARY GOVERNMENT:</b>			
<b>Special Revenue Funds:</b>			
Emergency Numbers Fund: (Cont'd)			
TOTAL EMERGENCY NUMBERS FUND	\$ 294,900	\$ 286,545	\$ 8,355
Drug Seizure & Forfeiture, Commission & RAID Fund:			
Sheriff Department:			
Public Safety:			
Sheriff	\$ -	\$ 70,011	\$ (70,011)
TOTAL PUBLIC SAFETY	\$ -	\$ 70,011	\$ (70,011)
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION AND RAID FUND	\$ -	\$ 70,011	\$ (70,011)
Transient Occupancy Tax Fund:			
Planning & Community Development:			
Tourism	\$ -	\$ 16,123	\$ (16,123)
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ 16,123	\$ (16,123)
TOTAL TRANSIENT OCCUPANCY FUND	\$ -	\$ 16,123	\$ (16,123)
Community Development Fund:			
Community Development:			
Indian Creek Water Project	\$ -	\$ 259,185	\$ (259,185)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ 259,185	\$ (259,185)
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ 259,185	\$ (259,185)
TOTAL SPECIAL REVENUE FUNDS	\$ 4,003,900	\$ 4,391,535	\$ (387,635)

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>GRAND TOTAL EXPENDITURES -</b>			
PRIMARY GOVERNMENT	\$ 21,699,398	\$ 22,661,099	\$ (961,701)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
Special Revenue Funds:			
School Operating Fund:			
Education:			
Administration Of Schools	\$ 666,900	\$ 666,873	\$ 27
Instruction Costs:			
Classroom	\$ 32,585,900	\$ 31,707,622	\$ 878,278
Instructional Support:			
Student	1,362,300	1,364,736	(2,436)
Staff	3,585,500	3,328,307	257,193
Administration	3,413,200	3,399,096	14,104
<b>TOTAL INSTRUCTION COSTS</b>	<b>\$ 40,946,900</b>	<b>\$ 39,799,761</b>	<b>\$ 1,147,139</b>
Operating Costs:			
Attendance & Health Services	\$ 713,400	\$ 706,853	\$ 6,547
Pupil Transportation	2,372,200	2,275,697	96,503
Operation & Maintenance Of School Plant	4,302,500	4,267,601	34,899
Non-Instructional	3,222,800	1,889,154	1,333,646
<b>TOTAL OPERATING COSTS</b>	<b>\$ 10,610,900</b>	<b>\$ 9,139,305</b>	<b>\$ 1,471,595</b>
<b>TOTAL EDUCATION</b>	<b>\$ 52,224,700</b>	<b>\$ 49,605,939</b>	<b>\$ 2,618,761</b>
Debt Service:			
Principal Retirement	\$ 944,605	\$ 944,605	\$ -
Interest & Fiscal Charges	319,495	318,916	579
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,264,100</b>	<b>\$ 1,263,521</b>	<b>\$ 579</b>
<b>TOTAL SCHOOL OPERATING FUND</b>	<b>\$ 53,488,800</b>	<b>\$ 50,869,460</b>	<b>\$ 2,619,340</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2002

FUND, MAJOR & MINOR REVENUE SOURCE	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>			
School Cafeteria Fund:			
Education:			
Operating Costs	\$ 2,089,800	\$ 2,022,321	\$ 67,479
<b>TOTAL SCHOOL CAFETERIA FUND</b>	<b>\$ 2,089,800</b>	<b>\$ 2,022,321</b>	<b>\$ 67,479</b>
Textbook Rental Fund:			
Education:			
Operating Costs	\$ 670,300	\$ 170,389	\$ 499,911
<b>TOTAL TEXTBOOK RENTAL FUND</b>	<b>\$ 670,300</b>	<b>\$ 170,389</b>	<b>\$ 499,911</b>
Special Revenue Funds:			
Capital Project Fund:			
School Construction:			
Capital Outlays	\$ 2,373,800	\$ 1,904,309	\$ 469,491
<b>TOTAL SCHOOL CONSTRUCTION</b>	<b>\$ 2,373,800</b>	<b>\$ 1,904,309</b>	<b>\$ 469,491</b>
<b>TOTAL CAPITAL PROJECT FUND</b>	<b>\$ 2,373,800</b>	<b>\$ 1,904,309</b>	<b>\$ 469,491</b>
<b>GRAND TOTAL EXPENDITURES, COMPONENT UNIT - SCHOOL BOARD</b>	<b>\$ 58,622,700</b>	<b>\$ 54,966,479</b>	<b>\$ 3,656,221</b>

SCHEDULE 3

COUNTY OF WISE, VIRGINIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY  
 JUNE 30, 2002

WISE COUNTY (INCLUDING THE WISE COUNTY PUBLIC SERVICE AUTHORITY)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b - a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b - a) / c) UAAL as % of Covered Payroll
June 30, 2001	\$23,440,542	\$19,168,772	(\$4,271,770)	122.29%	\$7,825,916	-54.58%
June 30, 2000	21,182,477	17,240,749	(3,941,728)	122.86%	7,387,306	-53.36%
June 30, 1999	18,155,286	17,178,493	(976,793)	105.69%	6,939,402	-14.08%
<u>WISE COUNTY SCHOOLS (NON-PROFESSIONAL EMPLOYEES)</u>						
June 30, 2001	\$6,210,008	\$5,881,450	(\$328,558)	105.59%	\$1,527,971	-21.50%
June 30, 2000	5,746,266	5,332,965	(413,301)	107.75%	1,475,050	-28.02%
June 30, 1999	5,047,944	4,953,614	(94,330)	101.90%	1,406,109	-6.71%



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COUNTY OF WISE, VIRGINIA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
<b>DEPARTMENT OF AGRICULTURE:</b>		
Pass Through Payments:		
Department Of Social Services:		
General Administration - Food Stamp Program	10.561	\$ 231,753
General Eligibility - Food Stamp Program	10.561	208,708
Department Of Education:		
National School Lunch Program (SL-4) (SL-11)*	10.555	1,094,136
Federal Land Use - Forest Reserve	10.665	11,429
Direct Loans:		
Water and Waste Disposal for Rural Communities:		
FMHA Loan - Wise County Public Service Authority *	10.418	41,827
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>		
Pass Through Payments:		
Department of Social Services:		
Independent Living	93.674	\$ 10,445
Administration Energy Assistance - Heating	93.568	44,983
Social Services Block Grant*	93.667	442,472
Statewide Fraud Program	N/A	20,688
Virginia Childrens Medical Insurance Plan	93.767	6,169
Administration Refuge Other/Eligibility	93.566	1,034
Administration TANF/IVF Allocation	93.558	211,145
Foster Care	93.658	152,663
Administration TXIX Allocation	93.778	253,209
View	93.558	268,017
Welfare Reform - Transportation	93.558	257,602
Administration Sub Adoption	93.659	116,733
Administration - Medicaid Allocation	93.778	41,821
Child Care and Development	93.596	136,492
VIEW - TANF	93.596	117,003
Non-Occuring IV-E Allocation	93.659	4,500
CDC - Quality Initiative Grants	93.575	16,000
Adoption Incentive Program	93.603	676
Family Preservation and Support	93.556	33,290
Protective Services - Adult & Child	93.667	1,247
ADM - Title XX/Sub Adoption	93.667	143,713
Foster Care - Title IV-E	93.658	318,144

\* Identified as a major program

\*\* Funds received by County of Wise, Virginia in an agency capacity passed through to Planning District I.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
DEPARTMENT OF HEALTH & HUMAN SERVICES: (Cont'd)		
Pass Through Payments: (Cont'd)		
Department of Social Services: (Cont'd)		
Headstart Transition	93.575	\$ 153,631
Department Of Mental Health and Mental Retardation		
Mental Health Planning ** *	93.958	130,574
Prevention and Treatment for Substance Abuse*** *	93.959	657,029
DEPARTMENT OF INTERIOR:		
Direct Payments:		
Bureau Of Land Management:		
Payment In Lieu Of Taxes - Public Law 97-258, (National Forect Acreage In The Localities)	15.000	\$ 65,895
DEPARTMENT OF LABOR:		
Pass Through Payments:		
Governor's Employment & Training Council:		
Employment Services	17.249	\$ 60,604
Job Training Partnership Act Program:		
General Jobs Training Program Titles 2A, 2B & 3 (51 - 84)	17.250	1,949,059
Pass Through Payments:		
Department of Education:		
Adult Education - State Administration Program (7E002694) (8E002615)	84.002	165,820
Education Consolidation & Improvement Act of 1981:		
Title I:		
Financial Assistance To Meet Special Educational Needs Of Disadvantaged Children - Programs Operated By Local Education Agencies (7E005740) (8E00570) *	84.010	1,743,720
Title II:		
D & E Projects	84.281	53,150

\* Identified as a major program

\*\* Funds received by County of Wise, Virginia in an agency capacity passed through to Planning District I.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER		EXPENDITURES
DEPARTMENT OF LABOR: (Cont'd)			
Pass Through Payments: (Cont'd)			
Elementary & Secondary Education Act (ESEA):			
Title VI-B:			
Assistance To States For Education Of Handicapped Children:			
Handicapped Preschool & School Programs (7E002555) (8E0025275) *	84.027	\$	877,749
Vocational Education:			
Basic Grants To States (8E002628) (7E002685) (8E002607) (7E002688)	84.048		192,252
Special Projects:			
Drug Free Schools and Communities (7E003333)	84.186		40,573
Title X Grant	84.198		269,259
Goals 2000	84.276		108,145
Title VI - Class Size Reduction *	84.340		307,592
E Rate	84.001		148,640
Other Funds	N/A		139,711
Title VI	84.298		59,079
Literacy Challenge Grant	84.318		111,000
DEPARTMENT OF CRIMINAL JUSTICE SERVICES:			
Crime Victim Assistance	16.575	\$	10,152
Violence Against Women	16.588		33,782
ILLEBG	16.592		6,217
DEPARTMENT OF MOTOR VEHICLES:			
State and Community Highway Safety	20.600	\$	4,986
DEPARTMENT OF TRANSPORTATION:			
Department Conservation & Recreation - Sugar Hill Project	20.219		17,753
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:			
Economic Development - Research /Planning:			
Indian Creek Water Project	14.228	\$	51,746
Almira-Haddonville Self Help Project	14.228		163,306
Derby Community Renovation Project	14.228		16,131
TOTAL FEDERAL ASSISTANCE			\$ 11,723,454

\* Identified as a major program

\*\* Funds received by County of Wise, Virginia in an agency capacity passed through to Planning District I.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

## COUNTY OF WISE, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2002

Federal Grantor/Program Award Number	Findings	Questioned Costs
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## SUMMARY OF AUDITOR'S RESULTS:

- (1) The type of report issued to the County of Wise, Virginia on the financial statements for the year ended June 30, 2002 was an unqualified opinion.

<u>MAJOR PROGRAM</u>	<u>TYPE</u>	<u>RISK TYPE</u>
(1) School Breakfast Program	B	High
(2) National School Lunch Program	A	High
(3) Community Development Block Grant	B	Low
(4) Title VI - Class Size Reduction	A	High
(5) Social Services Block Grant	A	High
(6) Idea 611	A	High
(7) Title I	A	Low
(8) Mental Health Planning	A	High
(9) Prevention and Treatment of Substance Abuse	A	High
(10) Twenty First Century Learning Centers	A	High

The County of Wise used a \$ 351,704 threshold to distinguish between Type A and Type B programs.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 GENERAL GOVERNMENT REVENUES BY SOURCE (1)  
 LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL		PERMIT, PRIVILEGE FEES AND REGULATORY LICENSES		REVENUE FROM USE OF MONEY AND PROPERTY	
	PROPERTY TAXES	OTHER LOCAL TAXES	REGULATORY LICENSES	FINES & FORFEITURES	USE OF MONEY AND PROPERTY	
2001-02	\$11,748,220	\$10,954,669	\$50,295	\$4,347	\$360,656	
2000-01	12,724,188	11,932,668	26,169	5,663	827,540	
1999-00	11,820,028	10,387,563	29,626	2,663	729,208	
1998-99	13,971,459	9,739,941	41,424	2,195	636,882	
1997-98	10,728,628	10,019,460	33,040	3,745	590,821	
1996-97	10,817,476	11,117,835	27,760	5,938	742,073	
1995-96	10,309,651	9,612,299	36,297	5,412	604,090	
1994-95	9,774,315	9,504,672	36,732	2,507	734,512	
1993-94	9,589,041	9,755,795	35,444	2,817	426,878	
1992-93	8,875,609	8,765,322	33,406	6,049	451,726	

FISCAL YEAR	CHARGES FOR SERVICES		RECOVERED COSTS		INTER- GOVERNMENTAL TOTAL	
	SERVICES	MISCELLANEOUS	COSTS	INTER- GOVERNMENTAL	RECOVERED COSTS	TOTAL
2001-02	\$1,343,750	\$261,069	\$773,571	\$51,206,125	\$76,702,702	
2000-01	1,405,243	222,240	667,942	53,670,774	81,482,427	
1999-00	1,375,845	269,135	684,133	45,267,547	70,565,748	
1998-99	1,406,267	200,931	580,880	42,457,123	69,037,102	
1997-98	1,575,219	117,140	537,613	40,487,228	64,092,894	
1996-97	1,363,140	198,260	509,827	38,981,696	63,764,005	
1995-96	1,276,210	240,019	432,258	36,839,829	59,356,065	
1994-95	1,326,764	218,754	395,625	36,664,893	58,658,774	
1993-94	1,125,950	174,503	482,102	34,701,336	56,293,866	
1992-93	992,818	197,493	536,127	35,193,339	55,051,889	

Notes: (1) Includes General, Special Revenue Funds and Component Unit - School Board. (Exclusive of capital projects funds)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
GOVERNMENT EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS

FISCAL YEAR	JUDICIAL					PUBLIC WORKS	HEALTH AND WELFARE	EDUCATION
	GENERAL ADMINISTRATION	ADMINI-STRATION	PUBLIC SAFETY	PUBLIC SAFETY	PUBLIC WORKS			
2001-02	\$2,339,164	\$1,734,967	\$5,409,891	\$877,534	\$7,119,945	\$51,907,805		
2000-01	1,782,680	1,727,460	5,159,893	3,256,712	10,068,943	49,637,501		
1999-00	1,668,020	1,631,771	5,162,285	2,119,186	6,660,401	47,923,881		
1998-99	1,471,070	1,297,099	4,033,695	2,503,828	6,124,981	45,006,936		
1997-98	1,446,665	1,193,982	3,717,132	2,795,348	5,850,770	44,269,881		
1996-97	1,746,016	1,109,125	3,490,013	2,661,996	5,227,033	43,071,561		
1995-96	1,603,425	751,318	2,695,700	2,314,129	4,787,054	41,549,672		
1994-95	1,452,991	650,529	2,724,795	2,732,319	4,422,570	41,885,729		
1993-94	1,384,953	622,105	2,434,262	3,517,924	3,979,255	40,950,423		
1992-93	1,407,242	616,327	2,577,917	3,240,980	3,829,398	39,686,266		

FISCAL YEAR	PARKS, RECREATION & CULTURAL					NON-DEPART-MENTAL	CAPITAL PROJECT	DEBT SERVICE	TOTALS
	RECREATION & CULTURAL	COMMUNITY DEVELOPMENT	NON-DEPART-MENTAL	CAPITAL PROJECT	DEBT SERVICE				
2001-02	\$758,228	\$4,240,275	\$0	\$1,904,309	\$1,351,583	\$77,643,701			
2000-01	723,123	6,765,170	0	95,849	795,258	80,012,589			
1999-00	722,469	3,047,603	0	149,239	664,530	69,749,385			
1998-99	728,365	3,353,254	0	631,929	870,904	66,022,061			
1997-98	706,818	3,406,846	0	229,016	809,873	64,426,331			
1996-97	705,077	2,932,024	0	630,289	845,919	62,419,053			
1995-96	703,184	3,135,539	0	621,484	1,077,566	59,239,071			
1994-95	565,313	2,788,038	0	242,329	1,146,851	58,611,464			
1993-94	587,323	1,888,636	0	921,883	1,064,946	57,351,710			
1992-93	577,546	1,224,030	574,601	497,470	1,013,843	55,245,620			

Notes: (1) Includes General, Special Revenue, Component Unit - School Board and Debt Service Funds. (Exclusive of capital projects funds)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	MACHINERY AND TOOLS	MERCHANTS CAPITAL	MOBILE HOMES
2001-02	\$1,012,850,850	\$295,243,171	\$210,272,261	\$25,797,480	\$43,756,544
2000-01	1,021,324,286	294,640,505	193,592,502	25,345,541	43,814,088
1999-00	1,063,680,532	266,465,556	191,389,404	23,869,023	44,912,571
1998-99	1,023,089,230	245,459,154	181,058,293	22,891,151	42,178,995
1997-98	1,016,639,114	246,793,327	184,088,698	21,303,023	38,945,621
1996-97	905,168,228	239,984,643	204,391,321	20,071,080	37,883,765
1995-96	874,017,227	227,351,385	188,101,503	23,148,257	35,121,583
1994-95	878,729,871	202,833,039	182,331,346	21,756,507	29,853,443
1993-94	854,484,352	184,190,362	188,263,194	20,861,923	28,656,923
1992-93	849,839,149	169,604,860	187,446,937	21,527,597	27,171,324

PUBLIC UTILITIES

FISCAL YEAR	PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL	TOTAL
2001-02	\$693,753	\$75,819,953	\$13,000	\$1,664,447,012
2000-01	575,837	77,716,250	12,881	1,657,021,890
1999-00	733,043	78,921,154	0	1,669,971,283
1998-99	673,526	79,703,200	158	1,595,053,707
1997-98	760,533	80,928,871	140	1,589,459,327
1996-97	715,913	77,125,833	1,731	1,485,342,514
1995-96	563,431	74,109,303	1,786	1,422,414,475
1994-95	469,441	75,432,744	1,081	1,391,407,472
1993-94	498,493	78,087,804	973	1,355,044,024
1992-93	527,760	77,164,613	0	1,333,282,240

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

SCHEDULE 9

COUNTY OF WISE, VIRGINIA  
PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

FISCAL YEARS	PUBLIC UTILITIES									
	REAL ESTATE	PERSONAL PROPERTY	MACHINERY & TOOLS	MERCHANTS CAPITAL	MOBILE HOMES	PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL		
2001-02	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52		
2000-01	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52		
1999-00	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52		
1998-99	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52		
1997-98	0.45	1.15	1.15	2.85	0.45	1.15	0.45	0.45		
1996-97	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.48		
1995-96	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.48		
1994-95	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.48		
1993-94	0.48	1.15	1.15	2.85	0.48	1.15	0.39	0.00		
1992-93	0.38	1.15	1.15	2.85	0.38	1.15	0.39	0.00		

(1) Per \$100 of assessed value

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

COUNTY OF WISE, VIRGINIA  
PROPERTY TAX LEVIES & COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL (1) TAX LEVY	CURRENT TAX (1) COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX (1) COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS OF TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2001-02	\$ 12,434,791	\$11,562,036	92.98%	\$1,073,869	\$12,635,905	101.62%	2,037,870	16.39%
2000-01	12,459,956	11,502,162	92.31%	873,983	12,376,145	99.33%	1,904,288	15.28%
1999-00	12,024,219	10,876,412	90.45%	658,487	11,534,899	95.93%	2,229,670	18.54%
1998-99	14,109,191	12,991,733	92.08%	681,230	13,672,963	96.91%	1,951,418	13.83%
1997-98	10,688,242	10,017,632	93.73%	418,931	10,436,563	97.65%	1,754,061	16.41%
1996-97	10,587,443	9,930,492	93.79%	541,692	10,472,184	98.91%	1,763,538	16.66%
1995-96	10,163,513	9,573,240	94.19%	476,500	10,049,740	98.88%	1,962,038	19.30%
1994-95	9,778,131	9,010,573	92.15%	538,148	9,548,721	97.65%	2,047,874	20.94%
1993-94	9,497,418	8,677,536	91.37%	652,677	9,330,213	98.24%	2,145,590	22.59%
1992-93	8,305,631	7,349,976	88.49%	1,051,270	8,401,246	101.15%	2,427,344	29.23%

Notes:

- (1) Beginning in May, 1999 the County of Wise began a dual tax ticket collection for real estate taxes only. The amount reported constitutes the assessment for the first half of the year. The remaining assessment will be due on October 15, 2002.

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COUNTY OF WISE, VIRGINIA  
 RATIO OF NET GENERAL BONDED DEBT  
 TO ASSESSED VALUE & NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS) (2)	GROSS BONDED DEBT (3)	LESS: SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM		RATIO OF BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
					ENTERPRISE REVENUES	NET BONDED DEBT		
2001-02	40,123	1,664,447,012	16,523,934	0	2,810,168	13,713,766	0.82%	\$ 341.79
2000-01	40,123	1,657,021,890	17,885,530	0	3,589,824	14,295,706	0.86%	356.29
1999-00	39,573	1,669,971,283	14,589,831	0	4,166,213	10,423,618	0.62%	263.40
1998-99	39,573	1,595,053,707	4,236,748	0	358,815	3,877,933	0.24%	97.99
1997-98	39,573	1,589,459,327	4,148,001	0	386,416	3,761,585	0.24%	95.05
1996-97	39,573	1,485,342,514	5,094,382	0	834,017	4,260,365	0.29%	107.66
1995-96	39,573	1,422,414,475	5,933,263	0	1,131,618	4,801,645	0.34%	121.34
1994-95	39,573	1,391,407,472	6,887,471	0	1,419,219	5,468,252	0.39%	138.18
1993-94	39,573	1,355,044,024	7,871,352	0	1,696,820	6,174,532	0.46%	156.03
1992-93	39,573	1,333,282,240	6,920,203	0	-	6,920,203	0.52%	174.87

Notes:

- (1) Bureau of Census.
- (2) From Schedule 11.
- (3) Includes all long-term general obligation debt.
- (4) 100% of fair market value.
- (5) Includes General Obligation Debt payable from Enterprise Revenues.

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