

COUNTY OF WISE, VIRGINIA

AUDIT REPORT

JUNE 30, 2003

COUNTY OF WISE, VIRGINIA
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JUNE 30, 2003

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Wise County Board of Supervisors



Office of County Administrator

COURTHOUSE

WISE, VIRGINIA 24293

TELEPHONE 276-328-2321
FAX 276-328-9780

P.O. BOX 570
206 E. MAIN STREET

December 11, 2003

To The Honorable Members of the Board of Supervisors
To the Citizens of Wise County
County of Wise, Virginia

We are pleased to present the Comprehensive Annual Financial Report of the County of Wise, Virginia, for the fiscal year ended June 30, 2003. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of the County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be diverted; and (2) the valuation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROLS

In addition to the internal accounting controls noted above, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund and the emergency numbers and law library funds are included in the annual appropriated budget.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2003 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

The County adopts an annual budget by July 1 of each year required by 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds. When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is mentioned and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with expenditures, may be greater or less than contemplated in the budget.

THE REPORTING ENTITY AND ITS SERVICES

The County of Wise report includes all funds and account groups of the "primary government." In Virginia, cities and counties are distinct units of government; therefore the County is responsible for providing all services normally provided by a local government. These services include public safety, social services, recreation and cultural activities and community development. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," the County has identified two discretely component units. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as a part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government. Therefore, the County School Board and the Wise County Public Service Authority are reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

The financial statements of the Wise County Industrial Development Authority are not included in the County report. These organizations are administered by Boards separate from and independent of the Board of Supervisors.

Local Economy

Wise County is located in Southwest Virginia, approximately 50 miles Northwest of Bristol, Virginia. The county encompasses a land area of 407 square miles with a population of 42, 409. U.S. routes 23 and 58 and State routes 68, 72, 74, 78, and 160 are the primary routes that traverse the County. Wise County has a diversified economy with manufacturing, trade services, coal mining, and agricultural sectors. Manufacturing activities includes: hardwood flooring, and steel molding and fabrication. Service industries include: technology call centers, telecommunications, food, health care, education, and government. Agriculture remains important in Wise County's economy, with beef cattle the principal livestock and apples, vineyard grapes, tobacco and hay the cash crops.

Based on available economic data, trends for the local economy have improved along with the Commonwealth of Virginia. The local unemployment rate for October, 2003 was 4.6% which is lower than the prior year of 5%, but exceeds the Commonwealth of Virginia by 1.2%. However, the local unemployment rate compares favorably to the national rate of 5.6%.

MAJOR INITIATIVES

For Fiscal Year 2003

Following the goals and objectives established by the County of Wise Board of Supervisors, and with the assistance and guidance of the County's Administrator, County staff agencies implemented and continued

as a number of specific “programs” designed to provide County residents with cost efficient government while enhancing their home and employment environment.

Major initiatives begun, continued, or completed this fiscal year are:

- New shell building in the new Lonesome Pine Business and Technology Park, now partially occupied by Verizon.
- Began construction on a new \$475,000 animal pound to located in the Blackwood Community.

Prospects for the Future

For the 2003-2004 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$39,980,231. The Board also looks to expand the existing Blackwood Landfill into Phase IV with a project cost of \$7,000,000 or a \$2,800,000 transfer station with minimal expansion of the landfill.

Cash Management

Cash temporarily idle during the year was invested in time deposits and various authorized money market instruments. The amount of interest received was \$205,924. This is a decrease from interest earned on temporary investments in Fiscal Year 2001-02 when the interest on investments totaled \$327,020.

OTHER INFORMATION

Management’s Discussion and Analysis

Generally accepted accounting principles require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Wise’s MD&A can be found immediately following the report of the independent auditors.

Independent Auditor

The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations, and auditor’s reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements have been complied with the auditor’s opinion is included in this report.

Acknowledgements

We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner.

Respectfully submitted,

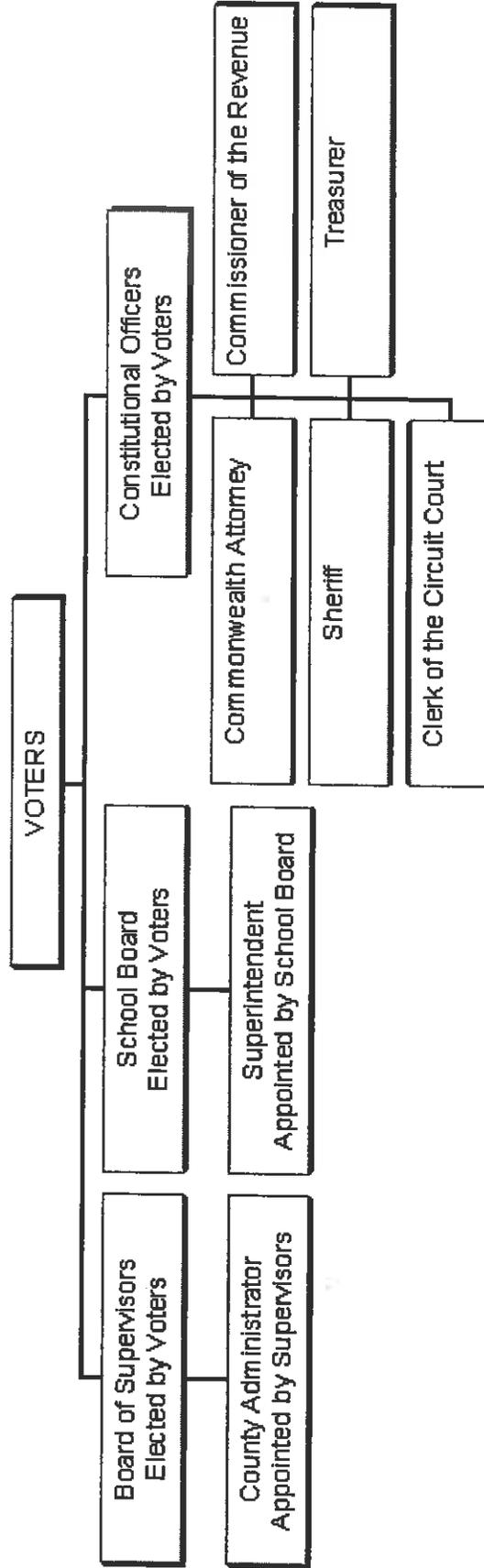


Edward L. Sealover
County Administrator



Shannon C. Scott
Assistant County Administrator

WISE COUNTY ORGANIZATIONAL STRUCTURE



COUNTY OF WISE, VIRGINIA

BOARD OF SUPERVISORS

Doug Stallard, Chairperson
Betty Cornett
Edgar Mullins
Robbie Robbins

Robert Adkins
Virginia Meador
Barry Nelson
Jeff Salyers

COUNTY SCHOOL BOARD

Milas D. Franks, Chairperson

Ann Gregory
Margaret Craft
T. R. "Terry" Collier

Cecilia Robinette

Wendell Caldwell
Robert M. Mullins
Kyle Fletcher

Judy Clawson, Clerk of the School Board

WISE COUNTY PUBLIC SERVICE AUTHORITY

Jeff Salyers, Chairperson
Lloyd Robinette, Vice Chairperson
Larry Bland, Treasurer

Kathy Roberson
Danny Stallard

Fred Luntsford

Kenneth Sturgill
Betty Cornett

COUNTY WELFARE BOARD

Jeff Salyers, Chairperson
Sam Gilbert, Vice-Chairperson

J. D. Cassell
Elizabeth Stuart
Charles Bennett
Damon Cantrell

Maryland Bumgarner
Sam Gilbert
Robbie Robbins
Richard Coronet

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 Wills
Judge of Juvenile & Domestic Relations Court	Mickey Schull
Commonwealth's Attorney	Joseph Carico/Gary Gilliam

Commissioner of the Revenue Douglas Mullins, Jr.
Treasurer Rita Holbrook
Sheriff Ronnie D. Oakes
Superintendent of Schools Michael G. Basham
Director of Social Services Thomas Stanley
County Administrator Edward Sealover
Director of Public Service Authority Danny Buchanan

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANT

MEMBER
VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 2080 WISE, VIRGINIA 24293-2080

TELEPHONE (276) 328-9593 FAX (276) 328-2131

email: ldscpa@bellatlantic.net

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

November 21, 2003

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, 2003, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, 2003, and the results of its

The Honorable Members of the
Board of Supervisors
County of Wise
Wise, Virginia 24293
November 21, 2003
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, 2003 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

Wise County Board of Supervisors



Office of County Administrator

COURTHOUSE

WISE, VIRGINIA 24293

TELEPHONE 276-328-2321
FAX 276-328-9780

P.O. BOX 570
206 E. MAIN STREET

December 11, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Wise County
County of Wise, Virginia

As management of the County of Wise, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i-iv of this report. All accounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$29,637,069 (net assets). Of this amount, \$2,132,017 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors from the general fund.

As of the close of the current fiscal year; the County's funds reported combined ending fund balances of \$9,820,379, an increase of \$1,543,081 in comparison with the prior year. Approximately fifty-two percent of this total amount, \$5,136,822 is available for spending at the County's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,136,822, or 24% percent of total general fund expenditures.

The County of Wise, Virginia's total debt decreased by \$1,935,211 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements compose three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Overview of the Financial Statements (Continued)

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The Government-wide financial statements are designed to provide readers with a broad overview of the County’s finances, in a manner similar to a private-sector business.

The statement of activities presents information showing how the County’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Wise, Virginia itself (known as the primary government), but also a legally separate school district and a water authority for which the County of Wise, Virginia is financially accountable. Financial information for these component units is reported separately from financial information present for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Wise, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as Governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statement focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare to the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County’s near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and

Overview of the Financial Statements (Continued)

changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains an individual governmental fund, and many special revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Special Revenue funds, all of which are considered to be major funds.

The County adopts an annual appropriated budget for its General fund, emergency numbers and law library funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with its budget.

Fiduciary funds – The County is the trustee, or fiduciary, for the County’s agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The County excludes these activities from the County’s government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Notes to financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government –wide and fund financial statements.

Other Information – In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County’s financial position. In the case of the County, assets exceeded liabilities by \$29,637,069 at the close of the most recent fiscal year.

The largest portion of the County’s net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide service to citizens: consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (Continued)

<u>County of Wise, Virginia's Net Assets</u>	
	<u>Governmental Activities</u>
	<u>2003</u>
Current and other assets	\$ 11,527,417
Capital assets	<u>39,578,503</u>
Total assets	<u>\$ 51,105,920</u>
Long-term liabilities outstanding	\$ 16,112,276
Current liabilities	<u>5,356,575</u>
Total liabilities	<u>\$ 21,468,851</u>
Net assets:	
Invested in capital assets, net of related debt	\$ 20,641,197
Contributed capital	5,006,177
Restricted	1,180,001
Unrestricted	<u>2,809,694</u>
Total net asset	<u>\$ 29,637,069</u>

At the end of the current fiscal year, the County is able to report positive balances in all both categories of net assets, both for the County as a whole and for its, and as well as for its separate governmental and business-type activities.

Government-wide Financial Analysis (Continued)

Governmental Activities – Governmental activities increased the County’s net assets by \$1,746,545. Key elements of this increase are as follows:

County of Wise, Virginia’s Change in Net Assets	
	<u>Governmental Activities</u>
	<u>2003</u>
Revenues:	
Program revenues:	
Charges for services	\$ 1,234,409
Operating grants and contributions	14,907,466
General Revenues:	
Property taxes	13,232,892
Other Local taxes	10,852,884
Other	<u>2,741,981</u>
Total revenues	<u>\$ 42,969,632</u>
Expenses	
General government	\$ 2,306,294
Judicial administration	1,638,870
Public safety	5,789,693
Public works	3,730,876
Health and welfare	10,180,245
Education	1,468,561
Parks, recreation and culture	738,588
Community development	4,275,260
Nondepartmental	11,079,436
Interest	<u>15,264</u>
Total expenses	<u>\$ 41,223,087</u>
Increase (decrease) in net assets	\$ 1,746,546
Net assets – beginning	<u>22,905,347</u>
Net assets – ending	<u>\$ 24,651,892</u>

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$9,820,379 an increase of \$1,543,081 in comparison with the prior year. Approximately fifty two percent of this total amount \$5,136,822 constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that is not available for new spending because it has already been committed for:

- Landfill closure and post closure cost
- Future special revenue expenditures

The general fund is the operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,136,822, while the total fund balance was \$6,316,823. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 24 percent of total general fund expenditures, while total fund balance represents 29 percent of that same amount.

The general fund balance increased \$ 1,112,935 during the current fiscal year.

The special revenue funds have a total fund balance of \$ 3,503,556, all of which is reserved for future projects. The fund balance increased \$ 430,146 during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were (\$3,949,210 increase in appropriations) and can be briefly summarized as follows:

- \$98,765 increase in general government administration
- \$10,661 increase in judicial administration
- \$532,470 increase in public safety expenditures
- \$(2,510) decrease in public work expenditures
- \$3,140,931 increase in health and welfare expenditures
- \$(10,000) decrease in education
- \$(30,700) decrease in parks, recreation and cultural
- \$282,347 increase in community development

- \$(72,754) decrease in capital outlays

Of this increase, approximately \$3,140,931 was to be funded from additional state and federal grant sources and the remainder \$808,279 from various other sources. The remaining funds were budgeted from available fund balance. During the year, however, primary government revenues exceeded budgetary estimates by \$6,162,211 and primary government expenditures were more than budgetary estimates by \$4,262,388, thus eliminating the need to draw upon existing fund balances.

Capital Asset and Debt Administration

Capital assets – The county’s investment in capital assets for its governmental funds as of June 30, 2003 amounts to \$ 33,017,984 (net of accumulated depreciation). This investment in capital assets land, buildings and improvements, and machinery and equipment. The total increase in the County’s investment in capital assets for the current fiscal year was \$ 136,400.

<u>County of Wise, Virginia’s Change in Net Assets</u>	
	<u>Governmental Activities</u>
	<u>2003</u>
Land	\$ 14,675,000
Buildings	27,199,616
Equipment	<u>5,607,129</u>
Total	47,481,475
Less: accumulated depreciation	<u>(14,463,761)</u>
Net capital assets	<u>\$ 33,017,984</u>

Additional information on the County’s capital assets can be found in Note 18.

Long-term debt - At the end of the current fiscal year, the County had total primary government long-term debt outstanding of \$ 15,323,176, including claims, judgements, and compensated absences of \$624,031. Of this amount \$ 14,699,145 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County’s total primary government debt decreased by \$ 1,935,211.

Additional information on the County of Wise, Virginia’s long-term debt can be found in Note 7 of this report.

Economic Factors

- The October 2003 unemployment rate for the County is 4.6 percent, which is a decrease from a rate of 5.0 percent in October 2002. This exceeds the state's average unemployment rate of 3.4 percent by 1.2 percent while the rate compares favorably with the national average rate of 5.6 percent for October 2003.

All of these factors were considered in preparing the County's budget for the 2003 fiscal year.

Budget and Rates

The approved budget is \$39,980,231 for fiscal year 2003-2004. The appropriate tax rates for the 2003-2004 year are as follows: .48 per \$100 value for real estate, mobile home taxes, and public utilities real estate, 1.15 per \$100 value for personal property, machinery and tools, and public service personal property, and 2.85 per \$100 value for merchants capital.

Acknowledgements

This financial report is designed to provide a general overview of the County of Wise, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mr. Edward Sealoover, County Administrator, Wise, Virginia 24293.

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 2080 WISE, VIRGINIA 24293-2080
TELEPHONE (276) 328-9593 FAX (276) 328-2131
email: ldscpa@bellatlantic.net

MEMBER
VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2003

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

Supervisors:

I have audited the basic financial statements of the County of Wise, Virginia as of and for the year ended June 30, 2003, and have issued my report thereon dated November 21, 2003. I conducted my audit in accordance with the Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia, and 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 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, 2003
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 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 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. However, I noted other matters involving the internal control over financial reporting that I have reported to management of County of Wise, Virginia, in a separate letter dated November 21, 2003.

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.



Larry D. Sturgill
Certified Public Accountant

LARRY D. STURGILL, P. C.

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 2080 WISE, VIRGINIA 24293-2080
TELEPHONE (276) 328-9593 FAX (276) 328-2131

MEMBER
VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

email: ldscpa@bellatlantic.net

**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, 2003

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, 2003. 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, 2003
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, 2003.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. 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.



Larry D. Sturgill
Certified Public Accountant

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF WISE, VIRGINIA
STATEMENT OF NET ASSETS
JUNE 30, 2003

EXHIBIT I

ASSETS	GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL ACTIVITIES
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUE	
CURRENT ASSETS			
Cash	\$ 1,043,121	\$ 409,912	1,453,033
Petty Cash	7,800	-	7,800
Investments	2,956,166	2,831,683	5,787,849
Reserved Deposits	-	-	-
Bond Insurance Costs	-	-	-
Receivable (Net Of Allowances For Uncollectibles):			
Property Taxes	633,399	-	633,399
Accounts	185,517	-	185,517
Mineral Taxes	404,362	326,331	730,693
Due From Other Governmental Units	486,642	-	486,642
Due From Other Funds	453,458	395,752	849,210
TOTAL CURRENT ASSETS	6,170,465	3,963,678	10,134,143
NONCURRENT ASSETS			
Capital Assets:			
Land	14,675,000	-	14,675,000
Buildings and equipment, net of depreciation	18,342,984	-	18,342,984
TOTAL NONCURRENT ASSETS	33,017,984	-	33,017,984
	\$ 39,188,449	\$ 3,963,678	43,152,127
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 438,028	\$ 202,794	640,822
Due To Other Funds	374,752	42,821	417,573
Due To Other Governmental Units	-	214,507	214,507
Due To Customers - Deposits	-	-	-
Deferred Revenues - Taxes	1,057,193	-	1,057,193
Accrued Interest Payable	7,130	-	7,130
Claims, Judgments & Compensated Absences	580,190	-	580,190
Current Portion of Long-Term Obligations	1,280,462	-	1,280,462
TOTAL CURRENT LIABILITIES	3,737,755	460,122	4,197,877
NONCURRENT LIABILITIES			
Landfill Closure Cost Liability	-	-	-
Noncurrent Portion of Long-Term Obligations	11,497,479	-	11,497,479
TOTAL NONCURRENT LIABILITIES	11,497,479	-	11,497,479
	\$ 15,235,234	\$ 460,122	15,695,356
NET ASSETS			
Investment In Capital Assets, net of related debt	\$ 20,641,197	\$ -	20,641,197
Contributed Capital	-	-	-
Restricted for:			
Cash-Debt Service	-	-	-
Landfil Closure	-	-	-
Restricted Assets	1,180,001	3,503,556	4,683,557
Unrestricted Assets	2,132,017	-	2,132,017
TOTAL NET ASSETS	\$ 23,953,215	\$ 3,503,556	27,456,771
TOTAL LIABILITIES & NET ASSETS	\$ 39,188,449	\$ 3,963,678	43,152,127

The accompanying notes to financial statements are an integral part of this statement.

BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS	
		SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
\$ 41,668	\$ 1,494,701	\$ 1,108,742	\$ 1,636,572
-	7,800	200	500
53,125	5,840,974	1,586,130	351,680
1,235,444	1,235,444	-	613,295
33,527	33,527	-	-
-	633,399	-	-
27,192	212,709	69,136	164,659
-	730,693	-	-
-	486,642	2,725,834	-
2,318	851,528	-	-
1,393,274	11,527,417	5,490,042	2,766,706
-	14,675,000	1,314,293	-
6,560,519	24,903,503	19,748,283	16,811,977
6,560,519	39,578,503	21,062,576	16,811,977
\$ 7,953,793	\$ 51,105,920	\$ 26,552,618	\$ 19,578,683
\$ 25,563	\$ 666,385	\$ 249,566	\$ 152,250
233,898	651,471	-	2,318
-	214,507	-	-
-	-	-	294,245
-	1,057,193	-	-
-	7,130	-	-
43,841	624,031	1,826,218	16,168
855,396	2,135,858	-	57,873
1,158,698	5,356,575	2,075,784	522,854
3,548,989	3,548,989	-	-
1,065,808	12,563,287	-	1,608,478
4,614,797	16,112,276	-	1,608,478
\$ 5,773,495	\$ 21,468,851	\$ 2,075,784	\$ 2,131,332
\$ 5,006,177	\$ 20,641,197	\$ 21,794,691	\$ 15,359,154
13,500	13,500	-	-
1,221,944	1,221,944	-	613,295
-	4,683,557	-	-
(4,061,323)	(1,929,306)	2,682,143	1,474,902
\$ 2,180,298	\$ 29,637,069	\$ 24,476,834	\$ 17,447,351
\$ 7,953,793	\$ 51,105,920	\$ 26,552,618	\$ 19,578,683

The accompanying notes to financial statements are an integral part of this statement.

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS and CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT:				
Governmental Activities				
General Government Administration	\$ 2,306,294	\$ -	\$ 428,491	\$ (1,877,803)
Judicial Administration	1,638,870	49,127	639,396	(950,347)
Public Safety	5,789,693	86,078	3,461,113	(2,242,502)
Public Works	1,214,789	-	4,438	(1,210,351)
Health & Welfare	10,180,245	121,026	8,569,940	(1,489,279)
Education	1,468,561	-	-	(1,468,561)
Parks, Recreation & Cultural	738,588	-	5,000	(733,588)
Community Development	4,275,260	-	1,756,226	(2,519,034)
Interest & Fiscal Charges	15,264	-	-	(15,264)
Total Governmental Activities	<u>\$ 27,627,564</u>	<u>\$ 256,231</u>	<u>\$ 14,864,604</u>	<u>\$ (12,506,729)</u>
Business-Type Activities				
Landfill	2,405,536	947,641	42,862	
Sewer	110,551	30,537	-	
Total Business-Type Activities	<u>2,516,087</u>	<u>978,178</u>	<u>42,862</u>	
Total Primary Government	<u>\$ 30,143,651</u>	<u>\$ 1,234,409</u>	<u>\$ 14,907,466</u>	
COMPONENT UNITS:				
School Board	52,824,835	916,442	40,982,100	
Public Service Authority	2,055,568	1,569,839	1,602,247	
Total Component Units	<u>\$ 54,880,403</u>	<u>\$ 2,486,281</u>	<u>\$ 42,584,347</u>	
General Revenues				
Taxes:				
Property Taxes, levied for general purposes				\$ 13,232,892
Utility Taxes				935,277
Mineral Taxes				3,811,777
Franchise Taxes				351,399
Local Sales & Use Taxes				2,345,713
Other Local Taxes				3,408,718
Grants and Contributions, not restricted to specific programs				1,805,085
Investment Income				187,126
Miscellaneous				730,972
Operating Transfers				(12,941,145)
Total General Revenue				<u>\$ 13,867,814</u>
Change in Net Assets				\$ 1,361,085
Net Assets, July 01, 2002				26,095,686
Net Assets, June 30, 2003				<u>\$ 27,456,771</u>

The accompanying notes to financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE
AND CHANGES IN NET ASSETS

BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT GOVERNMENTAL AND BUSINESS - TYPE ACTIVITIES	COMPONENT UNITS	
		SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
	\$ (1,877,803.0)		
	(950,347)		
	(2,242,502)		
	(1,210,351)		
	(1,489,279)		
	(1,468,561)		
	(733,588)		
	(2,519,034)		
	(15,264)		
	<u>\$ (12,506,729)</u>		
\$ (1,415,033)	\$ (1,415,033)		
(80,014)	(80,014)		
<u>(1,495,047)</u>	<u>(1,495,047)</u>		
	\$ (14,001,776)		
		(10,926,293)	
			<u>1,116,518</u>
\$	\$ 13,232,892	\$	\$
	935,277		
	3,811,777		
	351,399		
	2,345,713		
	3,408,718		
	1,805,085		
18,798	205,924	45,791	28,784
	730,972	427,084	79,806
1,861,709	(11,079,436)	11,079,436	-
<u>\$ 1,880,507</u>	<u>\$ 15,748,321</u>	<u>\$ 11,552,311</u>	<u>\$ 108,590</u>
\$ 385,460	\$ 1,746,545	\$ 626,018	\$ 1,225,108
(3,190,339)	22,905,347	23,850,816	16,222,243
<u>\$ (2,804,879)</u>	<u>\$ 24,651,892</u>	<u>\$ 24,476,834</u>	<u>\$ 17,447,351</u>

The accompanying notes to financial statements are an integral part of this statement.



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FUND FINANCIAL STATEMENTS

COUNTY OF WISE, VIRGINIA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2003

EXHIBIT 3

	PRIMARY GOVERNMENT		
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 4,007,087	\$ 3,241,595	\$ 7,248,682
Receivables (Net of allowances for uncollectibles):			
Taxes, including penalties	1,037,761.00	326,331	1,364,092.00
Accounts	185,517.00	0	185,517.00
Due from Component Unit	2,558,333.00	0	2,558,333.00
Due from Other Funds	453,458.00	395,752.00	849,210.00
Due from Other Governmental Units	486,642.00	0	486,642.00
TOTAL ASSETS	\$ 8,728,798	\$ 3,963,678	\$ 12,692,476
LIABILITIES			
Accounts Payable	\$ 438,028	\$ 202,794	\$ 640,822
Due to Other Funds	374,752	42,821	417,573
Due to Other Governmental Units	0	214,507	214,507
Deferred Revenue	1,599,195	0	1,599,195
TOTAL LIABILITIES	\$ 2,411,975	\$ 460,122	\$ 2,872,097
FUND BALANCES			
Reserved	1,180,001	3,503,556	4,683,557
Unreserved	5,136,822	0	5,136,822
TOTAL FUND BALANCES	\$ 6,316,823	\$ 3,503,556	\$ 9,820,379
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,728,798	\$ 3,963,678	\$ 12,692,476

Detailed explanation of adjustments from fund statements to government-wise statements of net assets:

Unreserved Fund Balance June 30, 2003 \$ 9,820,379

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole. 33,017,984

Adjustment for amounts due to/due from primary government (2,558,333)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (7,130)

Because of focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance. 542,002

Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets. (13,358,131)

Net assets of General Government Activities \$ 27,456,771

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 4

PRIMARY GOVERNMENT			
	GENERAL	SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
General Property Taxes	12,690,890	-	\$ 12,690,890
Other Local Taxes	7,667,093	3,185,791	10,852,884
Permits, Privilege Fees & Regulatory Licenses	102,136	-	102,136
Fines & Forfeitures	28,675	-	28,675
Revenues From Use Of Money & Property	155,307	31,819	187,126
Charges For Services	154,350	101,881	256,231
Miscellaneous	58,647	48,192	106,839
Recovered Costs	493,322	-	493,322
Intergovernmental	15,321,246	1,348,443	16,669,689
TOTAL REVENUES	\$ 36,671,666	\$ 4,716,126	\$ 41,387,792
EXPENDITURES:			
Current:			
General Government Administration	\$ 2,036,632	\$ 200	\$ 2,036,832
Judicial Administration	1,624,682	9,867	1,634,549
Public Safety	5,319,794	427,433	5,747,227
Public Works	370,264	690,670	1,060,934
Health & Welfare	10,121,069	-	10,121,069
Education	97,836	-	97,836
Parks, Recreation & Cultural	696,222	-	696,222
Community Development	980,964	3,158,010	4,138,974
Capital Projects	123,836	-	123,836
Debt Service:			
Principal Retirement	96,324	-	96,324
Interest & Fiscal Charges	15,264	-	15,264
TOTAL EXPENDITURES	\$ 21,482,887	\$ 4,286,180	25,769,067
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 15,188,779	\$ 429,946	15,618,725
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 17,409	\$ 10,375	\$ 27,784
Operating Transfers Out	(14,203,355)	(10,175)	(14,213,530)
Proceeds from Debt	110,102	-	110,102
TOTAL OTHER FINANCING SOURCES (USES)	\$ (14,075,844)	\$ 200	\$ (14,075,644)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCE OVER EXPENDITURES & OTHER USES	\$ 1,112,935	\$ 430,146	\$ 1,543,081
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	5,203,888	3,073,410	8,277,298
FUND BALANCE AT END OF YEAR	\$ 6,316,823	\$ 3,503,556	\$ 9,820,379

The accompanying notes to financial statements are an integral part of this statement.

County of Wise, Virginia
 Reconciliation of Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2003

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 1,543,081
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.	(710,220)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	542,002
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(13,778)</u>
Change in net assets of governmental activities	<u>\$ 1,361,085</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN RETAINED EARNINGS - PROPRIETARY FUNDS
 ENTERPRISE FUNDS - BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 6

OPERATING REVENUES:		
Landfill Usable Fees	\$	801,502
Sewer Rents		30,537
Tipping Fees		31,859
Other Revenues		<u>108,280</u>
TOTAL OPERATING REVENUES	\$	972,178
OPERATING EXPENSES:		
Other Operating Charges		1,798,750
Landfill Closure Expense		242,942
Depreciation		<u>354,500</u>
TOTAL OPERATING EXPENSES		<u>2,396,192</u>
NET OPERATING INCOME (LOSS)	\$	(1,424,014)
NON-OPERATING REVENUE AND EXPENSE		
Grant Receipts	\$	27,862
Interest Revenue		18,798
Interest Expense		<u>(119,895)</u>
TOTAL NON-OPERATING REVENUE AND EXPENSE		<u>(73,235)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$	(1,497,249)
OPERATING TRANSFERS IN		<u>1,861,709</u>
NET INCOME (LOSS)	\$	364,460
RETAINED EARNINGS AT BEGINNING OF YEAR		<u>(3,190,339)</u>
RETAINED EARNINGS AT END OF YEAR	\$	<u>(2,825,879)</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 7

Cash Flow From Operating Activities:		
Cash Received from Customers	\$ 961,106	
Cash Payments to Suppliers for Goods & Services	<u>(1,784,694)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (823,588)
Cash Flow from Noncapital Financing Activities:		
Operating Transfers From Other Funds	\$ 1,861,709	
Decrease in Due From Other Funds	<u>92,610</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		1,954,319
Cash Flows from Capital & Related Financing Activities:		
Principal Paid on Revenue Bond Maturities	\$ (797,601)	
Interest Paid on Debt Obligations	(119,895)	
Principal Paid on General Obligation Loans	(91,363)	
Proceeds from Issuance of Debt	<u>-</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		(1,008,859)
Cash Flows from Investing Activities:		
Sinking Fund Deposits	(313,639)	
Interest Earned on Investments	18,798	
Increase in Construction in Progress	(52,893)	
Sale of Investments	123,825	
Purchase of Equipment	<u>42,862</u>	
NET CASH PROVIDED FORM INVESTING ACTIVITIES		<u>(181,047)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS		\$ (59,175)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>100,843</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		\$ 41,668
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income		\$ (1,418,014)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 354,500	
Decrease in Accounts Receivable	(17,072)	
Increase in Closure Cost Liability	242,942	
Increase (Decrease) in Accrued Compensation	(319)	
Increase in Accounts Payable	<u>14,375</u>	
TOTAL ADJUSTMENTS		<u>594,426</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ (823,588)</u>

COUNTY OF WISE, VIRGINIA
 STATEMENT OF FIDUCIARY NET ASSETS
 AT JUNE 30, 2003

EXHIBIT 8

<u>ASSETS</u>	<u>AGENCY FUNDS</u>
Cash	\$ 106,986
Due From Other Governmental Units	237,739
TOTAL ASSETS	<u>\$ 344,725</u>

LIABILITIES & FUND BALANCE

LIABILITIES:	
Due To:	
Social Service Clients	\$ 85,089
Governmental Units	61,897
Due To Other Funds	197,739
TOTAL LIABILITIES	<u>\$ 344,725</u>
FUND BALANCE:	
Unrestricted	\$ -
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 344,725</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wise, Virginia is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection; sanitation services; recreational activities, cultural events, education, social services.

The financial statements of the County of Wise, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB). The more significant of the government's accounting policies are described below.

Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement, known as the "Reporting Model" statement, affects the way the County prepares and presents financial information.

GASB Statement No. 34 establishes new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis – GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for

support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

Statement of Net Assets – The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets and will report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net assets of a government will be broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities – The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government’s functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules – Demonstrating compliance with the adopted budget is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government’s original budget to the current comparison of final budget and actual results.

A. The Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit’s reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organizations governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Wise, Virginia (the

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

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 projects.

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. Measurement Focus, Basis of Accounting, Financial Statement Presentation

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board (GASB). The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

The government-wide statement of activities reflect both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The government reports the following major governmental funds.

- (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

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

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.

(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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

(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. 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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

- (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.

E. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Plant, Equipment and System	35 – 50 Years
Motor Vehicles	5 – 10 Years
Equipment	2 – 15 Years

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 (Continued)

F. 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 \$719,814 at June 30, 2003.

G. 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.

H. 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.

NOTE 2: CASH AND INVESTMENTS

Deposits: At year-end the carrying value of the County's deposits with banks and savings and loans was \$1,386,815, and the bank balance was \$1,494,701. Of the bank balance, \$1,494,701 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 on uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 2003.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$2,709,624 and the bank balance was \$1,108,742. Of the bank balance, \$1,108,742 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, 2003.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 2 (Continued)

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.

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 3,360,000	\$ -	\$ -	\$ 3,360,000	\$ 3,360,000
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 2,480,974	\$ 2,480,974
Total Investments				\$ 5,840,974	\$ 5,840,974
Total Deposits				1,494,701	
Total Reserved Deposits				13,500	
 Total Deposits and Investments				 \$ 7,349,175	

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 2 (Continued)

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

Certificates of Deposit	Category			Carrying Amount	Market Value
	1	2	3		
	\$ 1,035,000	\$ -	\$ -	\$ 1,035,000	\$ 1,035,000
Total				\$ 1,035,000	\$ 1,035,000
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 551,130	\$ 551,130
Total Investments				\$ 1,586,130	\$ 1,586,130
Total Deposits				\$ 1,108,742	
Total Deposits and Investments				\$ 2,694,872	

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.

At year-end the carrying value of the Wise County Public Service Authority's deposits with banks and savings and loans was \$2,016,383 and the bank balance was \$2,011,288. Of the bank balance, \$2,011,288 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 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, 2003.

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).

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 2 (Continued)

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	\$ 590,259	\$ -	\$ -	\$ 590,259	\$ 580,658
Total Investments				\$ 590,259	\$ 580,658
Total Deposits				\$ 2,011,288	
Total Deposits and Investments				\$ 2,601,547	

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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 4: DUE FROM OTHER GOVERNMENTAL UNITS

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GENERAL FUND	FIDUCIARY FUND	ENTERPRISE FUND	SCHOOL BOARD
Local Governmental Units:				
Towns	\$ 182,341	\$ -	\$ -	\$ -
School Boards	-	-	-	220,156
TOTAL LOCAL	\$ 182,341	\$ -	\$ -	\$ 220,156
Commonwealth of Virginia:				
Tax on Wills	\$ 1,433	\$ -	\$ -	\$ -
Shared Expenses	302,868	-	-	-
Local Sales Taxes	-	237,739	-	-
State Sales Taxes	-	-	-	371,926
School Funds	-	-	-	128,241
TOTAL STATE	\$ 304,301	\$ 237,739	\$ -	\$ 500,167
Federal Government:				
School Funds	\$ -	\$ -	\$ -	\$ 2,005,511
TOTAL FEDERAL	\$ -	\$ -	\$ -	\$ 2,005,511
TOTAL DUE	\$ 486,642	\$ 237,739	\$ -	\$ 2,725,834

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 5: INTERFUND OBLIGATIONS

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 3,011,791	\$ 374,752
Enterprise Funds	2,318	233,898
School Fund	-	2,558,333
Local Sales Tax Fund	-	197,739
Community Development Fund	-	42,821
Information Technology Fund	21,000	-
Coal Road Improvement	374,752	-
Public Service Authority	-	2,318
	<hr/>	<hr/>
TOTALS	\$ 3,409,861	\$ 3,409,861
	<hr/>	<hr/>

NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS

	<u>SPECIAL REVENUE</u>	<u>FIDUCIARY</u>
Appalachia	\$ 28,637	\$ 5,505
Big Stone Gap	36,252	14,254
Coeburn	29,816	5,888
Pound	25,848	3,542
St. Paul	25,634	2,578
Wise	33,034	8,233
Norton	35,286	-
Others	-	21,897
	<hr/>	<hr/>
TOTALS	\$ 214,507	\$ 61,897
	<hr/>	<hr/>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7: LONG-TERM DEBT

PRIMARY GOVERNMENT

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

YEAR ENDING JUNE 30,	GENERAL LONG-TERM FINANCING LOANS		ENTERPRISE FUNDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2004	\$ 335,857	\$ 5,538	\$ 855,396	\$ 81,695
2005	36,943	1,279	872,601	42,250
2006	28,354	313	27,601	-
2007	-	-	27,601	-
2008	-	-	27,601	-
2009	-	-	27,601	-
2010	-	-	27,601	-
2011	-	-	27,601	-
2012	-	-	27,601	-
TOTALS	\$ 401,154	\$ 7,130	\$ 1,921,204	\$ 123,945

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

DEBT ACQUIRED FOR SCHOOL PURPOSES:

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
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
TOTALS	\$ 355,000	\$ 98,698	\$ 12,021,787	\$ 2,121,853

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

Changes in Long-term Debt:

The following is a summary of long-term obligations of the County for the year ended June 30, 2003, as categorized below:

	Amounts Payable at			Amounts Payable at June 30, 2003
	July 1, 2002	Increases	Decreases	
General Long-Term Debt:				
General Long-Term				
Financing Loans	\$ 387,375	\$ 110,102	\$ 96,323	\$ 401,154
Debt Acquired for School Purposes:				
General Obligations Bonds	\$ 415,000	\$ -	\$ 60,000	\$ 355,000
State Literary Loans	\$ 12,911,392	\$ -	\$ 889,605	\$ 12,021,787
TOAL LOANS AND BONDS	<u>\$ 13,713,767</u>	<u>\$ 110,102</u>	<u>\$ 1,045,928</u>	<u>\$ 12,777,941</u>
Claims, Judgments and				
Compensated Absences	565,099	15,091	-	580,190
TOTAL GENERAL LONG-TERM DEBT ACCOUNT GROUP	<u>\$ 14,278,866</u>	<u>\$ 125,193</u>	<u>\$ 1,045,928</u>	<u>\$ 13,358,131</u>
Enterprise Fund:				
VRA Revenue Bonds	\$ 2,696,011	\$ -	\$ 797,601	\$ 1,898,410
General Long-Term Financing Loans	114,157	-	91,363	\$ 22,794
Claims, Judgements and Compensated Absences	44,160	-	319	43,841
TOTAL ENTERPRISE FUND	<u>\$ 2,854,328</u>	<u>\$ -</u>	<u>\$ 889,283</u>	<u>\$ 1,965,045</u>
TOTAL PRIMARY GOVERNMENT DEBT	<u><u>\$ 17,133,194</u></u>	<u><u>\$ 125,193</u></u>	<u><u>\$ 1,935,211</u></u>	<u><u>\$ 15,323,176</u></u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

<u>DETAILS OF LONG-TERM INDEBTEDNESS</u>	<u>AMOUNT OUTSTANDING</u>
<u>General Long-Term Debt Account Group:</u>	
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.	\$ 302,838
Loan payable to Suntrust Bank issued March 13, 2003, due in monthly installments of \$3,185.17; interest payable at 2.64% annually.	\$ 98,316
TOTAL GENERAL LONG-TERM FINANCING LOANS	\$ 401,154

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%.	\$ 355,000
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Total General Obligation Bonds	\$ 355,000
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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%.	\$ 16,700
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\$250,000 State Literary Fund loan issued February 15, 1974, due in annual installments of \$8,350 through 2004; interest payable annually at 3%.	8,350
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COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

\$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%.	300,000
\$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%.	65,025
\$160,625 State Literary Fund loan issued February 15, 1986, due in annual installments of \$8,035 through 2006; interest payable annually at 3%.	24,105
\$298,255 State Literary Fund loan issued December 1, 1986, due in annual installments of \$14,920 through 2006; interest payable annually at 3%.	59,680
\$231,818 State Literary Fund loan issued December 1, 1986, due in annual installments of \$11,418 through 2006; interest payable annually at 3%.	46,400
\$700,000 State Literary Fund loan issued December 15, 1976, due in annual installments of \$23,325 through 2007; interest payable annually at 3%.	93,300
\$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%.	900,000
\$3,700,000 State Literary Fund loan issued March 01, 2001, due in annual installments of \$185,000 through 2021; interest payable at 2%.	3,330,000
\$2,978,227 State Literary Fund loan issued December 15, 2000, due in annual installments of \$150,000 through 2021; interest payable at 2%.	2,678,227
\$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>4,500,000</u>
TOTAL STATE LITERARY FUND LOANS	<u>\$ 12,021,787</u>
TOTAL GENERAL LONG-TERM OBLIGATION DEBT AQUIRED FOR SCHOOL PURPOSES	<u>\$ 12,376,787</u>
TOTAL COMPENSATED ABSENCES – GENERAL FUND	<u>580,190</u>
TOTAL GENERAL LONG-TERM OBLIGATION DEBT	<u>\$13,358,131</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (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%. \$ 248,410

\$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%. 1,650,000

TOTAL VRA REVENUE BONDS \$ 1,898,410

General Long-Term Financing:

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. 22,794

TOTAL GENERAL LONG-TERM FINANCING \$ 22,794

TOTAL COMPENSATED ABSENCES 43,841

TOTAL ENTERPRISE FUND LONG-TERM DEBT \$ 1,965,045

TOTAL PRIMARY GOVERNMENT DEBT \$15,323,176

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 7 (Continued)

**GENERAL LONG-TERM OBLIGATION DEBT
 COMPONENT UNIT – SCHOOL BOARD**

TOTAL COMPENSATED ABSENCES AND EARLY
 RETIREMENT PLAN PAYABLE \$ 1,826,218

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, 2003:

	Amounts Payable at July 1, 2002	Increases	Decreases	Amounts Payable at June 30, 2003
General Long-Term Debt:				
Claims, Judgments and Compensated Absences Payable	836,770	989,448	-	1,826,218
TOTAL GENERAL LONG-TERM DEBT ACCOUNT GROUP COMPONENT UNIT - SCHOOL BOARD	\$ 836,770	\$ 989,448	\$ -	\$ 1,826,218

**TOTAL GENERAL LONG-TERM OBLIGATION DEBT
 COMPONENT UNIT – SCHOOL BOARD** **\$ 1,826,218**

COMPONENT UNIT-WISE COUNTY PUBLIC SERVICE AUTHORITY

BONDS & NOTES OUTSTANDING

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

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 7 (Continued)

PERIOD ENDED JUNE 30,	LONG-TERM BONDS & NOTES	
	PRINCIPAL	INTEREST
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>	<u>\$ 1,000,831</u>	<u>\$ 784,146</u>
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	5,111	-
TOTALS	<u><u>\$ 1,666,351</u></u>	<u><u>\$ 960,564</u></u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

Changes in Bonds & Notes Outstanding

The following is a summary of long-term debt transactions of the Authority for the year ended June 30, 2003:

Debt Payable at July 1, 2002 as Previously Reported	\$ 1,725,330
Retirements:	
Virginia Resources Authority Bonds	15,631
Farmer's Home Administration Bond	<u>43,348</u>
 Bond/Loans Payable at June 30, 2003	 <u>\$ 1,666,351</u>

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.	\$ 117,434
\$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.	14,444
\$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.	222,227
\$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.	141,821
\$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.	335,244
\$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>389,701</u>
TOTAL FARMERS HOME ADMINISTRATION BONDS	<u>1,220,871</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 7 (Continued)

\$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%.	\$102,530
\$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>342,950</u>
TOTAL WATER AND SEWER REVENUE BONDS	<u>445,480</u>

TOTAL BONDS & NOTES INDEBTEDNESS

COMPONENT UNIT – WISE COUNTY PUBLIC SERVICE AUTHORITY **\$ 1,666,351**

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. County employees can receive 25% of sick leave upon separation not to exceed 25 unused sick days. At June 30, 2003 the value of accrued vacation pay, for the primary government was \$624,031.

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, 2003, accrued liability under this plan amounted to \$1,609,211. 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 \$137,799 and non-professional employees was \$79,208. The total value of these liabilities, including the early retirement option plan, for the Component Unit - School Board was \$1,826,218.

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, 2003 the value of accrued vacation pay was \$16,168.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

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 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 2003 was 6.00% 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 2003, 2002 and 2001 amounted to \$2,279,530, \$2,156,828, and \$3,235,227, respectively, and represented, 8.77%, 12.54%, and 14.04%, respectively.

C. Annual Pension Cost

For 2003, County of Wise (including the Wise County Public Service Authority) and the School Board's Non-Professional Employees annual pension cost of \$502,454 and \$122,297, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. This actuarial

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 9 (Continued)

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 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>
Wise County	June 30, 2003	\$502,454	100%	\$0
	June 30, 2002	\$519,827	100%	\$0
	June 30, 2001	\$647,584	100%	\$0
Wise County Schools	June 30, 2003	\$122,297	100%	\$0
	June 30, 2002	\$135,167	100%	\$0
	June 30, 2001	\$140,803	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 \$1,599,195 is comprised of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures in the amount of \$542,002 and collection of 2003 taxes not due until October 15, 2003 in the amount of \$1,057,193.

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

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 11 (Continued)

result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

NOTE 12: FUND BALANCE AND RETAINED EARNINGS

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

Enterprise Fund:

Retained Earnings, as of June 30, 2002 (As previously stated)	\$(2,982,625)
Adjustment for restatement of Accounts Receivable for landfill fees. The County's Fee Ordinance was declared unconstitutional by the State Supreme Court during the current year. The receivable amount remaining was written off as they were uncollectible.	<u>(207,714)</u>
Retained Earnings, as of June 30, 2002 (As restated)	<u>\$ (3,190,339)</u>

Special Revenue Fund:

<u>Sheriff Drug Seizure & Forfeiture and Commission Fund:</u>	
Fund Balance, as of June 30, 2002 (As previously stated)	\$ 52,691
Adjustment for unrecorded liability in the Raid Funds	<u>(3225)</u>
Fund Balance, as of June 30, 2002 (As restated)	<u>\$ 49,466</u>

NOTE 13: SURETY BONDS

	<u>Amount</u>
<u>Fidelity & Deposit Company Of Maryland - Surety</u>	
Jack Kennedy, Clerk of the Circuit Court	\$ 25,000
Rita Holbrook, Treasurer	500,000
Douglas Mullins, Jr., Commissioner of the Revenue	3,000
Ronnie D. Oakes, Sheriff	30,000
All Constitutional Officer's Employees: Blanket Bond	50,000
<u>United States Fidelity and Guaranty Company Surety:</u>	
Michael G. Basham, Superintendent of Schools	10,000
<u>Fidelity and Deposit Company of Maryland Surety:</u>	
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

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 13 (Continued)

Director, Summer Youth Employment	100,000
Bookkeeper, Summer Youth Employment	100,000
All Social Services Employees: Blanket Bond	100,000
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, 2003, the County's legal counsel informed us that there are three cases pending against the County. These cases are as follows:

Cumberland Equipment Corporation v. County of Wise, Virginia, Wise County Circuit Court: This case is a suit for reassessment of machinery and tools tax. This case is in the process of being negotiated and/or set for hearing. The potential for loss due to an unfavorable ruling is a reduction in tax revenue for the subject machinery and tools. Any reduction in revenue would be nominal.

Ada Boyd v. Edward Sealover, United States District Court for the Western District of Virginia, Big Stone Gap Division: This case is a suit against the County Administrator alleging unlawful prosecution in the collection of landfill use fees. This case has been accepted and is being defended by Virginia Division of Risk Management. A Motion to Dismiss, Pleas of Qualified Immunity and Motion to abstain has been filed with the Court and is pending. The suit requests judgment against the defendant in the amount of \$200,000.

Indian Creek Monument Sales, Inc., Johnson Enterprise and Electric, Robo's Drive In and Roy Green Funeral Home v. Bob Adkins, Betty Cornett, Robbie Robbins, Virginia Meador, Edgar Mullins, Barry Nelson, Doug Stallard and Jeff Salyers, United States District Court, Western District of Virginia, Big Stone Gap Division: This case is a class action suit challenging the County's collection of the landfill use fee since February 2001. The use fee was determined unconstitutional by the Supreme Court of Virginia on September 12, 2003. The County has filed a Motion to Dismiss which is pending. The potential for loss could be substantial, possibly in excess of \$1,000,000 should the suit be allowed to proceed in Federal Court as a class action suit.

Legal counsel informed us that there are no unasserted possible claims that are probable of assertion and must be disclosed in accordance with Statement of financial Accounting Standards No.5.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

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, 2003 amounted to \$119,895.

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, 2003 amounted to \$70,662.

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.

NOTE 17: PROPRIETARY FIXED ASSETS

A summary of proprietary fund property, plant and equipment at June 30, 2003 follows:

	VRA Landfill Enterprise	Riverview Sewer Project Fund	Total
Improvements Other			
Than Buildings	\$ 6,722,512	\$ 549,300	\$ 7,271,812
Equipment	1,023,934	-	1,023,934
Less: Accumulated Depreciation	(1,584,169)	(151,058)	(1,735,227)
TOTAL, NET	<u>\$ 6,162,277</u>	<u>\$ 398,242</u>	<u>\$ 6,560,519</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 18: GENERAL FIXED ASSETS

Primary Government:

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

Land	\$	14,675,000
Buildings		27,199,616
Equipment & Vehicles		5,607,129
TOTAL	\$	47,481,745
Less: Accumulated Depreciation		(14,463,761)
TOTAL - General Fixed Assets	\$	33,017,984
Primary Government		

Component Unit - School Board:

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

Land	\$	1,314,293
Buildings & Improvements		39,539,926
Equipment & Vehicles		5,879,197
Less: Accumulated Depreciation		(25,670,840)
TOTAL GENERAL FIXED ASSETS		
COMPONENT UNIT - SCHOOL BOARD	\$	21,062,576

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

Primary Government:

	July 1, 2002	Additions	Deletions	June 30, 2003
Land	\$ 14,675,000	\$ -	\$ -	\$ 14,675,000
Buildings	28,149,421	-	949,805	27,199,616
Equipment & Vehicles	5,470,729	136,400	-	5,607,129
TOTAL	\$ 48,295,150	\$ 136,400	\$ 949,805	\$ 47,481,745

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 18 (Continued)

Component Unit School Board:

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
Land	\$ 1,314,293	\$ -	\$ -	\$ 1,314,293
Buildings & Improvements	38,590,121	949,805	-	39,539,926
Equipment & Vehicles	5,699,308	179,889	-	5,879,197
TOTAL	\$ 45,603,722	\$ 1,129,694	\$ -	\$ 46,733,416

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, 2003 utility plant in service consisted of the following:

	<u>TOTAL</u>
Land	\$ 45,000
Construction in Progress	244,130
Utility Plant	20,905,416
Equipment	266,687
Automobiles	164,194
Office Furniture & Equipment	92,135
Plant Building	28,041
SUB-TOTAL PLANT & EQUIPMENT	\$ 21,745,603
Less: Accumulated Depreciation	(4,933,626)
NET	\$ 16,811,977

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 18 (Continued)

Changes in utility plant and equipment as of June 30, 2003 are as follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Construction in Progress	1,557,577	772,700	2,086,147	244,130
Utility Plant	18,667,597	2,237,819	-	20,905,416
Equipment	273,179	7,446	13,938	266,687
Automobiles	183,513	-	19,319	164,194
Office Furniture and Equipment	128,676	8,459	45,000	92,135
Plant Building	28,041	-	-	28,041
TOTAL	<u>\$ 20,883,583</u>	<u>\$ 3,026,424</u>	<u>\$ 2,164,404</u>	<u>\$ 21,745,603</u>

NOTE 19: FUND BALANCE DEFICIT

The following funds had deficits in the amounts shown at June 30, 2003:

Community Development Fund

A deficit of \$42,821 is reflected in the Community Development Fund. A positive balance of \$114,787 is reflected in the remaining Funds, thus resulting in a net balance of \$71,966.

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.

The total estimated closure and postclosure care costs for the County's landfill operation is \$13,012,962. The accrued liability for these costs reported as of June 30, 2003 is based on the capacity of the landfill used to date. The landfill capacity used as of June 30, 2003 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	\$ 13,012,962
Accrued Liability as of June 30, 2003	<u>3,548,990</u>
 Total Closure and Postclosure Care Costs Remaining to be Recognized	 <u>\$ 9,463,972</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 20 (Continued)

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.

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, 2003, the County has deposited \$1,221,944 into this fund.

NOTE 21: ACCOUNTS RECEIVABLE

Proprietary Fund:

Riverview Sewer Project:

Total Accounts Receivable	\$ 17,132
Less: Allowance For Doubtful Accounts	<u>(8,284)</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 8,848</u>

COMPONENT UNIT - WISE COUNTY PUBLIC SERVICE AUTHORITY

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

	<u>AMOUNT</u>
Accounts Receivable	\$ 216,239
Less: Allowance for Doubtful Accounts	<u>(51,580)</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 164,659</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, 2003 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:

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 22 (Continued)

<u>SOURCE</u>	<u>AMOUNT</u>
Wise County Ind. Development Auth.	\$ 60,850
County of Wise	10,952,705
Town of Wise	38,427
State Department of Health	535,818
Federal Government	7,690,524
Developers	75,725
Others	773,356
SUB-TOTAL	<u>\$ 20,127,405</u>
Less: Accumulated Amortization	4,316,137
NET	<u><u>\$ 15,811,268</u></u>

**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, 2003, the Authority has a balance in the reserve account of \$115,551. The balance of customer deposits held by the Public Service Authority at June 30, 2003 is \$294,245. This amount is restricted and refunded to customers upon termination of their respective water hookup.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 24 (Continued)

Total restricted cash held by the Wise County Public Service Authority at June 30, 2003 is as follows:

FmHA Reserve Account	\$ 115,551
Customer Deposit Account	294,245
Debt Service Account	33,836
Rural Development Account	14,799
Bean Gap/Dotson Creek Project Account	154,864
	<hr/>
TOTAL	<u>\$ 613,295</u>



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PRIMARY GOVERNMENT
GOVERNMENTAL FUNDS

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 9

	GENERAL FUND			
	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE WITH AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
General Property Taxes	\$ 11,532,000	\$ 11,532,000	\$ 12,690,890	\$ 1,158,890
Other Local Taxes	7,306,200	7,306,200	7,667,093	360,893
Permits, Privilege Fees & Regulatory Licenses	61,700	61,700	102,136	40,436
Fines & Forfeitures	102,075	102,075	28,675	(73,400)
Revenues From Use Of Money & Property	277,605	277,605	155,307	(122,298)
Charges For Services	249,500	249,500	154,350	(95,150)
Miscellaneous	84,368	84,368	58,647	(25,721)
Recovered Costs	506,437	506,437	493,322	(13,115)
Intergovernmental	14,797,184	14,797,184	15,321,246	524,062
TOTAL REVENUES	\$ 34,917,069	\$ 34,917,069	\$ 36,671,666	\$ 1,754,597
EXPENDITURES:				
Current:				
General Government Administration	\$ 1,958,493	\$ 2,057,258	\$ 2,036,632	\$ 20,626
Judicial Administration	1,718,264	1,728,925	1,624,682	104,243
Public Safety	4,530,987	5,065,157	5,319,794	(254,637)
Public Works	373,564	371,054	370,264	790
Health & Welfare	6,992,858	10,133,789	10,121,069	12,720
Education	107,836	97,836	97,836	-
Parks, Recreation & Cultural	721,932	691,232	696,222	(4,990)
Community Development	500,017	782,364	980,964	(198,600)
Non-Departmental	256,590	183,836	123,836	60,000
Debt Service:				
Principal Retirement	96,500	96,500	96,324	176
Interest & Fiscal Charges	15,000	15,000	15,264	(264)
TOTAL EXPENDITURES	\$ 17,272,041	\$ 21,222,951	\$ 21,482,887	\$ (259,936)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 17,645,028	\$ 13,694,118	\$ 15,188,779	\$ 1,494,661
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 11,500	\$ 11,500	\$ 17,409	\$ 5,909
Operating Transfers Out	(15,479,061)	(15,126,500)	(14,203,355)	923,145
Proceeds From Issuance Of Debt	-	-	110,102	110,102
Prior Year Appropriations	-	1,420,882	-	(1,420,882)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (15,467,561)	\$ (13,694,118)	\$ (14,075,844)	\$ (381,726)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ 2,177,467	\$ -	\$ 1,112,935	\$ 1,112,935
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	-	-	5,203,888	5,203,888
FUND BALANCE AT END OF YEAR	\$ 2,177,467	\$ -	\$ 6,316,823	\$ 6,316,823

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 10

	<u>TOTAL</u>
CAPITAL ASSETS:	
Land	\$ 14,675,000
Building and Building Improvements	27,199,616
Equipment	<u>5,607,129</u>
Total Capital Assets	<u>\$ 47,481,745</u>
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Proceeds from Indebtedness	\$ 12,012,882
General Fund Revenues	<u>35,468,863</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 47,481,745</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 11

	LAND	BUILDING and BUILDING IMPROVEMENTS	EQUIPMENT	TOTAL
PRIMARY GOVERNMENT:				
General Government Administration	350,000	6,802,100	2,459,660	9,611,760
Judicial Administration	30,000	216,040	113,806	359,846
Public Safety	210,000	1,559,090	577,150	2,346,240
Public Works	10,075,000	877,764	2,448,256	13,401,020
Health & Welfare	275,000	2,958,780	-	3,233,780
Education	-	12,012,882	-	12,012,882
Parks, Recreation & Cultural	235,000	2,150,460	5,780	2,391,240
Community Development	3,500,000	622,500	2,477	4,124,977
	<u>14,675,000</u>	<u>27,199,616</u>	<u>5,607,129</u>	<u>47,481,745</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 12

	CAPITAL ASSETS		ADDITIONS		DELETIONS		CAPITAL ASSETS	
PRIMARY GOVERNMENT:	JULY 1, 2002						JUNE 30, 2003	
General Government Administration	\$	9,611,760.0	\$	-	\$	-	\$	9,611,760.0
Judicial Administration		359,846		-		-		359,846
Public Safety		2,209,840		136,400		-		2,346,240
Public Works		13,401,020		-		-		13,401,020
Health & Welfare		3,233,780		-		-		3,233,780
Education		12,962,687		-		(949,805)		12,012,882
Parks, Recreation & Cultural		2,391,240		-		-		2,391,240
Community Development		4,124,977		-		-		4,124,977
	\$	48,295,150	\$	136,400	\$	(949,805)	\$	47,481,745

The accompanying notes to financial statements are an integral part of this statement.



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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
 COMBINING SCHEDULE OF FIDUCIARY
 NET ASSETS - AGENCY FUNDS
 AT JUNE 30, 2003

EXHIBIT 13

	SPECIAL WELFARE FUND	LOCAL SALES TAX FUND	LONESOME PINE YOUTH SERVICES FUND	TOTALS
ASSETS				
Cash	\$ 85,089	\$ -	\$ 21,897	\$ 106,986
Due From Other Governmental Units	-	237,739	-	237,739
TOTAL ASSETS	\$ 85,089	\$ 237,739	\$ 21,897	\$ 344,725
LIABILITIES & FUND BALANCE				
LIABILITIES:				
Due To:				
Social Service Clients	\$ 85,089	\$ -	\$ -	\$ 85,089
Governmental Units	-	40,000	21,897	61,897
Due To Other Funds	-	197,739	-	197,739
TOTAL LIABILITIES	\$ 85,089	\$ 237,739	\$ 21,897	\$ 344,725

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, 2003

EXHIBIT 14

<u>ASSETS</u>	<u>EMERGENCY NUMBERS FUND</u>	<u>LAW LIBRARY FUND</u>	<u>DOG AND CAT STERILIZATION FUND</u>	<u>COAL ROAD IMPROVE- MENT FUND</u>
Cash	\$ 76,718	\$ 79,966	\$ 1,289	\$ 8,730
Investments	335,000	-	-	2,496,683
Mineral Taxes Receivable	-	-	-	326,331
Accounts Receivable	-	-	-	-
Due From Other Funds	-	-	-	374,752
Governmental Units	-	-	-	-
TOTAL ASSETS	<u>\$ 411,718</u>	<u>\$ 79,966</u>	<u>\$ 1,289</u>	<u>\$ 3,206,496</u>
 LIABILITIES AND NET ASSETS				
Accounts Payable	\$ 91	-	-	\$ 202,703
Due to Other Funds	-	-	-	-
Governmental Units	-	-	-	214,507
TOTAL LIABILITIES	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,210</u>
 FUND BALANCES:				
Restricted	<u>\$ 411,627</u>	<u>\$ 79,966</u>	<u>\$ 1,289</u>	<u>\$ 2,789,286</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 411,718</u>	<u>\$ 79,966</u>	<u>\$ 1,289</u>	<u>\$ 3,206,496</u>

The accompanying notes to financial statements are an integral part of this statement.

COMMUNITY DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENT FUND	TRANSIENT OCCUPANCY TAX FUND	SHERIFF DRUG SEIZURE & FORFEITURE AND COMMISSION FUND	TOTALS
\$ 114,787	\$ -	\$ 28,808	\$ 99,614	\$ 409,912
-	-	-	-	2,831,683
-	-	-	-	326,331
-	-	-	-	-
-	21,000	-	-	395,752
-	-	-	-	-
<u>\$ 114,787</u>	<u>\$ 21,000</u>	<u>\$ 28,808</u>	<u>\$ 99,614</u>	<u>\$ 3,963,678</u>
\$ -	\$ -	\$ -	\$ -	\$ 202,794
42,821	-	-	-	42,821
-	-	-	-	214,507
<u>\$ 42,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,122</u>
\$ 71,966	\$ 21,000	\$ 28,808	\$ 99,614	\$ 3,503,556
<u>\$ 114,787</u>	<u>\$ 21,000</u>	<u>\$ 28,808</u>	<u>\$ 99,614</u>	<u>\$ 3,963,678</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 15

	EMERGENCY NUMBERS FUND)	LAW LIBRARY FUND)	DOG AND CAT STERILIZATION FUND
REVENUES:			
Other Local Taxes	\$ 234,720	\$ -	\$ -
Revenues From Use of Money & Property	1,601	-	-
Charges for Services	-	15,803	-
Miscellaneous	-	-	999
Intergovernmental	\$ 397,013	-	-
TOTAL REVENUES	\$ 633,334	\$ 15,803	\$ 999
EXPENDITURES:			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	9,867	-
Public Safety	287,064	-	140
Public Works	-	-	-
Community Development	-	-	-
TOTAL EXPENDITURES	\$ 287,064	\$ 9,867	\$ 140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 346,270	\$ 5,936	\$ 859
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	10,175	-
Operating Transfers Out	-	(10,175)	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ 346,270	\$ 5,936	\$ 859
FUND BALANCE AT THE BEGINNING OF YEAR	65,357	74,030	430
FUND BALANCE AT THE END OF YEAR	\$ 411,627	\$ 79,966	\$ 1,289

COAL ROAD IMPROVEMENT FUND	COMMUNITY DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENT UND	TRANSIENT OCCUPANCY TAX FUND	DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	TOTAL
\$ 2,925,242	\$ -	\$ -	\$ 25,829	\$ -	\$ 3,185,791
30,218	-	-	-	-	31,819
-	-	-	-	86,078	101,881
-	-	\$ 6,000	-	41,193	48,192
-	873,325	\$ 15,000	-	63,105	1,348,443
<u>\$ 2,955,460</u>	<u>\$ 873,325</u>	<u>\$ 21,000</u>	<u>\$ 25,829</u>	<u>\$ 190,376</u>	<u>4,716,126</u>
\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
-	-	-	-	-	9,867
-	-	-	-	-	427,433
690,670	-	-	-	140,229	690,670
2,361,309	795,936	-	765	-	3,158,010
<u>\$ 3,052,179</u>	<u>\$ 795,936</u>	<u>\$ -</u>	<u>\$ 765</u>	<u>\$ 140,229</u>	<u>\$ 4,286,180</u>
\$ (96,719)	\$ 77,389	\$ 21,000	\$ 25,064	\$ 50,147	\$ 429,946
\$ -	200	-	-	-	10,375
\$ -	-	-	-	-	(10,175)
<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>
\$ (96,719)	\$ 77,589	\$ 21,000	\$ 25,064	\$ 50,147	\$ 430,146
2,886,005	(5,623)	-	3,744	49,467	3,073,410
<u>\$ 2,789,286</u>	<u>\$ 71,966</u>	<u>\$ 21,000</u>	<u>\$ 28,808</u>	<u>\$ 99,614</u>	<u>\$ 3,503,556</u>

The accompanying notes to financial statements are an integral part of this statement.



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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
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AT JUNE 30, 2003

EXHIBIT 16

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ -	\$ 41,668	\$ 41,668
Investments	-	53,125	53,125
Reserved Escrow Deposit	13,500	-	13,500
Sinking Fund Deposits	-	1,221,944	1,221,944
Bond Issuance Costs (Net)	-	33,527	33,527
Receivables:			
Accounts (Net Allowance For Uncollectibles)	8,848	18,344	27,192
Due From Other Funds	2,318	-	2,318
TOTAL CURRENT ASSETS	24,666	1,368,608	1,393,274
NONCURRENT ASSETS			
Equipment (Net of Depreciation)	-	702,875	702,875
Improvements Other Than Buildings (Net of Depreciation)	398,242	5,459,402	5,857,644
TOTAL NONCURRENT ASSETS	398,242	6,162,277	6,560,519
TOTAL ASSETS	\$ 422,908	\$ 7,530,885	\$ 7,953,793
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ -	\$ 25,563	\$ 25,563
Due to Other Funds	212,898	21,000	233,898
Accrued Compensated Absences	-	43,841	43,841
Current Portion of Long-Term Obligations	-	-	-
TOTAL CURRENT LIABILITIES	212,898	90,404	303,302
NONCURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	248,410	1,672,794	1,921,204
Accrued Landfill Closure Costs	-	3,548,989	3,548,989
TOTAL NONCURRENT LIABILITIES	248,410	5,221,783	5,470,193
TOTAL LIABILITIES	\$ 461,308	\$ 5,312,187	\$ 5,773,495
NET ASSETS			
Investment in Capital Assets, net of related debt	\$ -	\$ 5,006,177	\$ 5,006,177
Restricted Assets			
Restricted for:			
Cash for Debt Reserve	\$ 13,500	\$ -	\$ 13,500
Cash for Landfill Closing	-	1,221,944	1,221,944
Unrestricted Assets	\$ (51,900)	\$ (4,009,423)	\$ (4,061,323)
TOTAL NET ASSETS	\$ (38,400)	\$ 2,218,698	\$ 2,180,298
TOTAL LIABILITIES AND NET ASSETS	\$ 422,908	\$ 7,530,885	\$ 7,953,793

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 17

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
OPERATING REVENUES:			
Landfill Usage Fees	\$ -	\$ 801,502	\$ 801,502
Tipping Fees	-	31,859	31,859
Sewer Rents	30,537	-	30,537
Other Revenue	-	108,280	108,280
TOTAL REVENUE	\$ 30,537	\$ 941,641	\$ 972,178
OPERATING EXPENSES:			
Operation Expense	\$ 96,818	\$ 1,701,932	\$ 1,798,750
Landfill Closure Expense	-	242,942	242,942
Depreciation & Amortization	13,733	340,767	354,500
TOTAL OPERATING EXPENSES	\$ 110,551	\$ 2,285,641	\$ 2,396,192
NET OPERATING INCOME (LOSS)	\$ (80,014)	\$ (1,344,000)	\$ (1,424,014)
NON-OPERATING REVENUE (EXPENSE)			
Grant - Department of Environmental Quality	\$ -	\$ 27,862	\$ 27,862
Interest Revenue	0	18,798	18,798
Interest Expense	-	(119,895)	(119,895)
TOTAL NON-OPERATING REVENUE AND EXPENSE	-	(73,235)	(73,235)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (80,014)	\$ (1,417,235)	\$ (1,497,249)
OPERATING TRANSFERS IN	-	1,861,709	\$ 1,861,709
NET INCOME (LOSS)	(80,014)	444,474	364,460
NET ASSETS, BEGINNING OF YEAR	41,614	(3,231,953)	(3,190,339)
NET ASSETS, END OF YEAR	\$ (38,400)	\$ (2,787,479)	\$ (2,825,879)

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF CASH FLOW
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

	BUSINESS-TYPE ACTIVITIES		TOTAL
	ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 31,809	\$ 929,297	\$ 961,106
Cash Payments to Suppliers for Goods & Services	(96,818)	(1,687,876)	(1,784,694)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (65,009)	\$ (758,579)	\$ (823,588)
Cash Flow From Noncapital Financing Activities:			
Operating Transfers From Other Funds	\$ -	\$ 1,861,709	\$ 1,861,709
Increase in Due From Other Funds	92,610	-	92,610
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	\$ 92,610	\$ 1,861,709	\$ 1,954,319
Cash Flows From Capital & Related Financing Activities:			
Principal Paid on Bond Maturities	\$ (27,601)	\$ (770,000)	\$ (797,601)
Interest Paid on Debt Obligations	-	(119,895)	(119,895)
Principal Paid on General Obligation Loans	-	(91,363)	(91,363)
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$ (27,601)	\$ (981,258)	\$ (1,008,859)
Cash Flows From Investing Activities:			
Interest Revenue Earned on Investments	\$ -	\$ 18,798	\$ 18,798
Increase in Landfill Construction	-	(52,893)	(52,893)
Sinking Fund Deposits	-	(313,639)	(313,639)
Decrease in Investments	-	123,825	123,825
Purchase of Equipment	-	42,862	42,862
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ -	\$ (181,047)	\$ (181,047)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ -	\$ (59,175)	\$ (59,175)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	-	100,843	100,843
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ -	\$ 41,668	\$ 41,668

COUNTY OF WISE, VIRGINIA
 STATEMENT OF CASH FLOW
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2003

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ (80,014)	\$ (1,338,000)	\$ (1,418,014)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 13,733	\$ 340,767	\$ 354,500
(Increase) Decrease in Accounts Receivable	1,272	(18,344)	(17,072)
Increase (Decrease) in Closure Cost Liability	-	242,942	242,942
Increase (Decrease) in Accrued Compensation	-	(319)	(319)
Increase (Decrease) in Accounts Payable	-	14,375	14,375
TOTAL ADJUSTMENTS	\$ 15,005	\$ 579,421	\$ 594,426
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (65,009)	\$ (758,579)	\$ (823,588)

The accompanying notes to financial statements are an integral part of this statement.



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DISCRETE COMPONENT UNIT
WISE COUNTY PUBLIC SERVICE AUTHORITY

COUNTY OF WISE, VIRGINIA
 STATEMENT OF NET ASSETS - PROPRIETARY FUND
 DISCRETELY PRESENTED COMPONENT UNIT
 WISE COUNTY PUBLIC SERVICE AUTHORITY
 JUNE 30, 2003

EXHIBIT 19

<u>ASSETS</u>	<u>PUBLIC SERVICE</u>
CURRENT ASSETS	
Cash	\$ 1,636,572
Petty Cash	500
Investments	351,680
Reserved Deposits	613,295
Receivable (Net Of Allowances For Uncollectibles):	
Accounts	<u>164,659</u>
TOTAL CURRENT ASSETS	\$ 2,766,706
NONCURRENT ASSETS	
Capital Assets:	
Land	
Buildings and Equipment, Net of Depreciation	<u>\$ 16,811,977</u>
TOTAL NONCURRENT ASSETS	<u>16,811,977</u>
TOTAL ASSETS	<u><u>\$ 19,578,683</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 152,250
Due To Other Funds	2,318
Due To Customers - Deposits	294,245
Claims, Judgments & Compensated Absences	16,168
Current Portion of Long-Term Obligations	<u>57,873</u>
TOTAL CURRENT LIABILITIES	\$ 522,854
NONCURRENT LIABILITIES	
Noncurrent Portion of Long-Term Obligations	<u>\$ 1,608,478</u>
TOTAL NONCURRENT LIABILITIES	\$ 1,608,478
TOTAL LIABILITIES	<u><u>\$ 2,131,332</u></u>
NET ASSETS	
Contributed Capital	15,359,154
Restricted for:	
Cash-Debt Service	149,387
Customer Deposits	294,245
Water Projects	169,663
Unrestricted Assets	<u>1,474,902</u>
TOTAL NET ASSETS	<u><u>\$ 17,447,351</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 19,578,683</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
STATEMENT OF REVENUES, EXPENSES & CHANGES
IN NET ASSETS
PROPRIETARY FUND-DISCRETELY PRESENTED COMPONENT UNIT -
WISE COUNTY PUBLIC SERVICE AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 20

OPERATING REVENUES:		
Water Charges	\$ 1,543,602	
Sewer Charges	7,796	
Miscellaneous	18,441	
TOTAL OPERATING INCOME		\$ 1,569,839
OPERATING EXPENSES:		
Salaries	\$ 584,021	
Payroll Taxes	52,862	
VRA Retirement & Life	29,867	
Hospitalization Insurance	117,606	
Workers Compensation Insurance	26,211	
Uniform Rental	6,395	
Water Purchased	203,406	
Utilities	132,620	
Line Crew Supplies & Plant Expenses	103,593	
Repairs & Maintenance	47,627	
Telephone & Telemetry	18,004	
Sewer Expense	2,279	
Professional Services	9,752	
Office Expense/Postage	39,534	
Office Utilities & Telephone	6,662	
Office Rent	6,000	
Conferences & Continuing Education	2,612	
Licenses, Fees & Tags	1,470	
Equipment Rental	11,156	
Insurance	41,606	
Vehicle Expense	34,310	
State Waterworks Fee	7,194	
Travel	11,342	
Miscellaneous	3,508	
Compensation - Board Members	6,525	
Depreciation	471,687	
TOTAL OPERATING EXPENSES		1,977,849
Net Operating Income (Loss) Before Depreciation		\$ (408,010)
NON-OPERATING REVENUES & (EXPENSES):		
Interest Income	\$ 28,784	
Penalties and Finance Charges	34,607	
Connection Fees	45,199	
Interest Expense	(77,719)	
NET NON-OPERATING REVENUES (EXPENSES)		\$ 30,871
Income (Loss) Before Other Revenues, Gains, Losses, and Transfers		\$ (377,139)
Federal Grants		351,234
Virginia Department of Health		515,588
County of Wise, Virginia		618,750
Other		116,675
Increase in Net Assets		1,225,108
Net Assets, Beginning Of Year		16,222,243
Net Assets, End Of Year		\$ 17,447,351

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF CASH FLOWS-PROPRIETARY FUND
 DISCRETELY PRESENTED COMPONENT UNIT -
 WISE COUNTY PUBLIC SERVICE AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2003

Cash Flow from Operating Activities:		
Cash Received from Customers	\$	1,574,654
Cash Payments to Suppliers for Goods & Services		(851,966)
Cash Payments to Employees for Services		(581,714)
Other Operating Revenues		<u>18,441</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	159,415
Cash Flow from Noncapital Financing Activities:		
Increase in Customer Deposits	\$	16,670
Connection Fees		45,199
Penalties and Finance Charges		<u>34,607</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		96,476
Cash Flows from Investing Activities:		
Interest on Investments	\$	<u>28,784</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		28,784
Cash Flows from Capital & Related Financing Activities:		
Decrease in Due to Other Governmental Units	\$	(27,901)
Purchase of Equipment		(16,205)
Refund on Office Equipment		12,000
Construction of Capital Assets		(924,372)
Contributions & Grants		1,602,247
Adjustment to prior year Retained Earnings		(19,537)
Principal Paid on FHA Bonds		(58,979)
Interest Paid on Revenue Bonds & Equipment Contracts		<u>(70,662)</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		<u>496,591</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	\$	781,266
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1,820,781</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	\$	<u><u>2,602,047</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF CASH FLOWS-PROPRIETARY FUND
 DISCRETELY PRESENTED COMPONENT UNIT -
 WISE COUNTY PUBLIC SERVICE AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2003

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:

Operating Income (Loss)

\$ (408,010)

Adjustments to Reconcile Operating Income

to Net Cash Provided by Operating Activities:

Depreciation

\$ 471,687

Provision for Uncollectible Accounts

19,495

Provision for Compensated Absences

2,307

Change in Assets & Liabilities:

(Increase) Decrease in Accounts Receivable

(15,776)

Increase (Decrease) in Accounts Payable

89,712

TOTAL ADJUSTMENTS

567,425

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ 159,415



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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, 2003

EXHIBIT 22

	<u>COMPONENT UNIT</u>
	<u>SCHOOL BOARD</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 2,695,072
Accounts Receivable	69,136
Due From Other Governmental Units	<u>2,725,834</u>
TOTAL ASSETS	<u>5,490,042</u>
<u>LIABILITIES</u>	
Accounts Payable	249,566
Due to Primary Government	<u>2,558,333</u>
TOTAL LIABILITIES	<u>2,807,899</u>
<u>FUND EQUITY</u>	
FUND BALANCES:	
Undesignated	<u>2,682,143</u>
TOTAL FUND EQUITY	\$ 2,682,143
Detailed explanation of adjustments from fund statements to government-wide statement of net assets:	
When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole.	\$ 21,062,576
Adjustment for amounts due to / due from primary government.	\$ 2,558,333
Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net assets.	<u>\$ (1,826,218)</u>
Net Assets of General Government Activities	<u>\$ 24,476,834</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 23

	<u>COMPONENT UNIT</u> <u>SCHOOL FUND</u>
	<u>TOTALS</u>
REVENUES:	
Revenues From Use Of Money & Property	\$ 45,791
Charges For Services	916,442
Miscellaneous	205,385
Recovered Costs	221,699
Intergovernmental	40,982,100
TOTAL REVENUES	<u>\$ 42,371,417</u>
EXPENDITURES:	
Education	52,106,781
Capital Outlay	384,035
TOTAL EXPENDITURES	<u>\$ 52,490,816</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (10,119,399)</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	\$ 11,098,774
Operating Transfers Out	(19,338)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 11,079,436</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	<u>\$ 960,037</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>1,722,106</u>
FUND BALANCE AT END OF YEAR	<u><u>2,682,143</u></u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES-BUDGET & ACTUAL
 DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 24

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL BUDGET	AS AMENDED		FROM AMENDED POSITIVE (NEGATIVE)
REVENUES:				
Revenues From Use Of Money & Property	\$ 51,400	\$ 51,400	\$ 45,791	\$ (5,609)
Charges For Services	1,097,800	1,097,800	916,442	(181,358)
Miscellaneous	3,281,300	3,281,300	205,385	(3,075,915)
Recovered Costs	189,900	189,900	221,699	31,799
Intergovernmental	41,664,000	41,664,000	40,982,100	(681,900)
TOTAL REVENUES	\$ 46,284,400	\$ 46,284,400	\$ 42,371,417	\$ (3,912,983)
EXPENDITURES:				
General Government Administration	\$ -	\$ -	\$ -	\$ -
Judicial Administration	-	-	-	-
Public Works	-	-	-	-
Education	57,126,300	57,126,300	52,106,781	5,019,519
Community Development	-	-	-	-
Non-departmental	-	-	-	-
Capital Outlay	1,247,400	1,247,400	384,035	863,365
TOTAL EXPENDITURES	\$ 58,373,700	\$ 58,373,700	\$ 52,490,816	\$ 5,882,884
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (12,089,300)	\$ (12,089,300)	\$ (10,119,399)	\$ 1,969,901
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 13,346,700	\$ 13,346,700	11,098,774	\$ (2,247,926)
Operating Transfers Out	(12,200)	(12,200)	(19,338)	(7,138)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 13,334,500	\$ 13,334,500	\$ 11,079,436	\$ (2,255,064)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ 1,245,200	\$ 1,245,200	\$ 960,037	\$ (285,163)
FUND BALANCE AT BEGINNING OF YEAR (As Restated)	-	-	1,722,106	1,722,106
FUND BALANCE AT END OF YEAR	\$ 1,245,200	\$ 1,245,200	\$ 2,682,143	\$ 1,436,943

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

	<u>COMPONENT UNIT SCHOOL BOARD</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 960,037
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.	<u>(334,019)</u>
Change in net assets of governmental activities	<u>\$ 626,018</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY SOURCE
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

	<u>COMPONENT UNIT- SCHOOL BOARD</u>
CAPITAL ASSETS:	
Land	\$ 1,314,293
Building and Building Improvements	39,539,926
Equipment	<u>5,879,197</u>
Total Capital Assets	<u>\$ 46,733,416</u>
 INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Primary Government Revenues	<u>\$ 46,733,416</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 46,733,416</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 27

	LAND	BUILDING and BUILDING IMPROVEMENTS	EQUIPMENT	TOTAL
Education	\$ 1,314,293.0	\$ 39,539,926.0	\$ 5,879,197.0	\$ 46,733,416.0
Total	\$ 1,314,293.0	\$ 39,539,926.0	\$ 5,879,197.0	\$ 46,733,416.0

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2003

EXHIBIT 28

	CAPITAL ASSETS		CAPITAL ASSETS	
	JULY 1, 2002	ADDITIONS	DELETIONS	JUNE 30, 2003
Education	\$ 45,603,722.0	\$ 1,129,694.0	\$ -	\$ 46,733,416.0
Total	\$ 45,603,722.0	\$ 1,129,694.0	\$ -	\$ 46,733,416.0

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
 AT JUNE 30, 2003

EXHIBIT 29

	<u>GOVERNMENTAL FUNDS</u>				<u>TOTALS</u>
	<u>SCHOOL OPERATING FUND</u>	<u>SCHOOL CAFETERIA FUND</u>	<u>TEXTBOOK RENTAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	
ASSETS					
Cash	\$ 3,581	\$ 29,308	\$ 29,258	\$ 1,046,595	\$ 1,108,742
Petty Cash	200	-	-	-	200
Investments	-	761,910	731,712	92,508	1,586,130
Accounts Receivable	69,136	-	-	-	69,136
Due From Other Governmental Units	2,725,834	-	-	-	2,725,834
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-	-
Amount to Be Provided For the Retirement of General Long-Term Obligations	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,798,751</u>	<u>\$ 791,218</u>	<u>\$ 760,970</u>	<u>\$ 1,139,103</u>	<u>5,490,042</u>
LIABILITIES					
Accounts Payable	\$ 240,218	\$ 9,348	\$ -	\$ -	249,566
Due To Other Funds	2,558,333	-	-	-	2,558,333
Claims, Judgments & Compensated Absences	-	-	-	-	-
State Literary Fund Loans	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 2,798,551</u>	<u>\$ 9,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,807,899</u>
FUND EQUITY					
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	-
FUND BALANCES:					
Undesignated	200	781,870	760,970	1,139,103	2,682,143
TOTAL FUND EQUITY	<u>\$ 200</u>	<u>\$ 781,870</u>	<u>\$ 760,970</u>	<u>\$ 1,139,103</u>	<u>2,682,143</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 2,798,751</u>	<u>\$ 791,218</u>	<u>\$ 760,970</u>	<u>\$ 1,139,103</u>	<u>5,490,042</u>

The accompanying notes to financial statements are an integral part of this statement.

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, 2003

EXHIBIT 30

	GOVERNMENTAL FUNDS			
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND
REVENUES:				
Revenues From Use Of Money & Property	\$ 24,688	\$ 8,491	\$ 7,559	\$ 5,053
Charges For Services	96,126	820,316	-	-
Miscellaneous	205,385	-	-	-
Recovered Costs	221,699	-	-	-
Intergovernmental	38,362,930	1,398,474	396,440	824,256
TOTAL REVENUES	<u>\$ 38,910,828</u>	<u>\$ 2,227,281</u>	<u>\$ 403,999</u>	<u>\$ 829,309</u>
EXPENDITURES:				
Education	49,877,072	1,962,811	266,898	-
Capital Outlay	-	-	-	384,035
TOTAL EXPENDITURES	<u>\$ 49,877,072</u>	<u>\$ 1,962,811</u>	<u>\$ 266,898</u>	<u>\$ 384,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER	<u>\$ (10,966,244)</u>	<u>\$ 264,470</u>	<u>\$ 137,101</u>	<u>\$ 445,274</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 10,978,348	\$ 12,104	\$ 108,322	\$ -
Operating Transfers Out	(12,104)	-	-	(7,234)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 10,966,244</u>	<u>\$ 12,104</u>	<u>\$ 108,322</u>	<u>\$ (7,234)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER				
EXPENDITURES & OTHER USES	\$ -	\$ 276,574	\$ 245,423	\$ 438,040
FUND BALANCE AT BEGINNING OF YEAR	200	505,296	515,547	701,063
FUND BALANCE AT END OF YEAR	<u>\$ 200</u>	<u>\$ 781,870</u>	<u>\$ 760,970</u>	<u>\$ 1,139,103</u>

The accompanying notes to financial statements are an integral part of this statement.

TOTALS

\$	45,791
	916,442
	205,385
	221,699
	40,982,100
\$	<u>42,371,417</u>

	52,106,781
	<u>384,035</u>
\$	<u>52,490,816</u>

\$ (10,119,399)

\$	11,098,774
	<u>(19,338)</u>
\$	<u>11,079,436</u>

\$	960,037
	<u>1,722,106</u>
	<u>2,682,143</u>

The accompanying notes to financial statements are an integral part of this statement.



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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, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From Local Sources:				
General Property Taxes:				
Real Property Taxes	\$ 5,400,000	\$ 5,400,000	\$ 6,208,124	\$ 808,124
Service Corporation Taxes	402,000	402,000	425,128	23,128
Personal Property Taxes	2,100,000	2,100,000	2,120,567	20,567
Machinery & Tool Taxes	2,350,000	2,350,000	2,649,595	299,595
Merchants Capital Taxes	720,000	720,000	693,883	(26,117)
Mobile Home Taxes	200,000	200,000	219,084	19,084
Penalties & Interest	360,000	360,000	374,509	14,509
TOTAL GENERAL PROPERTY TAXES	\$ 11,532,000	\$ 11,532,000	\$ 12,690,890	\$ 1,158,890
Other Local Taxes:				
Local Sales & Use Tax	\$ 2,400,000	\$ 2,400,000	\$ 2,345,713	\$ (54,287)
Coal Severance Tax	3,500,000	3,500,000	3,811,777	311,777
Consumer's Utility Tax	870,000	870,000	935,277	65,277
Franchise Tax	350,000	350,000	351,399	1,399
Taxes on Recordation & Wills	48,200	48,200	97,125	48,925
County Decal Licenses	105,000	105,000	108,582	3,582
Transient Occupancy Tax	33,000	33,000	17,220	(15,780)
TOTAL OTHER LOCAL TAXES	\$ 7,306,200	\$ 7,306,200	\$ 7,667,093	\$ 360,893
Permits, Privilege Fees & Regulatory Licenses:				
Animal Licenses	\$ 1,700	\$ 1,700	\$ 4,016	\$ 2,316
Permits & Other Licenses	60,000	60,000	97,070	37,070
Zoning Department	-	-	900	900
Soil & Erosion	-	-	150	150
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	\$ 61,700	\$ 61,700	\$ 102,136	\$ 40,436
Fines & Forfeitures:	\$ 102,075	\$ 102,075	\$ 28,675	\$ (73,400)
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 200,000	\$ 200,000	\$ 88,639	\$ (111,361)
Revenue From The Use of Property	77,605	77,605	66,668	(10,937)
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ 277,605	\$ 277,605	\$ 155,307	\$ (122,298)
Charges For Services:				
Charges For Commonwealth's Attorney	\$ 1,500	\$ 1,500	\$ 5,283	\$ 3,783
Charges For Court	52,000	52,000	28,041	(23,959)
Charges For Health	41,000	41,000	32,648	(8,352)
Charges For Social Services	155,000	155,000	88,378	(66,622)
TOTAL CHARGES FOR SERVICES	\$ 249,500	\$ 249,500	\$ 154,350	\$ (95,150)
Miscellaneous:				
Miscellaneous	\$ 84,368	\$ 84,368	\$ 58,647	\$ (25,721)
TOTAL MISCELLANEOUS REVENUE	\$ 84,368	\$ 84,368	\$ 58,647	\$ (25,721)
Recovered Costs:				
City of Norton-Shared Services	\$ 170,400	\$ 170,400	\$ 170,814	\$ 414

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From Local Sources:				
Miscellaneous:				
Recovered Costs:				
CEDA Tourism	84,637	84,637	71,367	(13,270)
Miscellaneous	-	-	26,911	26,911
Adult Confinement Local Facilities	251,400	251,400	224,230	(27,170)
TOTAL RECOVERED COSTS	\$ 506,437	\$ 506,437	\$ 493,322	\$ (13,115)
TOTAL REVENUE FROM LOCAL SOURCES	\$ 20,119,885	\$ 20,119,885	\$ 21,350,420	\$ 1,230,535
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Payments in Lieu of Taxes	\$ 93,000	\$ 93,000	\$ 152,835	\$ 59,835
ABC Profits	31,800	31,800	33,082	1,282
Wine Taxes	36,000	36,000	30,632	(5,368)
Rolling Stock Tax	105,000	105,000	99,976	(5,024)
Mobile Home Titling Taxes	230,000	230,000	185,904	(44,096)
Tax on Deeds	14,000	14,000	33,011	19,011
Personal Property Tax Reimbursement	1,200,000	1,200,000	1,222,511	22,511
Miscellaneous Grants	2,244	2,244	-	(2,244)
Motor Vehicle Rental Tax	3,500	3,500	4,276	776
TOTAL NON-CATEGORICAL AID	\$ 1,715,544	\$ 1,715,544	\$ 1,762,227	\$ 46,683
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 315,288	\$ 315,288	\$ 346,483	\$ 31,195
Sheriff	2,463,319	2,463,319	2,589,353	126,034
Commissioner of Revenue	175,051	175,051	172,269	(2,782)
Treasurer	164,189	164,189	167,038	2,849
Medical Examiner	600	600	840	240
Registrar/Electoral Board	42,750	42,750	89,184	46,434
Clerk of Circuit Court	351,885	351,885	288,488	(63,397)
TOTAL SHARED EXPENSES	\$ 3,513,082	\$ 3,513,082	\$ 3,653,655	\$ 140,573
Other Categorical Aid:				
Public Assistance & Welfare				
Administration	\$ 1,934,437	\$ 1,934,437	\$ 1,948,559	\$ 14,122
M H & R Service Board	3,144,486	3,144,486	2,981,991	(162,495)
Development Funds - Mapping	300,173	300,173	270,888	(29,285)
Clerk's Library Grant	-	-	4,425	4,425
Governor Opportunity Grant-IDA	-	-	200,000	200,000
State Aid - M.E.O.C.	-	-	145,550	145,550
Disaster Relief - Flood Damage	6,061	6,061	17,934	11,873
SWVA Corrections - Justice	446,709	446,709	423,157	(23,552)
Victim Witness Grant - Justice	40,509	40,509	40,509	-
Cultural Arts Grant	5,000	5,000	5,000	-
Fire Grants	-	-	36,672	36,672
Two-For-Life Rescue	-	-	16,884	16,884
Foster Parent Training	-	-	15,075	15,075
Disaster Relief	94,578	94,578	78,414	(16,164)
School Resource Officer Grant	52,680	52,680	57,168	4,488
TOTAL OTHER CATEGORICAL				

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
AID	\$ 6,024,633	\$ 6,024,633	\$ 6,242,226	\$ 217,593
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
TOTAL CATEGORICAL AID	<u>\$ 9,537,715</u>	<u>\$ 9,537,715</u>	<u>\$ 9,895,881</u>	<u>\$ 358,166</u>
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 11,253,259</u>	<u>\$ 11,253,259</u>	<u>\$ 11,658,108</u>	<u>\$ 404,849</u>
Revenue From The Federal Government:				
Payments in Lieu of Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,858</u>	<u>\$ 42,858</u>
Categorical Aid:				
Public Assistance & Welfare Administration	<u>\$ 3,512,833</u>	<u>\$ 3,512,833</u>	<u>\$ 3,478,765</u>	<u>\$ (34,068)</u>
Victim Witness Grant - Justice	<u>-</u>	<u>-</u>	<u>11,750</u>	<u>11,750</u>
School Resource Officer Grant	<u>-</u>	<u>-</u>	<u>43,024</u>	<u>43,024</u>
DEQ Environmental Technical	<u>-</u>	<u>-</u>	<u>229</u>	<u>229</u>
Fire Program Equipment	<u>-</u>	<u>-</u>	<u>43,932</u>	<u>43,932</u>
Disaster Relief	<u>31,092</u>	<u>31,092</u>	<u>31,092</u>	<u>-</u>
Violence Against Women - Justice	<u>-</u>	<u>-</u>	<u>7,050</u>	<u>7,050</u>
Highway Litter Pick-up	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
Highway Safety Grants	<u>-</u>	<u>-</u>	<u>3,238</u>	<u>3,238</u>
TOTAL CATEGORICAL AID	<u>\$ 3,543,925</u>	<u>\$ 3,543,925</u>	<u>\$ 3,620,280</u>	<u>\$ 76,355</u>
TOTAL REVENUE FROM THE FEDERAL GOVT.	<u>\$ 3,543,925</u>	<u>\$ 3,543,925</u>	<u>\$ 3,663,138</u>	<u>\$ 119,213</u>
TOTAL GENERAL FUND	<u>\$ 34,917,069</u>	<u>\$ 34,917,069</u>	<u>\$ 36,671,666</u>	<u>\$ 1,754,597</u>
TOTAL GENERAL FUND & OTHER FINANCING SOURCES	<u>\$ 34,917,069</u>	<u>\$ 34,917,069</u>	<u>\$ 36,671,666</u>	<u>\$ 1,754,597</u>
Special Revenue Funds:				
Emergency Numbers Funds:				
Revenue From Local Sources:				
Other Local Taxes:				
911 Emergency Number Tax	<u>\$ 272,883</u>	<u>\$ 271,183</u>	<u>\$ 234,720</u>	<u>\$ (36,463)</u>
Revenue From the Use of Money & Property:				
Revenue From the Use of Money	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,601</u>	<u>\$ 1,601</u>
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ 272,883</u>	<u>\$ 271,183</u>	<u>\$ 236,321</u>	<u>\$ (34,862)</u>
Emergency Numbers Funds:				
Revenue From The Commonwealth:				
Categorical Aid:				
Department of Technology Planning	<u>-</u>	<u>-</u>	<u>397,013</u>	<u>397,013</u>
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,013</u>	<u>\$ 397,013</u>
TOTAL EMERGENCY NUMBERS FUND	<u>\$ 272,883</u>	<u>\$ 271,183</u>	<u>\$ 633,334</u>	<u>\$ 362,151</u>
Law Library Fund:				
Revenue From Local Sources:				
Charges For Services:				

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
Charges For Law Library	\$ 11,500	\$ 11,500	\$ 15,803	\$ 4,303
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Law Library Fund:				
TOTAL LAW LIBRARY FUND	\$ 11,500	\$ 11,500	\$ 15,803	\$ 4,303
Coal Road Improvement Fund:				
Revenue From Local Sources:				
Other Local Taxes:				
Coal Severance Tax	\$ -	\$ -	\$ 2,925,242	\$ 2,925,242
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 30,218	\$ 30,218
TOTAL COAL ROAD IMPROVEMENT FUND	\$ -	\$ -	\$ 2,955,460	\$ 2,955,460
Drug Seizure & Forfeiture, Commission and RAID Fund:				
Sheriff Department:				
Revenue From Local Sources:				
Charges For Services:				
Commissions	\$ -	\$ -	\$ 23,373	\$ 23,373
RAID Funds	-	-	62,705	62,705
TOTAL CHARGES FOR SERVICES	\$ -	\$ -	\$ 86,078	\$ 86,078
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 41,193	\$ 41,193
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 127,271	\$ 127,271
Revenue From The Commonwealth:				
Law Enforcement Block Grant	\$ -	\$ -	\$ 10,432	\$ 10,432
TOTAL REVENUE FROM THE COMMONWEALTH	\$ -	\$ -	\$ 10,432	\$ 10,432
Revenue From The Federal Government:				
Triad Crime Prevention	\$ -	\$ -	\$ 5,025	\$ 5,025
Drug Forfeiture Funds	-	-	47,648	47,648
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 52,673	\$ 52,673
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	\$ -	\$ -	\$ 190,376	\$ 190,376
Information Technology Improvement Fund:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 6,000	\$ 6,000
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 6,000	\$ 6,000
Revenue From The Federal Government:				
Department of Agriculture	\$ -	\$ -	\$ 15,000	\$ 15,000
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 15,000	\$ 15,000
TOTAL INFORMATION TECHNOLOGY IMPROVEMENT FUND	\$ -	\$ -	\$ 21,000	\$ 21,000

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Transient Occupancy Tax Fund				
Revenue From Local Sources:				
Other Local Taxes:				
Transient Occupancy Tax	\$ -	\$ -	\$ 25,829	\$ 25,829
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ -	\$ 25,829	\$ 25,829
Dog & Cat Sterilization Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 999	\$ 999
TOTAL REVENUE FROM LOCAL	\$ -	\$ -	\$ 999	\$ 999
TOTAL DOG & CAT STERILIZATION FUND	\$ -	\$ -	\$ 999	\$ 999
Community Development Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Project-Bold Camp	\$ -	\$ -	\$ 69,360	\$ 69,360
Project-Imboden	-	-	66,690	66,690
TOTAL REVENUE FROM THE COMMONWEALTH	\$ -	\$ -	\$ 136,050	\$ 136,050
Revenue From The Federal Government:				
Categorical Aid:				
Project-Bold Camp	\$ -	\$ -	\$ 268,036	\$ 268,036
Arch Food Distribution	-	-	47,023	47,023
Sugar Hill Loop	-	-	15,712	15,712
Almira-Haddonville Self Help Project	-	-	351,234	351,234
Derby Community Renovation Project	-	-	55,270	55,270
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 737,275	\$ 737,275
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 873,325	\$ 873,325
TOTAL SPECIAL REVENUE FUNDS	\$ 284,383	\$ 282,683	\$ 4,716,126	\$ 4,407,614
GRAND TOTAL REVENUES - PRIMARY GOVERNMENT	\$ 35,201,452	\$ 35,199,752	\$ 41,387,792	\$ 6,162,211
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Property	\$ 26,400	\$ 26,400	\$ 24,688	\$ (1,712)
Charges For Services:				
Charges For Education	\$ 12,000	\$ 12,000	\$ 96,126	\$ 84,126
Miscellaneous Revenue:				
Miscellaneous	\$ 2,130,200	\$ 2,130,200	\$ 205,385	\$ (1,924,815)
Recovered Costs:				
Payments From Other Localities	\$ 189,900	\$ 189,900	\$ 221,699	\$ 31,799

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Revenue From Local Sources:				
TOTAL REVENUE FROM LOCAL SOURCES	\$ 2,358,500	\$ 2,358,500	\$ 547,898	\$ (1,810,602)
Revenue From The Commonwealth:				
Categorical Aid:				
Share of State Sales & Use Taxes	\$ 4,607,200	\$ 4,607,200	\$ 4,383,785	\$ (223,415)
Basic School Aid	17,271,500	17,271,500	17,398,850	127,350
Remedial Education SOQ	325,900	325,900	326,158	258
State Lottery	531,400	531,400	531,400	-
Drop-Out Prevention	129,500	129,500	129,507	7
Gifted SOQ	189,200	189,200	189,382	182
Special Education	1,845,100	1,845,100	1,846,474	1,374
Vocational Education	863,900	863,900	833,048	(30,852)
Share of Fringe Benefits	1,526,000	1,526,000	1,530,837	4,837
Truancy	-	-	-	-
Early Intervention	76,900	76,900	73,088	(3,812)
Governors School	73,000	73,000	74,780	1,780
Electronic Classroom	453,300	453,300	496,899	43,599
SOL Algebra Readiness	71,100	71,100	65,273	(5,827)
Alternative Education	200,300	200,300	200,327	27
Special Education - Jails	4,800	4,800	2,185	(2,615)
Educational Technology	588,500	588,500	588,522	22
Primary Class Size	700,100	700,100	708,384	8,284
Foster Care	14,200	14,200	27,249	13,049
Salary Supplement	-	-	-	-
SOL Teaching Materials	-	-	-	-
Adult Literacy	294,000	294,000	254,499	(39,501)
Remedial Education - Summer	95,400	95,400	84,482	(10,918)
Other State Funds	-	-	11,650	11,650
GED	23,600	23,600	8,036	(15,564)
Enrollment Loss	283,700	283,700	261,878	(21,822)
Maintenance Supplement	-	-	-	-
At Risk	517,000	517,000	517,156	156
Homebound	60,400	60,400	42,292	(18,108)
School Report Card	-	-	-	-
ISAFP	-	-	24,342	24,342
Health Incentive	20,000	20,000	20,041	41
Retirement Health Credit	-	-	-	-
SOL Remediation	175,300	175,300	170,573	(4,727)
Adult Second	-	-	1,550	1,550
English Second Language	6,800	6,800	6,831	31
Teacher Incentive-Mentor	-	-	3,968	3,968
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 30,948,100	\$ 30,948,100	\$ 30,813,446	\$ (134,654)
Revenue From The Federal Government:				
Categorical Aid:				
Adult Literacy	\$ 282,900	\$ 282,900	\$ 386,552	\$ 103,652
Title I	2,550,800	2,550,800	1,780,469	(770,331)
E-Rate	-	-	122,689	122,689
Title II - D & E Projects	45,200	45,200	17,705	(27,495)
Title II - Part D	-	-	224,300	224,300
Forest Reserve	11,400	11,400	4,090	(7,310)
Jobs Training Partnership Act (JTPA)	2,858,000	2,858,000	1,964,192	(893,808)
Goals 2000	173,000	173,000	-	(173,000)

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Revenue From The Federal Government:				
Categorical Aid:				
Title VI - Rural & Part A	-	-	542,466	542,466
Even Start	350,000	350,000	204,679	(145,321)
Title VI - B - Special Education	763,300	763,300	1,067,503	304,203
Vocational Education	235,000	235,000	200,250	(34,750)
Drug Free School	26,000	26,000	70,898	44,898
Title V - Part A	-	-	61,434	61,434
E F I	-	-	24,000	24,000
Title X Grant	830,000	830,000	555,693	(274,307)
Class Size - Title VI	253,000	253,000	-	(253,000)
Learn & Serve	-	-	5,141	5,141
Title VI - Instruction Materials	56,600	56,600	-	(56,600)
A/P Grants	-	-	150	150
Homeless	-	-	30,602	30,602
Pre-School Handicapped	-	-	53,565	53,565
AFROTC	-	-	42,703	42,703
School-To-Work Transition	-	-	40,403	40,403
TOTAL CATEGORICAL AID	\$ 8,435,200	\$ 8,435,200	\$ 7,399,484	\$ (1,035,716)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 8,435,200	\$ 8,435,200	\$ 7,399,484	\$ (1,035,716)
Debt Service:				
Revenue from Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL CATEGORICAL AID	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL SCHOOL OPERATING FUND	\$ 41,891,800	\$ 41,891,800	\$ 38,910,828	\$ (2,980,972)
School Cafeteria Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 10,000	\$ 10,000	\$ 8,491	\$ (1,509)
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ 10,000	\$ 10,000	\$ 8,491	\$ (1,509)
Charges For Services:				
Cafeteria Sales	\$ 1,085,800	\$ 1,085,800	\$ 820,316	\$ (265,484)
TOTAL REVENUE FROM LOCAL SOURCES	\$ 1,095,800	\$ 1,095,800	\$ 828,807	\$ (266,993)
Revenue From The Commonwealth:				
Categorical Aid:				
School Food	\$ 37,200	\$ 37,200	\$ 38,525	\$ 1,325
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 37,200	\$ 37,200	\$ 38,525	\$ 1,325

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue From The Federal Government:				
Categorical Aid:				
School Food Program Grant	\$ 1,100,000	\$ 1,100,000	\$ 1,359,949	\$ 259,949
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 1,100,000	\$ 1,100,000	\$ 1,359,949	\$ 259,949
TOTAL SCHOOL CAFETERIA FUND	\$ 2,233,000	\$ 2,233,000	\$ 2,227,281	\$ (5,719)
School Textbook Rental Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 10,000	\$ 10,000	\$ 6,993	\$ (3,007)
Miscellaneous	\$ 506,100	\$ 506,100	\$ -	\$ (506,100)
TOTAL FROM LOCAL SOURCES	\$ 516,100	\$ 516,100	\$ 6,993	\$ (509,107)
Revenue From The Commonwealth:				
Categorical Aid:				
Total Rental Payments	\$ 396,100	\$ 396,100	\$ 396,440	\$ 340
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 396,100	\$ 396,100	\$ 396,440	\$ 340
TOTAL TEXTBOOK RENTAL FUND	\$ 912,200	\$ 912,200	\$ 403,433	\$ (508,767)
TOTAL SPECIAL REVENUE FUNDS	\$ 45,037,000	\$ 45,037,000	\$ 41,541,542	\$ (3,495,458)
School Capital Project Fund:				
Revenue From The Use of Money & Property:				
Miscellaneous	\$ 650,000	\$ 650,000	\$ 5,053	\$ (644,947)
TOTAL FROM LOCAL SOURCES	\$ 650,000	\$ 650,000	\$ 5,053	\$ (644,947)
Revenue From The Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 381,400	\$ 381,400	\$ 608,449	\$ 227,049
Public School Construction	216,000	216,000	215,807	(193)
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 597,400	\$ 597,400	\$ 824,256	\$ 226,856
TOTAL CAPITAL OUTLAY FUND	\$ 1,247,400	\$ 1,247,400	\$ 829,309	\$ (418,091)
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$ 46,284,400	\$ 46,284,400	\$ 42,370,851	\$ (3,913,549)

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DESCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
General Government Administration:				
Legislative:				
Board Of Supervisors	\$ 244,229	\$ 248,666	\$ 242,337	\$ 6,329
General & Financial Administration:				
County Administrator	\$ 306,099	\$ 303,424	\$ 304,300	\$ (876)
Legal Services	47,682	60,632	85,080	(24,448)
Commissioner Of Revenue	392,999	384,999	367,069	17,930
Data Processing	116,201	105,426	104,396	1,030
Treasurer	438,705	467,383	454,808	12,575
Judicial Sale Reserve	15,000			
Assessor	281,000	371,000	371,483	(483)
TOTAL GENERAL & FINANCIAL ADMINISTRATION	\$ 1,597,686	\$ 1,692,864	\$ 1,687,136	\$ 5,728
Board Of Elections:				
Electoral Board & Officials	\$ 35,600	\$ 35,250	\$ 30,009	\$ 5,241
Registrar	80,978	80,478	77,150	3,328
TOTAL BOARD OF ELECTIONS	\$ 116,578	\$ 115,728	\$ 107,159	\$ 8,569
TOTAL GENERAL GOVERNMENT ADMINISTRATION	\$ 1,958,493	\$ 2,057,258	\$ 2,036,632	\$ 20,626
Judicial Administration:				
Courts:				
Clerk Of The Circuit Court	\$ 491,008	\$ 479,350	\$ 490,486	\$ (11,136)
Circuit Court	102,675	96,575	92,473	4,102
District Court	6,860	6,360	4,817	1,543
Magistrate	4,020	4,020	3,626	394
Juvenile & Domestic Relations Court	371,800	410,050	417,084	(7,034)
Sheriff	275,738	280,588	149,963	130,625
TOTAL COURTS	\$ 1,252,101	\$ 1,276,943	\$ 1,158,449	\$ 118,494
Commonwealth Attorney	\$ 412,322	\$ 395,822	\$ 412,285	\$ (16,463)
Victim Witness Protection	53,841	56,160	53,948	2,212
TOTAL JUDICIAL ADMINISTRATION	\$ 1,718,264	\$ 1,728,925	\$ 1,624,682	\$ 104,243
Public Safety:				
Law Enforcement & Traffic Control:				
Sheriff	\$ 2,053,574	\$ 2,205,833	\$ 2,294,323	\$ (88,490)
Dispatcher/E911	137,845	137,395	132,363	5,032
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	\$ 2,191,419	\$ 2,343,228	\$ 2,426,686	\$ (83,458)
Fire & Rescue Services:				
Fire & Rescue Departments	\$ 210,300	\$ 307,758	\$ 300,186	\$ 7,572
TOTAL FIRE & RESCUE SERVICES	\$ 210,300	\$ 307,758	\$ 300,186	\$ 7,572
Correction & Detention:				
Jail	\$ 1,320,998	\$ 1,560,718	\$ 1,556,122	\$ 4,596
SWVA Community Corrections Center	445,180	446,709	441,199	5,510

The accompanying notes to financial statements are an integral part of this statement.

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Public Safety:				
Correction & Detention:				
TOTAL CORRECTION & DETENTION	\$ 1,766,178	\$ 2,007,427	\$ 1,997,321	\$ 10,106
Inspections:				
Building Inspector	\$ 196,516	\$ 184,216	\$ 185,963	\$ (1,747)
TOTAL INSPECTIONS	\$ 196,516	\$ 184,216	\$ 185,963	\$ (1,747)
Other Protection:				
Emergency Services	\$ 9,287	\$ 65,457	\$ 157,340	\$ (91,883)
Animal Control	157,287	157,071	252,298	(95,227)
TOTAL OTHER PROTECTION	\$ 166,574	\$ 222,528	\$ 409,638	\$ (187,110)
TOTAL PUBLIC SAFETY	\$ 4,530,987	\$ 5,065,157	\$ 5,319,794	\$ (254,637)
Public Works:				
Sanitation & Waste Removal:				
Refuse Collection	\$ -	\$ -	\$ -	\$ -
Refuse Disposal	-	-	-	-
Litter Control	-	-	-	-
TOTAL SANITATION & WASTE REMOVAL	\$ -	\$ -	\$ -	\$ -
Maintenance Of Buildings & Grounds:				
General Properties	\$ 373,564	\$ 371,054	\$ 370,264	\$ 790
TOTAL PUBLIC WORKS	\$ 373,564	\$ 371,054	\$ 370,264	\$ 790
Welfare/Social Services:				
Health & Welfare:				
Health:				
Supplement To Local Health Department	\$ 408,435	\$ 399,490	\$ 399,490	\$ -
TOTAL HEALTH	\$ 408,435	\$ 399,490	\$ 399,490	\$ -
Mental Health & Mental Retardation:				
Mental Health	126,859	3,266,345	3,097,541	168,804
TOTAL MENTAL HEALTH & MENTAL RETARDATION	\$ 126,859	\$ 3,266,345	\$ 3,097,541	\$ 168,804
Welfare/Social Services:				
Welfare Administration	\$ 6,374,164	\$ 6,391,654	\$ 6,199,025	\$ 192,629
Property Tax Relief for Elderly	-	-	203,763	(203,763)
Youth Service Board	20,000	18,000	18,000	-
Agency On Aging	39,000	35,900	180,850	(144,950)
Group Home	24,400	22,400	22,400	-
TOTAL WELFARE/SOCIAL SERVICES	\$ 6,457,564	\$ 6,467,954	\$ 6,624,038	\$ (156,084)
TOTAL HEALTH & WELFARE	\$ 6,992,858	\$ 10,133,789	\$ 10,121,069	\$ 12,720

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DESCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Education:				
Community Colleges	\$ 107,836	\$ 97,836	\$ 97,836	\$ -
TOTAL EDUCATION	\$ 107,836	\$ 97,836	\$ 97,836	\$ -
Parks, Recreation & Cultural:				
Parks & Recreation:				
Recreation Authority	\$ 37,700	\$ 35,000	\$ 34,990	\$ 10
TOTAL PARKS & RECREATION	\$ 37,700	\$ 35,000	\$ 34,990	\$ 10
Library:				
Contributions To Local Libraries	\$ 684,232	\$ 656,232	\$ 656,232	\$ -
TOTAL LIBRARY	\$ 684,232	\$ 656,232	\$ 656,232	\$ -
Cultural:				
Pro-Art Association	\$ -	\$ -	\$ 5,000	\$ (5,000)
TOTAL CULTURAL	\$ -	\$ -	\$ 5,000	\$ (5,000)
TOTAL PARKS, RECREATION & CULTURAL	\$ 721,932	\$ 691,232	\$ 696,222	\$ (4,990)
Planning & Community Development:				
Economic Development	\$ 54,504	\$ 54,304	\$ 52,803	\$ 1,501
Planning	900	500	467	33
Housing Authority	-	-	169	(169)
Cumberland Airport Commission	45,400	41,400	41,400	-
Lenowisco	59,180	54,180	54,180	-
Planning Commission	9,000	5,000	4,450	550
Industrial Development Authority	66,000	81,000	281,127	(200,127)
Wise Development Project-Mapping	-	288,973	303,783	(14,810)
Children's Advocacy	-	4,000	4,000	-
CEDA - Tourism	84,637	84,637	86,209	(1,572)
VCEDA - Economic Development	121,000	121,000	110,442	10,558
TOTAL PLANNING & COMMUNITY DEVELOPMENT	\$ 440,621	\$ 734,994	\$ 939,030	\$ (204,036)
Community Development:				
Cooperative Extension Program:				
VPI & SU Extension Office	\$ 59,396	\$ 47,370	\$ 41,934	\$ 5,436
TOTAL COOPERATIVE EXTENSION PROGRAM	\$ 59,396	\$ 47,370	\$ 41,934	\$ 5,436
TOTAL COMMUNITY DEVELOPMENT	\$ 500,017	\$ 782,364	\$ 980,964	\$ (198,600)
Capital Outlays:				
Sanitation & Waste Removal	\$ -	\$ -	\$ -	\$ -
Other Projects	256,590	183,836	123,836	60,000
TOTAL CAPITAL OUTLAYS	\$ 256,590	\$ 183,836	\$ 123,836	\$ 60,000
Debt Service:				
Principal Retirement	\$ 96,500	\$ 96,500	\$ 96,324	\$ 176
Interest & Fiscal Charges	15,000	15,000	15,264	(264)
TOTAL DEBT SERVICE	\$ 111,500	\$ 111,500	\$ 111,588	\$ (88)

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
TOTAL GENERAL FUND	\$ 17,272,041	\$ 21,222,951	\$ 21,482,887	\$ (259,936)
Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law Library	\$ 11,500	\$ 11,500	\$ 9,867	\$ 1,633
TOTAL LAW LIBRARY FUND	\$ 11,500	\$ 11,500	\$ 9,867	\$ 1,633
Coal Road Improvement Fund:				
General Government Administration				
	\$ -	\$ -	\$ 200	\$ (200)
Public Works:				
Maintenance Of Highways, Streets, Bridges & Sidewalks:				
Coal Road Projects	\$ -	\$ -	\$ 690,670	\$ (690,670)
TOTAL PUBLIC WORKS	\$ -	\$ -	\$ 690,670	\$ (690,670)
Community Development:				
Distribution to Towns	\$ -	\$ -	\$ 791,759	\$ (791,759)
Community Development	-	-	1,569,550	(1,569,550)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ -	\$ 2,361,309	\$ (2,361,309)
TOTAL COAL ROAD IMPROVEMENT FUND	\$ -	\$ -	\$ 3,052,179	\$ (3,052,179)
Emergency Numbers Fund:				
Public Safety:				
Law Enforcement & Traffic Control:				
911 System	\$ 272,883	\$ 271,183	\$ 287,064	\$ (15,881)
TOTAL PUBLIC SAFETY	\$ 272,883	\$ 271,183	\$ 287,064	\$ (15,881)
TOTAL EMERGENCY NUMBERS FUND	\$ 272,883	\$ 271,183	\$ 287,064	\$ (15,881)
Drug Seizure & Forfeiture, Commission & RAID Fund:				
Sheriff Department:				
Public Safety:				
Sheriff	\$ -	\$ -	\$ 140,229	\$ (140,229)
TOTAL PUBLIC SAFETY	\$ -	\$ -	\$ 140,229	\$ (140,229)
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION AND RAID FUND	\$ -	\$ -	\$ 140,229	\$ (140,229)
Dog & Cat Sterilization Fund:				
Public Safety				
Other Protection:				
Animal Control	\$ -	\$ -	\$ 140	\$ 140
TOTAL PUBLIC SAFETY	\$ -	\$ -	\$ 140	\$ 140

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2003

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Dog & Cat Sterilization Fund:				
Public Safety				
TOTAL DOG & CAT STERILIZATION FUND	\$ -	\$ -	\$ 140	\$ 140
Transient Occupancy Tax Fund:				
Community Development:				
Tourism	\$ -	\$ -	\$ 765	\$ (765)
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ -	\$ 765	\$ (765)
TOTAL TRANSIENT OCCUPANCY FUND	\$ -	\$ -	\$ 765	\$ (765)
Community Development Fund:				
Community Development:				
Project-Bold Camp	\$ -	\$ -	\$ 240,823	\$ (240,823)
Arch Food Distribution	\$ -	\$ -	\$ 47,023	\$ (47,023)
Sugar Hill Loop	\$ -	\$ -	\$ 15,712	\$ (15,712)
Imboden Project	\$ -	\$ -	\$ 65,919	\$ (65,919)
Business & Tech Park Project	\$ -	\$ -	\$ 9,824	\$ (9,824)
Almira-Haddonville Self Help Project	\$ -	\$ -	\$ 351,234	\$ (351,234)
Derby Community Renovation Project	\$ -	\$ -	\$ 65,401	\$ (65,401)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ -	\$ 795,936	\$ (795,936)
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 795,936	\$ (795,936)
TOTAL SPECIAL REVENUE FUNDS	\$ 284,383	\$ 282,683	\$ 4,286,180	\$ (4,002,452)
GRAND TOTAL EXPENDITURES - PRIMARY GOVERNMENT	\$ 17,556,424	\$ 21,505,634	\$ 25,769,067	\$ (4,262,388)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration Of Schools	\$ 700,600	\$ 700,600	\$ 685,977	\$ 14,623
Instruction Costs:				
Classroom	\$ 33,216,300	\$ 33,216,300	\$ 31,605,212	\$ 1,611,088
Instructional Support:				
Student	1,385,400	1,385,400	1,417,323	(31,923)
Staff	3,988,500	3,988,500	3,632,050	356,450
Administration	3,409,700	3,409,700	3,373,988	35,712
TOTAL INSTRUCTION COSTS	\$ 41,999,900	\$ 41,999,900	\$ 40,028,573	\$ 1,971,327
Operating Costs:				
Attendance & Health Services	\$ 785,000	\$ 785,000	\$ 797,351	\$ (12,351)
Pupil Transportation	2,317,500	2,317,500	2,095,191	222,309

The accompanying notes to financial statements are an integral part of this statement.

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Operating Costs:				
Operation & Maintenance Of School Plant	4,388,900	4,388,900	4,304,334	84,566
Non-Instructional	<u>3,777,000</u>	<u>3,777,000</u>	<u>1,965,646</u>	<u>1,811,354</u>
TOTAL OPERATING COSTS	\$ 11,268,400	\$ 11,268,400	\$ 9,162,522	\$ 2,105,878
TOTAL EDUCATION	\$ 53,968,900	\$ 53,968,900	\$ 49,877,072	\$ 4,091,828
Debt Service:				
Principal Retirement	\$ 949,700	\$ 949,700	\$ 949,605	\$ 95
Interest & Fiscal Charges	<u>295,500</u>	<u>295,500</u>	<u>294,996</u>	<u>504</u>
TOTAL DEBT SERVICE	\$ 1,245,200	\$ 1,245,200	\$ 1,244,601	\$ 599
TOTAL SCHOOL OPERATING FUND	\$ 55,214,100	\$ 55,214,100	\$ 51,121,673	\$ 4,092,427
School Cafeteria Fund:				
Education:				
Operating Costs	\$ 2,245,200	\$ 2,245,200	\$ 1,962,811	\$ 282,389
TOTAL SCHOOL CAFETERIA FUND	\$ 2,245,200	\$ 2,245,200	\$ 1,962,811	\$ 282,389
Textbook Rental Fund:				
Education:				
Operating Costs	\$ 912,200	\$ 912,200	\$ 266,898	\$ 645,302
TOTAL TEXTBOOK RENTAL FUND	\$ 912,200	\$ 912,200	\$ 266,898	\$ 645,302
Capital Project Fund:				
School Construction:				
Capital Outlays	\$ 1,247,400	\$ 1,247,400	\$ 384,035	\$ 863,365
TOTAL SCHOOL CONSTRUCTION	\$ 1,247,400	\$ 1,247,400	\$ 384,035	\$ 863,365
TOTAL CAPITAL PROJECT FUND	\$ 1,247,400	\$ 1,247,400	\$ 384,035	\$ 863,365
GRAND TOTAL EXPENDITURES, COMPONENT UNIT - SCHOOL BOARD	\$ 59,618,900	\$ 59,618,900	\$ 53,735,417	\$ 5,883,483

COUNTY OF WISE, VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY
 JUNE 30, 2003

SCHEDULE 3

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, 2002	\$24,291,212	\$21,535,228	(\$2,755,984)	112.80%	\$8,191,242	-33.65%
June 30, 2001	23,440,542	19,365,218	(4,075,324)	121.04%	7,825,916	-52.07%
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, 2002	\$6,266,315	\$6,254,989	(\$11,326)	100.18%	\$1,520,445	-0.74%
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%

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
DEPARTMENT OF AGRICULTURE:		
Pass Through Payments:		
State Department of Agriculture:		
Food Distribution - Summer Feeding Program	10.550	\$ 523
Food Distribution - Schools	10.555	153,177
Department Of Social Services:		
General Administration - Food Stamp Program	10.561	80,367
General Eligibility - Food Stamp Program	10.561	378,071
Department Of Education:		
National School Lunch Program (SL-4) (SL-11)*	10.555	1,359,949
Federal Land Use - Forest Reserve	10.665	4,090
Direct Assistance:		
Department of Agriculture	10.000	15,000
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Pass Through Payments:		
Department of Social Services:		
Independent Living	93.674	10,837
LIHEAP-Cooling Admin	93.568	42,068
Admin Energy Assist - Heating	93.568	21,204
Subsidized Adoption Assistance	93.659	4,521
Adult Protective Services	93.667	3,418
Statewide Fraud Program	N/A	13,154
Administration Refuge Other/Eligibility	93.566	469
Administration TANF Allocation	93.558	58,924
Admin AFDC/TANF Allocation	93.558	12,530
View - Jobs Purchase TANF	93.558	514,898
Foster Care	93.658	681,979
Administration TXIX Allocation	93.778	247,482
Administration Sub Adoption	93.659	123,798
Administration - Medicaid Allocation	93.778	54,026
TANF Working Parents Locality	93.558	397
Child Day Care - at Risk	93.596	72,058
Child Day Care - Service Delivery	93.596	52,586
TANF ED/TRNG: Non Jobs	93.596	15,336
VIEW - TANF Working Day Care	93.596	117,652
Non-Occuring IV-E Allocation	93.659	45,225
Administration IV-E FOS/Adopt TR Allocation	93.658	18,581
Admin IV-F/TANF Allocation	93.558	123,282
CDC - Quality Initiative Grants	93.575	16,000
CDC Fee - at Risk	93.575	161,116

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2003

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)		
Head Start Wrap - Around	93.575	\$ 1,184
Protective Services - Adult & Child	93.667	12,446
ADM - Title XX Allocation*	93.667	407,654
Adult Serv H-B Sup Companion	93.667	154,897
Foster Parent Respite Care	93.667	1,072
Family Preservation - P.S. (IVB2)	93.556	31,533
Department Of Mental Health and Mental Retardation		
Mental Health Planning ** *	93.958	129,326
Child Care Block Grant ** *	93.575	10,475
Alcohol Abuse Services (50847-49) ** *	93.959	618,476
Cooperative Agreement for State Outcomes ** *	93.238	1,250
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	42,858
FEDERAL EMERGENCY MANAGEMENT AGENCY:		
Direct Payments:		
Hazard Mitigation	83.548	268,036
Emergency Management Prepardness Grant	83.552	18,420
State & Local Hazards Emergency Operations Planning	83.562	12,672
DEPARTMENT OF LABOR:		
Pass Through Payments:		
Virginia Employment Commission		
Workforce Investment Act - Adult Services	17.258	94,418
Workforce Investment Act - Youth Services*	17.259	1,869,774
Pass Through Payments:		
Department of Education:		
Adult Education - State Administration Program (7E002694) (8E002615)	84.002	386,552

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
DEPARTMENT OF LABOR: (Cont'd)		
Pass Through Payments: (Cont'd)		
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	\$ 1,780,469
Even Start - SEA	84.213	204,679
Title II:		
Education for Economic Security	84.281	242,005
Part A*	84.367	437,673
Elementary & Secondary Education Act (ESEA):		
Title VI-B:		
Assistance To States For Education Of Handicapped Children: Handicapped Preschool & School Programs (7E002555) (8E0025275) *	84.027	1,067,503
Vocational Education:		
Basic Grants To States (8E002628) (7E002685) (8E002607) (7E002688)	84.048	200,250
Special Projects:		
Part C Funds	84.181	163,346
Drug Free Schools and Communities (7E003333)	84.186	70,898
Title X Grant	84.198	555,693
Preschool Handicapped Allocations	84.173	53,565
E Rate	84.001	122,689
Other Funds	N/A	204,283
Title VI - Rural and Low-Income Schools	84.358	542,466
AP Grant	84.330	150
DEPARTMENT OF CRIMINAL JUSTICE SERVICES:		
State Domestic Preparedness Equipment Support Program	16.007	43,932
Drug Control and System Improvement - Byrne Formula	16.579	90,672
Violence Against Women	16.588	18,800
Triad Crime Prevention	16.000	5,025
DEPARTMENT OF MOTOR VEHICLES:		
State and Community Highway Safety	20.600	4,438

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
DEPARTMENT OF ENVIRONMENTAL QUALITY:		
DEQ Environmental Technical	N/A	\$ 229
DEPARTMENT OF FEDERAL HIGHWAY ADMINISTRATION:		
Department of Transportation - Sugar Hill Project	20.000	15,712
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:		
Economic Development - Research /Planning:		
Arch Food Distribution	14.228	47,023
Almira-Haddonville Self Help Project	14.228	351,234
Derby Community Renovation Project	14.228	55,270
TOTAL FEDERAL ASSISTANCE		<u>\$ 14,741,765</u>

* Identified as a major program

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

COUNTY OF WISE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

Federal Grantor/Program Award Number	Findings	Questioned Costs
--------------------------------------	----------	------------------

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, 2003 was an unqualified opinion.

<u>MAJOR PROGRAM</u>	<u>TYPE</u>	<u>RISK TYPE</u>
(1) General Administration - Food Stamp Program	B	High
(2) National School Lunch Program	A	Low
(3) Food Stamp Program	A	High
(4) Title II - Part A	A	High
(5) WIA - Youth Activites	A	High
(7) Title I	A	Low
(8) Mental Health Planning	B	Low
(9) Retardation and Substance Abuse	B	Low
(10) Alcohol Abuse Services	B	Low

The County of Wise used a \$ 442,253 threshold to distinguish between Type A and Type B programs.



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

FISCAL YEAR	GENERAL PROPERTY TAXES		OTHER LOCAL TAXES		PERMIT, PRIVILEGE FEES AND REGULATORY LICENSES		FINES & FORFEITURES		REVENUE FROM USE OF MONEY AND PROPERTY
	\$		\$		\$		\$		
2002-03	12,690,890		10,852,884		102,136		28,675		232,917
2001-02	11,748,220		10,939,149		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

FISCAL YEAR	CHARGES FOR SERVICES		MISCELLANEOUS		RECOVERED COSTS		INTER-GOVERNMENTAL		TOTAL
	\$		\$		\$		\$		
2002-03	1,172,673		306,224		715,021		57,636,789		83,738,209
2001-02	1,359,270		261,069		773,571		50,218,574		75,715,151
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

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

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

SCHEDULE 7

FISCAL YEAR	GENERAL ADMINISTRATION	JUDICIAL ADMINISTRATION	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND WELFARE	EDUCATION
2002-03	\$ 2,036,832	\$ 1,634,549	\$ 5,747,227	\$ 1,060,934	\$ 10,121,069	\$ 52,588,652
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

FISCAL YEAR	PARKS, RECREATION & CULTURAL	COMMUNITY DEVELOPMENT	CAPITAL PROJECT	DEBT SERVICE	TOTALS
2002-03	\$ 696,222	\$ 4,138,974	\$ 123,836	\$ 1,356,189	\$ 79,504,484
2001-02	758,228	4,240,275	-	1,351,583	75,739,392
2000-01	723,123	6,765,170	95,849	795,258	80,012,589
1999-00	722,469	3,047,603	149,239	664,530	69,749,385
1998-99	728,365	3,353,254	631,929	870,904	66,022,061
1997-98	706,818	3,406,846	229,016	809,873	64,426,331
1996-97	705,077	2,932,024	630,289	845,919	62,419,053
1995-96	703,184	3,135,539	621,484	1,077,566	59,239,071
1994-95	565,313	2,788,038	242,329	1,146,851	58,611,464
1993-94	587,323	1,888,636	921,883	1,064,946	57,351,710

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

The accompanying notes to financial statements are an integral part of this statement.

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
2002-03	\$ 1,204,940,618	\$ 300,288,761	\$ 210,272,261	\$ 25,797,480	\$ 44,899,975
2001-02	1,012,850,850	295,243,171	201,932,382	25,571,511	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

PUBLIC UTILITIES				
FISCAL YEAR	PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL	TOTAL
2002-03	\$ 983,791	\$ 80,368,431	\$ 31,652	\$ 1,867,582,969
2001-02	693,753	75,819,953	13,000	1,655,881,164
2000-01	575,837	77,716,250	12,881	1,657,021,890
1999-00	733,043	78,921,154	-	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

The accompanying notes to financial statements are an integral part of this statement.

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

SCHEDULE 9

FISCAL YEARS	REAL ESTATE	PERSONAL PROPERTY	MACHINERY & TOOLS	MERCHANTS CAPITAL	MOBILE HOMES	PUBLIC UTILITIES		
						PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL
2002-03	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.52
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

- (1) Per \$100 of assessed value
(2) Tax Rate Decreased From .52 per \$100 to .48 per \$100 for Real Estate Taxes Beginning in January 2003

The accompanying notes to financial statements are an integral part of this statement.

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

SCHEDULE 10

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	PERCENT OF		DELINQUENT TAXES TO TAX LEVY
							OUTSTANDING DELINQUENT TAXES	DELINQUENT TAXES TO TAX LEVY	
2002-03	\$ 13,497,800	\$ 11,825,447	87.61%	\$ 1,713,445	\$ 13,538,892	100.30%	\$ 2,100,488	15.56%	
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%	

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.

The accompanying notes to financial statements are an integral part of this statement.

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

SCHEDULE 11

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS) (2)	GROSS BONDED DEBT (3)	LESS: DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM		NET BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
					ENTERPRISE REVENUES (5)	REVENUES			
2002-03	40,123	\$1,867,582,969	\$ 14,699,145	0	\$ 1,898,410	\$ 12,800,735	0.69%	\$ 319.03	
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	

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.

The accompanying notes to financial statements are an integral part of this statement.