

COUNTY OF WISE, VIRGINIA

AUDIT REPORT

JUNE 30, 2004

COUNTY OF WISE, VIRGINIA
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JUNE 30, 2004

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Wise County Board of Supervisors



Office of County Administrator

TELEPHONE 276-328-2321
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COURTHOUSE

WISE, VIRGINIA 24293

P.O. BOX 570
206 E. MAIN STREET

December 11, 2004

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

I am pleased to present the Comprehensive Annual Financial Report of the County of Wise, Virginia, for the fiscal year ended June 30, 2004. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. I 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 judgments by management.

All internal control evaluations occur within the above framework. I 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, 2004 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 September, 2004 was 5.4% which is higher than the prior year of 4.6%, but exceeds the Commonwealth of Virginia by .90%. However, the local unemployment rate compares favorably to the national rate of 5.4%.

MAJOR INITIATIVES

For Fiscal Year 2004

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:

- Southwest Logistics Corporation occupied the former Buster Brown Building.
- Crutchfield Corporation occupied the Shell Building located in the Esserville Industrial Park.
- Work continues on planning and design for the Lonesome Pine Technology Park Access Road
- Completed construction on a new \$475,000 animal pound located in the Blackwood Community.

Prospects for the Future

Plans were expanded for the design and construction for a transfer station locator at the existing Blackwood Land Fill. This expansion is in lieu of expanding the landfill in Phase IV. The projected cost is \$1,000,000.

For the 2004-2005 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$39,069,552.

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 \$206,681. This is a increase from interest earned on temporary investments in Fiscal Year 2002-03 when the interest on investments totaled \$205,924.

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

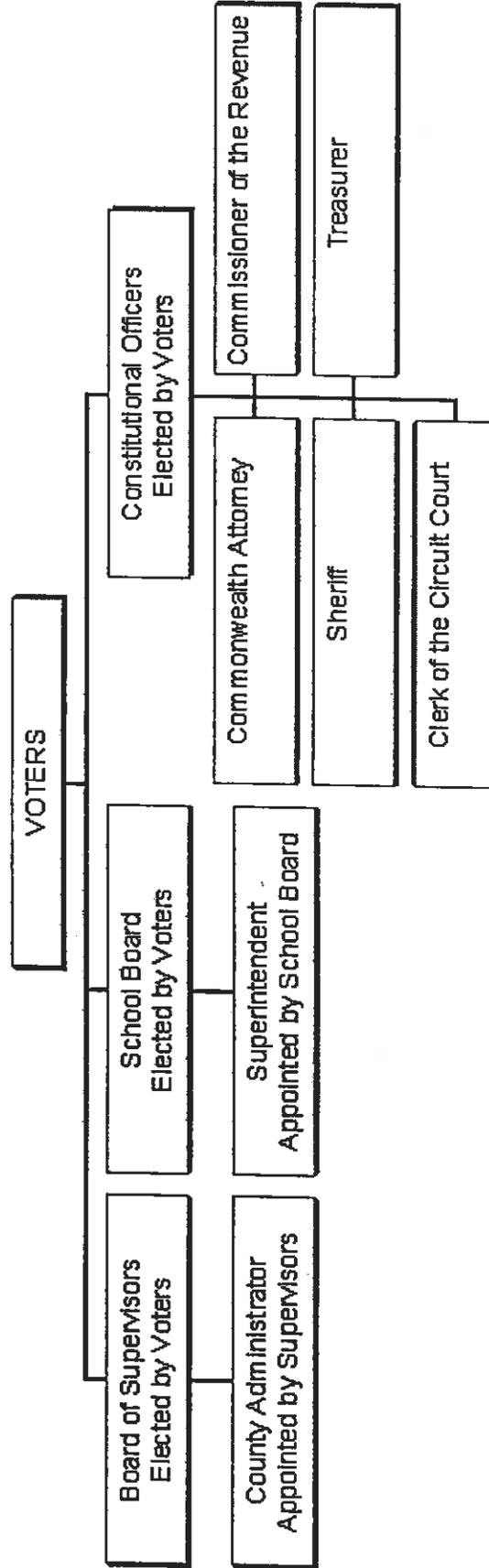
I would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shannon C. Scott". The signature is written in a cursive style with a large initial 'S'.

Shannon C. Scott
Acting County Administrator

WISE COUNTY ORGANIZATIONAL STRUCTURE



COUNTY OF WISE, VIRGINIA

BOARD OF SUPERVISORS

John W. Peace, Chairperson
Fred Luntsford, Vice-Chairperson

Robert Adkins
Ronnie Shortt
Robert Robbins

Virginia Meador
Steve Bates
Leland Branham

COUNTY SCHOOL BOARD

Margaret Craft, Chairperson
Wendell Caldwell, Vice Chairman

Ann Gregory
Milas D. Franks
Cecilia Robinette

Robert M. Mullins
Kyle Fletcher
Mark Hutchinson

Judy Clawson, Clerk of the School Board

WISE COUNTY PUBLIC SERVICE AUTHORITY

Kathy Roberson, Chairperson
Fred Luntsford, Vice Chairperson
Larry Bland, Treasurer

Dallas Large
Danny Stallard
Jim Flanary

Lloyd Robinette
Harold Markham

COUNTY WELFARE BOARD

Robert Robbins, Chairperson
Charles Bennett, Vice-Chairperson

J. D. Cassell
Elizabeth Stuart
Madonna Moore
Richard Coronet

Maryland Bumgarner
Sam Gilbert
Steve Bates

COUNTY OF WISE, VIRGINIA

OTHER OFFICIALS

Judge of the Circuit Court	J. Robert Stump
Judge of the Circuit Court	Ford Quillen
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	Chadwick S. Dotson
Commissioner of the Revenue	Douglas Mullins, Jr.
Treasurer	Rita Holbrook
Sheriff	Ronnie D. Oakes
County Administrator	Edward Sealover
Superintendent of Schools	Michael G. Basham
Director of Social Services	Thomas Stanley
Director of Public Service Authority	Danny Buchanan

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

CERTIFIED PUBLIC ACCOUNTANT

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

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Supervisors:

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Wise, Virginia, as of and for the year ended June 30, 2004, which collectively comprise the county's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County of Wise, Virginia's management. My responsibility is to express opinions on these 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Wise, Virginia as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

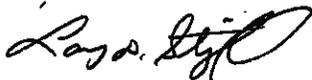
In accordance with *Government Auditing Standards*, I have also issued my report dated October 27, 2004 on my consideration of the County of Wise Virginia's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and

The Honorable Members of the
Board of Supervisors
County of Wise
Wise, Virginia 24293
October 27, 2004
Page 2

compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 80 through 93, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion in it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Wise, Virginia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statement. 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 basic financial statements of Wise County, Virginia. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.



Larry D. Sturgill
Certified Public Accountant
Wise, Virginia
October 27, 2004

Wise County Board of Supervisors



Office of County Administrator

COURTHOUSE

WISE, VIRGINIA 24293

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FAX 276-328-9780

P.O. BOX 570
206 E. MAIN STREET

December 11, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Wise County
County of Wise, Virginia 24293

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, 2004. 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 \$34,417,815 (net assets). Of this amount, \$2,437,370 (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 \$12,895,055, an increase of \$3,074,676 in comparison with the prior year. Approximately sixty-six percent of this total amount, \$8,456,542 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 \$8,456,542, or 23% percent of total general fund expenditures.

The County of Wise, Virginia's total debt decreased by \$1,079,021 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 the 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 \$34,417,315 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>Primary Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Current and other assets	\$ 11,527,417	\$ 15,762,960
Capital assets	<u>39,578,503</u>	<u>39,754,930</u>
 Total assets	 <u>\$ 51,105,920</u>	 <u>\$ 55,457,890</u>
Long-term liabilities outstanding	\$ 16,112,276	\$ 15,992,827
Current liabilities	<u>5,356,575</u>	<u>5,047,748</u>
Total liabilities	<u>\$ 21,468,851</u>	<u>\$ 21,040,575</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 20,641,197	21,204,176
Contributed capital	5,006,177	5,006,177
Restricted	1,180,001	5,769,592
Unrestricted	<u>2,809,694</u>	<u>2,437,370</u>
Total net asset	<u>\$ 29,637,069</u>	<u>\$ 34,417,315</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>Primary Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,234,409	\$ 766,655
Operating grants and contributions	14,907,466	16,177,147
General Revenues:		
Property taxes	13,232,892	14,784,889
Other Local taxes	10,852,884	13,172,464
Other	<u>2,741,981</u>	<u>3,352,530</u>
Total revenues	<u>\$ 42,969,632</u>	<u>\$ 48,253,685</u>
Expenses		
General government	\$ 2,306,294	\$ 2,002,391
Judicial administration	1,638,870	1,555,442
Public safety	5,789,693	5,960,752
Public works	3,730,876	1,337,263
Health and welfare	10,180,245	10,980,191
Education	1,468,561	13,720,599
Parks, recreation and culture	738,588	759,413
Community development	4,275,260	5,008,431
Nondepartmental	11,079,436	3,192,245
Interest	<u>15,264</u>	<u>29,327</u>
Total expenses	<u>\$ 41,223,087</u>	<u>\$ 44,546,054</u>
Increase (decrease) in net assets	\$ 1,746,546	\$ 3,707,631
Net assets -- beginning	<u>22,905,347</u>	<u>30,709,684</u>
Net assets -- ending	<u>\$ 24,651,892</u>	<u>\$ 34,417,315</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 \$12,895,055 an increase of \$3,074,676 in comparison with the prior year. Approximately sixty six percent of this total amount \$8,456,542 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 \$8,456,542, while the total fund balance was \$12,895,055. 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 \$ 2,401,924 during the current fiscal year.

The special revenue funds has a total fund balance of \$ 4,438,513, all of which is reserved for future projects. The fund balance increased \$ 934,957 during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$ 1,296,344 increase in appropriations) and can be briefly summarized as follows:

- \$340,601 increase in general government administration
- \$(44,231) decrease in judicial administration
- \$597,511 increase in public safety expenditures
- \$43,309 increase in public work expenditures
- \$373,705 increase in health and welfare expenditures
- \$124,503 increase in community development
- \$(139,054) decrease in capital outlaws

Of this increase, approximately \$ 847,435 was to be funded from additional state and federal grant sources and the remainder \$ 448,909 from various other sources. The remaining funds were budgeted

from available fund balance. During the year, however, primary government revenues exceeded budgetary estimates by \$ 1,982,014 and primary government expenditures were less than budgetary estimates by \$ 1,874,007, 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, 2004 amounts to \$ 33,518,582 (net of accumulated depreciation). This investment in capital assets land, buildings and improvements, and machinery and equipment. The total decrease in the County’s investment in capital assets for the current fiscal year was \$ 1,332,416.

<u>County of Wise, Virginia’s Change in Net Assets</u>		
	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Land	\$ 14,675,000	\$ 14,675,000
Buildings	29,995,316	29,410,002
Equipment	<u>6,561,275</u>	<u>6,773,220</u>
Total	51,231,591	50,858,222
Less: accumulated depreciation	<u>(16,380,593)</u>	<u>(17,339,640)</u>
Net capital assets	<u>\$ 34,850,998</u>	<u>\$ 33,518,582</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 \$ 14,212,607, including claims, judgements, and compensated absences of \$ 362,004. Of this amount \$ 14,068,563 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 \$ 1,079,021.

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

Economic Factors

- The September 2004 unemployment rate for the County is 5.4 percent, which is an increase from a rate of 4.6 percent in October 2003. This exceeds the state's average unemployment rate of 3.7 percent by .90 percent while the rate compares favorably with the national average rate of 5.4 percent for September 2004.

All of these factors were considered in preparing the County's budget for the 2004 fiscal year.

Budget and Rates

The approved budget is \$ 39,069,552 for fiscal year 2004-2005. The appropriate tax rates for the 2004-2005 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. Skip Skinner, County Administrator, Wise, Virginia 24293.

LARRY D. STURGILL, P. C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

Supervisors:

I have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund, and the aggregate remaining fund information of the County of Wise, Virginia as of and for the year ended June 30, 2004, and have issued my report thereon dated October 27, 2004, which collectively comprise the County of Wise, Virginia's basic financial statements and have issued my report thereon dated October 27, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and with the *Specifications for Audit of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

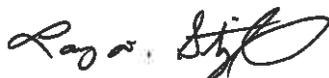
In planning and performing my audit, I considered the County of Wise, Virginia's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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 October 27, 2004.

The Honorable Members of the
Board of Supervisors
County of Wise
Wise, Virginia 24293
October 27, 2004
Page 2

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 grant agreements, 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*.

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 and is not intended to be and should not be used by anyone other than these specified parties.



Larry D. Sturgill
Certified Public Accountant
October 27, 2004

LARRY D. STURGILL, P. C.

LARRY D. STURGILL

MEMBER
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REPORT ON COMPLIANCE WITH REQUIREMENTS

APPLICABLE TO EACH MAJOR PROGRAM AND

INTERNAL CONTROL OVER COMPLIANCE IN

ACCORDANCE WITH OMB CIRCULAR A-133

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, 2004. 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
October 27, 2004
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, 2004.

Internal Control Over Compliance

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

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

This report is intended for the information of Management, the Board of Supervisors, Federal and State awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Larry D. Sturgill
Certified Public Accountant
October 27, 2004

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF WISE, VIRGINIA
STATEMENT OF NET ASSETS
JUNE 30, 2004

EXHIBIT I

ASSETS	GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUE		
CURRENT ASSETS				
Cash	\$ 486,281	\$ 812,077	1,298,358	\$ 72,537
Petty Cash	7,800	-	7,800	-
Investments	5,963,292	3,274,839	9,238,131	3,203
Reserved Deposits	-	-	-	1,331,079
Bond Insurance Costs	-	-	-	16,763
Receivable (Net Of Allowances For Uncollectibles):				
Property Taxes	915,931	-	915,931	-
Accounts	234,189	-	234,189	70,668
Mineral Taxes	432,112	427,336	859,448	-
Due From Other Governmental Units	420,411	-	420,411	-
Due From Other Funds	685,292	549,150	1,234,442	-
TOTAL CURRENT ASSETS	9,145,308	5,063,402	14,208,710	1,494,250
NONCURRENT ASSETS				
Capital Assets:				
Land	14,675,000	-	14,675,000	-
Buildings and equipment, net of depreciation	18,843,582	-	18,843,582	6,236,348
TOTAL NONCURRENT ASSETS	33,518,582	-	33,518,582	6,236,348
TOTAL ASSETS	\$ 42,663,890	\$ 5,063,402	47,727,292	\$ 7,730,598
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 256,637	\$ 325,753	\$ 582,390	\$ 29,543
Due To Other Funds	549,150	42,821	591,971	212,898
Due To Other Governmental Units	-	256,315	256,315	-
Premium on Bonds Payable	-	-	-	-
Due To Customers - Deposits	-	-	-	-
Deferred Revenues - Taxes	815,231	-	815,231	-
Accrued Interest Payable	-	-	-	-
Claims, Judgments & Compensated Absences	217,960	-	217,960	144,044
Current Portion of Long-Term Obligations	1,295,271	-	1,295,271	902,125
TOTAL CURRENT LIABILITIES	3,134,249	624,889	3,759,138	1,288,610
NONCURRENT LIABILITIES				
Landfill Closure Cost Liability	-	-	-	4,339,620
Noncurrent Portion of Long-Term Obligation	11,459,998	-	11,459,998	193,209
TOTAL NONCURRENT LIABILITIES	11,459,998	-	11,459,998	4,532,829
TOTAL LIABILITIES	\$ 14,594,247	\$ 624,889	15,219,136	\$ 5,821,439
NET ASSETS				
Investment In Capital Assets, net of related d	\$ 21,204,176	\$ -	21,204,176	-
Contributed Capital	-	-	-	5,006,177
Restricted Assets	-	4,438,513	4,438,513	1,331,079
Unrestricted Assets	6,865,467	-	6,865,467	(4,428,097)
TOTAL NET ASSETS	\$ 28,069,643	\$ 4,438,513	32,508,156	\$ 1,909,159
TOTAL LIABILITIES & NET ASSET	\$ 42,663,890	\$ 5,063,402	47,727,292	\$ 7,730,598

PRIMARY GOVERNMENTAL ACTIVITIES	COMPONENT UNITS	
	SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
\$ 1,370,895	\$ 133,654	\$ 1,055,743
7,800	200	500
9,241,334	3,520,505	1,353,797
1,331,079	-	343,448
16,763	-	14,860
915,931	-	-
304,857	63,196	182,324
859,448	-	-
420,411	2,307,517	54,431
1,234,442	-	-
<u>15,702,960</u>	<u>6,025,072</u>	<u>3,005,103</u>
14,675,000	1,314,293	45,000
25,079,930	20,247,195	17,808,787
<u>39,754,930</u>	<u>21,561,488</u>	<u>17,853,787</u>
<u>\$ 55,457,890</u>	<u>\$ 27,586,560</u>	<u>\$ 20,858,890</u>
\$ 611,933	\$ 471,991	\$ 77,432
804,869	-	-
256,315	-	-
-	-	13,343
-	-	309,730
815,231	-	-
-	-	-
362,004	2,348,633	38,669
2,197,396	80,291	70,568
<u>5,047,748</u>	<u>2,900,915</u>	<u>509,742</u>
4,339,620	-	-
11,653,207	1,184,709	2,094,343
<u>15,992,827</u>	<u>1,184,709</u>	<u>2,094,343</u>
<u>\$ 21,040,575</u>	<u>\$ 4,085,624</u>	<u>\$ 2,604,085</u>
\$ 21,204,176	\$ 21,138,892	\$ 16,727,816
5,006,177	-	-
5,769,592	-	343,448
2,437,370	2,362,044	1,183,541
<u>\$ 34,417,315</u>	<u>\$ 23,500,936</u>	<u>\$ 18,254,805</u>
<u>\$ 55,457,890</u>	<u>\$ 27,586,560</u>	<u>\$ 20,858,890</u>

COUNTY OF WISE, VIRGINIA
STATEMENT OF ACTIVITIES
JUNE 30, 2004

EXHIBIT 2

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (E AND CHA
		CHARGES FOR SERVICES	OPERATING GRANTS and CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
					PRIMARY GOVERNMENT GOVERNMENTAL AND BUSINESS - TYPE ACTIVITIES
PRIMARY GOVERNMENT:					
Governmental Activities					
General Government Administration	\$ 2,002,391	\$ 6,824	\$ 401,972	\$ (1,593,595)	\$ (1,593,595.0)
Judicial Administration	1,555,442	22,797	1,167,544	(365,101)	(365,101)
Public Safety	5,960,752	95,111	3,839,970	(2,025,671)	(2,025,671)
Public Works	1,337,263	29,652	2,242	(1,305,369)	(1,305,369)
Health & Welfare	10,980,191	61,511	9,127,951	(1,790,729)	(1,790,729)
Education	13,720,599	-	-	(13,720,599)	(13,720,599)
Parks, Recreation & Cultural	759,413	-	5,000	(754,413)	(754,413)
Community Development	5,008,431	-	1,622,272	(3,386,159)	(3,386,159)
Interest & Fiscal Charges	29,327	-	-	(29,327)	(29,327)
Total Governmental Activities	\$ 41,353,809	\$ 215,895	\$ 16,166,951	\$ (24,970,963)	\$ (24,970,963)
Business-Type Activities					
Landfill	3,043,758	502,658	10,196	\$ (2,530,904)	\$ (2,530,904)
Sewer	148,487	48,102	-	(100,385)	(100,385)
Total Business-Type Activities	3,192,245	550,760	10,196	(2,631,289)	(2,631,289)
Total Primary Government	\$ 44,546,054	\$ 766,655	\$ 16,177,147		\$ (27,602,252)
COMPONENT UNITS:					
School Board	57,735,509	1,028,308	55,032,835		
Public Service Authority	2,173,380	1,454,901	668,329		
Total Component Units	\$ 59,908,889	\$ 2,483,209	\$ 55,701,164		
General Revenues					
Taxes:					
Property Taxes, levied for general purposes			\$ 14,784,889	\$ -	\$ 14,784,889
Utility Taxes			1,333,640	-	1,333,640
Mineral Taxes			8,291,190	-	8,291,190
Franchise Taxes			333,627	-	333,627
Local Sales & Use Taxes			2,675,386	-	2,675,386
Other Local Taxes			538,621	-	538,621
Grants and Contributions, not restricted to specific progr			1,958,593	-	1,958,593
Investment Income			206,681	85,954	292,635
Miscellaneous			1,101,302	-	1,101,302
Operating Transfers			(2,274,196)	2,274,196	-
Total General Revenue			\$ 28,949,733	\$ 2,360,150	\$ 31,309,883
Change in Net Assets			\$ 3,978,770	\$ (271,139)	\$ 3,707,631
Net Assets, July 01, 2003			28,529,386	2,180,298	30,709,684
Net Assets, June 30, 2004			\$ 32,508,156	\$ 1,909,159	\$ 34,417,315

PENSE) REVENUE
GES IN NET ASSETS

COMPONENT UNITS

<u>SCHOOL BOARD</u>	<u>PUBLIC SERVIC AUTHORITY</u>
---------------------	--------------------------------

(1,674,366)

(50,150)

\$

\$

38,510
659,958

765,642
25,301
86,992

\$ 698,468
\$ (975,898)
24,476,834
\$ 23,500,936

\$ 877,935
\$ 827,785
17,427,020
\$ 18,254,805



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PRIMARY GOVERNMENT
GOVERNMENTAL FUNDS

COUNTY OF WISE, VIRGINIA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2004

EXHIBIT 3

	PRIMARY GOVERNMENT		
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 6,457,373	\$ 4,086,916	\$ 10,544,289
Receivables (Net of allowances for uncollectibles):			
Taxes, including penalties	915,931	427,336	1,343,267
Accounts	666,301	-	666,301
Due from Component Unit	1,926,037	-	1,926,037
Due from Other Funds	255,719	549,150	804,869
Due from Other Governmental Units	628,656	-	628,656
TOTAL ASSETS	\$ 10,850,017	\$ 5,063,402	\$ 15,913,419
LIABILITIES			
Accounts Payable	\$ 256,637	\$ 325,753	\$ 582,390
Due to Other Funds	549,150	42,821	591,971
Due to Other Governmental Units	-	256,315	256,315
Deferred Revenue	1,587,688	-	1,587,688
TOTAL LIABILITIES	\$ 2,393,475	\$ 624,889	\$ 3,018,364
FUND BALANCES			
Reserved	-	4,438,513	4,438,513
Unreserved	8,456,542	-	8,456,542
TOTAL FUND BALANCES	\$ 8,456,542	\$ 4,438,513	\$ 12,895,055
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,850,017	\$ 5,063,402	\$ 15,913,419

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

Unreserved Fund Balance June 30, 2004	\$ 12,895,055
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.	33,518,582
Adjustment for amounts due to/due from primary government	(1,926,037)
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.	993,785
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.	(12,973,229)
Net assets of General Government Activities	\$ 32,508,156

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 4

PRIMARY GOVERNMENT

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
General Property Taxes	14,012,432	-	\$ 14,012,432
Other Local Taxes	9,039,627	3,806,445	12,846,072
Permits, Privilege Fees & Regulatory Licenses	72,344	-	72,344
Fines & Forfeitures	32,720	-	32,720
Revenues From Use Of Money & Property	178,853	27,828	206,681
Charges For Services	112,122	103,773	215,895
Miscellaneous	506,103	62,399	568,502
Recovered Costs	513,224	-	513,224
Intergovernmental	16,279,684	1,845,860	18,125,544
TOTAL REVENUES	<u>\$ 40,747,109</u>	<u>\$ 5,846,305</u>	<u>\$ 46,593,414</u>
EXPENDITURES:			
Current:			
General Government Administration	\$ 1,904,023	275	\$ 1,904,298
Judicial Administration	1,544,754	5,767	1,550,521
Public Safety	5,899,664	868,550	6,768,214
Public Works	443,865	711,295	1,155,160
Health & Welfare	10,921,015	-	10,921,015
Education	13,984,265	-	13,984,265
Parks, Recreation & Cultural	716,065	-	716,065
Community Development	1,007,444	3,840,428	4,847,872
Capital Projects	58,261	-	58,261
Debt Service:			
Principal Retirement	195,760	-	195,760
Interest & Fiscal Charges	29,327	-	29,327
TOTAL EXPENDITURES	<u>\$ 36,704,443</u>	<u>\$ 5,426,315</u>	<u>42,130,758</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 4,042,666</u>	<u>\$ 419,990</u>	<u>4,462,656</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 10,967	\$ 203,935	\$ 214,902
Operating Transfers Out	(2,353,131)	(135,967)	(2,489,098)
Proceeds from Debt	701,422	447,000	1,148,422
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (1,640,742)</u>	<u>\$ 514,968</u>	<u>\$ (1,125,774)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURC OVER EXPENDITURES & OTHER USES	<u>\$ 2,401,924</u>	<u>\$ 934,958</u>	<u>\$ 3,336,882</u>
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATE	<u>6,054,618</u>	<u>3,503,555</u>	<u>9,558,173</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,456,542</u>	<u>\$ 4,438,513</u>	<u>\$ 12,895,055</u>

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, 2004

	<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	\$ 3,336,882
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.	(703,310)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	993,785
Compensated absences not payable from current year resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year.	362,230
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>(10,817)</u>
Change in net assets of governmental activities	<u><u>\$ 3,978,770</u></u>

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
 ENTERPRISE FUNDS - BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 6

OPERATING REVENUES:		
Landfill Usable Fees	✓ \$ 357,706 ✓	
Sewer Rents	48,102	
Tipping Fees	✓ 39,564 ✓	
Other Revenues	<u>105,388</u>	
TOTAL OPERATING REVENUES		\$ 550,760
OPERATING EXPENSES:		
Other Operating Charges	1,957,443	
Landfill Closure Expense	✓ 790,630 ✓	
Depreciation	<u>361,512</u>	
TOTAL OPERATING EXPENSES		<u>3,109,585</u>
NET OPERATING INCOME (LOSS)		\$(2,558,825)
NON-OPERATING REVENUE AND EXPENSE		
Grant Receipts	\$ 10,196	
Interest Revenue	85,954	
Interest Expense	<u>(82,660)</u>	
TOTAL NON-OPERATING REVENUE AND EXPENSE		<u>13,490</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS		\$(2,545,335)
OPERATING TRANSFERS IN		<u>2,274,196</u>
NET INCOME (LOSS)		\$ (271,139)
NET ASSETS AT BEGINNING OF YEAR		<u>(2,825,879)</u>
NET ASSETS AT END OF YEAR		<u><u>\$(3,097,018)</u></u>

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 7

Cash Flow From Operating Activities:	
Cash Received from Customers	\$ 507,285
Cash Payments to Suppliers for Goods & Services	<u>(1,853,259)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (1,345,974)
Cash Flow from Noncapital Financing Activities:	
Operating Transfers From Other Funds	\$ 2,141,233
Decrease in Due From Other Funds	<u>114,281</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,255,514
Cash Flows from Capital & Related Financing Activities:	
Principal Paid on Revenue Bond Maturities	\$ (832,601)
Interest Paid on Debt Obligations	(82,660)
Proceeds from General Obligation Loans	20,580
Principal Paid on General Obligation Loans	<u>(13,848)</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	(908,529)
Cash Flows form Investing Activities:	
Sinking Fund Deposits	(163,350)
Interest Earned on Investments	85,954
State Grant Receipts	10,196
Decrease in Investments	117,636
Purchase of Equipment	<u>(20,578)</u>
NET CASH PROVIDED FORM INVESTING ACTIVITIES	<u>29,858</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 30,869
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>41,668</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 72,537</u>

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ (2,558,824)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	\$ 361,512
Decrease in Accounts Receivable	(43,476)
Increase in Closure Cost Liability	790,630
Increase (Decrease) in Accrued Compensation	100,203
Increase in Accounts Payable	<u>3,981</u>
TOTAL ADJUSTMENTS	<u>1,212,850</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (1,345,974)</u>

COUNTY OF WISE, VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS
AT JUNE 30, 2004

EXHIBIT 8

<u>ASSETS</u>	<u>AGENCY FUNDS</u>
Cash	\$ 93,725
Due From Other Governmental Units	250,371
TOTAL ASSETS	<u>\$ 344,096</u>

LIABILITIES & FUND BALANCE

<u>LIABILITIES:</u>	
Due To:	
Social Service Clients	\$ 82,620
Governmental Units	53,231
Due To Other Funds	208,245
TOTAL LIABILITIES	<u>\$ 344,096</u>
 <u>FUND BALANCE:</u>	
Unrestricted	\$ -
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 344,096</u>



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COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wise, Virginia is governed by an elected eight 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 components 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.

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).

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 (Continued)

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 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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 (Continued)

(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.

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 provider 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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 (Continued)

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 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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 (Continued)

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

(5) Combined/Combining Format

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

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

(6) Total Columns on Combined Statements

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

D. Budgets and Budgetary Accounting

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

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

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 (Continued)

- (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

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 \$800,837 at June 30, 2004.

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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 2: CASH AND INVESTMENTS

Deposits:

At year-end the carrying value of the County's deposits with banks was \$2,071,540, and the bank balance was \$1,464,620. All cash of the County of Wise, Virginia is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et.seq. of the Code of Virginia or covered by Federal Depository insurance.

At year-end the carrying value of the deposits with banks of the Wise County School Board, a discretely presented component unit, was \$3,454,307 and the bank balance was \$133,654. All cash of the School is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et.seq. of the Code of Virginia or covered by Federal Depository insurance.

At year-end the carrying value of the deposits with banks of the Wise County Public Service Authority, a discretely presented component unit, was \$2,867.123 and the bank balance was \$2,752,989. All cash of the Authority is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et.seq. of the Code of Virginia or covered by Federal Depository insurance.

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 or dealer's trust department or safekeeping agent in the government's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or safekeeping agent but not in the government's name.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 2 (Continued)

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 8,932,579	\$ -	\$ -	\$ 8,932,579	\$ 8,932,579
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 1,626,334	\$ 1,626,334
Total Investments				\$ 10,558,913	\$ 10,558,913
Total Deposits				1,464,620	
Total Reserved Deposits				13,500	
Total Deposits and Investments				<u>\$ 12,037,033</u>	

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 3,115,000	\$ -	\$ -	\$ 3,115,000	\$ 3,115,000
Total				\$ 3,115,000	\$ 3,115,000
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 405,505	\$ 405,505
Total Investments				\$ 3,520,505	\$ 3,520,505
Total Deposits				\$ 133,654	
Total Deposits and Investments				<u>\$ 3,654,159</u>	

At year-end, the Wise County Public Service Authority's investment balances were as follows:

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 1,595,803	\$ -	\$ -	\$ 1,595,803	\$ 1,595,803
Total Investments				\$ 1,595,803	\$ 1,595,803
Total Deposits				\$ 1,157,185	
Total Deposits and Investments				<u>\$ 2,752,988</u>	

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 3: TAXES RECEIVABLE

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

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

NOTE 4: INTERFUND OBLIGATIONS

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 2,390,001	\$ 549,150
Enterprise Funds	-	212,898
School Fund	-	1,926,037
Local Sales Tax Fund	-	208,245
Community Development Fund	-	42,821
Coal Road Improvement	549,150	-
	<hr/>	<hr/>
TOTALS	\$ 2,939,151	\$ 2,939,151
	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 5: DUE FROM OTHER GOVERNMENTAL UNITS

	PRIMARY GOVERNMENT			COMPONENT
	GENERAL FUND	FIDUCIARY FUND	ENTERPRISE FUND	SCHOOL BOARD
Local Governmental Units:				
Towns	\$ 190,545	\$ -	\$ -	\$ -
School Boards	-	-	-	201,474
TOTAL LOCAL	\$ 190,545	\$ -	\$ -	\$ 201,474
Commonwealth of Virginia:				
Tax on Wills	\$ 2,219	\$ -	\$ -	\$ -
Shared Expenses	227,647	-	-	-
Local Sales Taxes	-	250,371	-	-
State Sales Taxes	-	-	-	410,363
School Funds	-	-	-	126,386
TOTAL STATE	\$ 229,866	\$ 250,371	\$ -	\$ 536,749
Federal Government:				
School Funds	\$ -	\$ -	\$ -	\$ 1,569,294
TOTAL FEDERAL	\$ -	\$ -	\$ -	\$ 1,569,294
TOTAL DUE	\$ 420,411	\$ 250,371	\$ -	\$ 2,307,517

NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS

	PRIMARY GOVERNMENT	
	SPECIAL REVENUE	FIDUCIARY
Appalachia	\$ 34,218	\$ 5,798
Big Stone Gap	43,317	15,011
Coeburn	35,628	6,201
Pound	30,886	3,731
St. Paul	30,630	2,715
Wise	39,472	8,670
Norton	42,164	-
Others	-	11,105
TOTALS	\$ 256,315	\$ 53,231

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 7: LONG-TERM DEBT

PRIMARY GOVERNMENT

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

GENERAL LONG-TERM DEBT

YEAR ENDING JUNE 30,	GENERAL LONG-TERM FINANCING LOANS		ENTERPRISE FUNDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2005	\$ 375,716	\$ 48,132	\$ 893,128	\$ 44,384
2006	186,449	35,558	34,316	190
2007	110,426	28,121	29,883	20
2008	87,618	24,443	27,601	-
2009	91,195	20,866	27,601	-
2010	94,919	180,160	27,601	-
2011	98,796	15,367	27,601	-
2012	102,831	11,222	27,601	-
2013	107,031	7,515	-	-
2014	68,106	3,305	-	-
TOTALS	\$ 1,323,087	\$ 374,689	\$ 1,095,332	\$ 44,594

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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
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	\$ 300,000	\$ 73,493	\$ 11,132,182	\$ 1,875,351

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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, 2004, as categorized below:

	Amounts Payable at			Amounts Payable at
	July 1, 2003	Increases	Decreases	
General Long-Term Debt:				
General Long-Term				
Financing Loans	\$ 369,607	\$ 1,148,422	\$ 194,942	\$ 1,323,087
Debt Acquired for School Purposes:				
General Obligations Bonds	\$ 355,000	\$ -	\$ 55,000	\$ 300,000
State Literary Loans	\$ 12,021,787	\$ -	\$ 889,605	\$ 11,132,182
TOTAL LOANS AND BONDS	<u>\$ 12,746,394</u>	<u>\$ 1,148,422</u>	<u>\$ 1,139,547</u>	<u>\$ 12,755,269</u>
Claims, Judgments and				
Compensated Absences	580,190	-	362,230	217,960
TOTAL GENERAL LONG-TERM				
DEBT ACCOUNT GROUP	<u>\$ 13,326,584</u>	<u>\$ 1,148,422</u>	<u>\$ 1,501,777</u>	<u>\$ 12,973,229</u>
Enterprise Fund:				
VRA Revenue Bonds	\$ 1,898,409	\$ -	\$ 832,601	\$ 1,065,808
General Long-Term Financing				
Loans	22,794	20,580	13,848	\$ 29,526
Claims, Judgements and				
Compensated Absences	43,841	100,203	-	144,044
TOTAL ENTERPRISE FUND	<u>\$ 1,965,044</u>	<u>\$ 120,783</u>	<u>\$ 846,449</u>	<u>\$ 1,239,378</u>
TOTAL PRIMARY				
GOVERNMENT DEBT	<u><u>\$ 15,291,628</u></u>	<u><u>\$ 1,269,205</u></u>	<u><u>\$ 2,348,226</u></u>	<u><u>\$ 14,212,607</u></u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 7 (Continued)

	AMOUNT OUTSTANDING
<u>DETAILS OF LONG-TERM INDEBTEDNESS</u>	
<u>General Long-Term Debt Account Group:</u>	
General Long-Term Financing:	
\$272,904 Loan payable to First Commonwealth Bank issued September 19, 2003, 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.	\$ 186,075
\$247,000 Loan payable to B B & T Bank issued November 13, 2003, due in 36 monthly installments of \$7,175.44; interest payable at 2.93% annually. 92% of this note is recorded in the General Long-Term Debt Account Group and 8% is recorded as Enterprise Liability.	\$ 178,452
\$475,000 Loan payable to B B & T Bank issued November 13, 2003, due in 120 monthly installments of \$4,849.88; interest payable at 4.18% annually.	\$ 452,398
\$447,000 Loan payable to Powell Valley National Bank issued April 10, 2004, due in 120 monthly installments of \$4,488.49; interest payable at 3.83% annually.	\$ 440,864
Loan payable to Suntrust Bank issued March 13, 2003, due in monthly installments of \$3,185.17; interest payable at 2.64% annually.	\$ <u>65,298</u>
TOTAL GENERAL LONG-TERM FINANCING LOANS	\$ 1,323,087

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%.	\$ <u>300,000</u>
Total General Obligation Bonds	\$ <u>300,000</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 7 (Continued)

State Literary Fund Loans:

\$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%.	200,000
\$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%.	43,350
\$160,625 State Literary Fund loan issued February 15, 1986, due in annual installments of \$8,035 through 2006; interest payable annually at 3%.	16,070
\$298,255 State Literary Fund loan issued December 1, 1986, due in annual installments of \$14,920 through 2006; interest payable annually at 3%.	44,760
\$231,818 State Literary Fund loan issued December 1, 1986, due in annual installments of \$11,418 through 2006; interest payable annually at 3%.	34,800
\$700,000 State Literary Fund loan issued December 15, 1976, due in annual installments of \$23,325 through 2007; interest payable annually at 3%.	69,975
\$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%.	800,000
\$3,700,000 State Literary Fund loan issued March 01, 2001, due in annual installments of \$185,000 through 2021; interest payable at 2%.	3,145,000
\$2,978,227 State Literary Fund loan issued December 15, 2000, due in annual installments of \$150,000 through 2021; interest payable at 2%.	2,528,227
\$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>4,250,000</u>
TOTAL STATE LITERARY FUND LOANS	<u>\$ 11,132,182</u>
TOTAL GENERAL LONG-TERM OBLIGATION DEBT ACQUIRED FOR SCHOOL PURPOSES	<u>\$ 11,432,182</u>
TOTAL COMPENSATED ABSENCES – GENERAL FUND	<u>217,960</u>
TOTAL GENERAL LONG-TERM OBLIGATION DEBT	<u>\$12,973,229</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

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%. \$ 220,808

\$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%. 845,000

TOTAL VRA REVENUE BONDS **\$ 1,065,808**

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. \$ 14,008

\$247,000 Loan payable to B B & T Bank issued November 13, 2003, due in 36 monthly installments of \$7,175.44; interest payable at 2.93% annually. 92% of this note is recorded in the General Long-Term Debt Account Group and 8% is recorded as Enterprise Liability. \$ 15,518

TOTAL GENERAL LONG-TERM FINANCING **\$ 29,526**

TOTAL COMPENSATED ABSENCES 144,044

TOTAL ENTERPRISE FUND LONG-TERM DEBT **\$ 1,239,378**

TOTAL PRIMARY GOVERNMENT DEBT **\$14,212,607**

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

\$1,265,000 Loan payable to Suntrust Bank for an Energy Performance Contract, due in 144 monthly installments of \$10,800; interest payable at an annual rate of 3.454%. \$ 1,265,000

Total Compensated Absences and Early Retirement Plan Payable \$ 2,348,633

TOTAL GENERAL LONG-TERM OBLIGATION DEBT **\$ 3,613,633**

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 7 (Continued)

Changes in Long-Term Debt:

The following is a summary of long-term debt transactions of the County of Wise Component Unit – School Board for the year ended June 30, 2004:

	Amounts Payable at July 1, 2003	Increases	Decreases	Amounts Payable at June 30, 2004
General Long-Term Debt:				
Long-Term Financing				
Loans	-	1,265,000	-	1,265,000
Claims, Judgments and Compensated Absences Payable	1,826,218	522,415	-	2,348,633
TOTAL GENERAL LONG-TERM DEBT ACCOUNT GROUP COMPONENT UNIT - SCHOOL BOARD	<u>\$ 1,826,218</u>	<u>\$ 1,787,415</u>	<u>\$ -</u>	<u>\$ 3,613,633</u>

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

GENERAL LONG-TERM OBLIGATIONS

YEAR ENDING JUNE 30,	GENERAL LONG-TERM FINANCING LOANS		TOTAL
	PRINCIPAL	INTEREST	
2005	\$ 80,291	\$ 49,312	\$ 129,603
2006	90,106	39,497	129,603
2007	93,268	36,335	129,603
2008	96,540	33,063	129,603
2009	99,928	29,675	129,603
2010	103,434	26,169	129,603
2011	107,063	22,540	129,603
2012	110,820	18,783	129,603
2013	114,708	14,895	129,603
2014	118,733	10,870	129,603
2015	122,899	6,705	129,604
2016	127,210	2,392	129,602
TOTALS	<u>\$ 1,265,000</u>	<u>\$ 290,236</u>	<u>\$ 1,555,236</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 7 (Continued)

COMPONENT UNIT-WISE COUNTY PUBLIC SERVICE AUTHORITY

BONDS & NOTES OUTSTANDING

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

PERIOD ENDED JUNE 30,	<u>LONG-TERM BONDS & NOTES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2005	70,568	41,673
2006	60,632	48,574
2007	65,632	47,184
2008	65,632	45,561
2009	65,632	43,781
2010	65,632	41,888
2011	70,632	39,816
2012	70,632	37,591
2013	75,632	35,139
2014	60,632	32,811
2015	65,632	30,789
2016	65,632	28,708
2017	65,632	56,433
2018	65,632	23,986
2019	65,632	21,482
2020	50,632	19,315
2021	55,632	17,403
2022	60,632	15,235
2023	60,632	12,940
2024	50,632	10,900
2025	50,632	9,115
2026	60,632	7,066
2027	60,632	4,752
2028	50,632	2,696
2029	35,632	1,283
2030	30,632	385
2031	15,749	-
2032	5,999	-
SUB-TOTALS	\$ 1,588,116	\$ 676,506

VRA Loans Incomplete as of June 30, 2004	576,795
(See Details Below)	
TOTAL LONG-TERM LIABILITIES	\$ 2,164,911

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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, 2004:

Debt Payable at July 1, 2003 as Previously Reported	\$ 1,666,351
Additions:	
Virginia Resources Authority Bond	1,160,000
Retirements:	
Virginia Resources Authority Bonds	15,988
Farmer's Home Administration Bond	<u>1,222,247</u>
Sub-total Bond/Loans Payable at June 30, 2004	\$ 2,164,911
Bond issuance incomplete as of June 30, 2004:	
Virginia Resources Authority Bond	500,891
Virginia Resources Authority Bond	<u>75,904</u>
Total Bond/Loans Payable at June 30, 2004	<u>\$ 2,164,911</u>

Details of Changes in Bonds & Notes Outstanding

\$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%.	\$ 97,199
\$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%.	330,917
\$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>1,160,000</u>
SUB- TOTAL WATER AND SEWER REVENUE BONDS	<u>\$ 1,588,116</u>

Loan and grant proceeds were received from the Virginia Resources Authority, and the Virginia Department of Health for a water project in the Bull Run section. The total of the loan will be \$551,025 and the total grant will be \$97,240. As of June 30, 2004, the Authority has only received \$500,891 in loan proceeds and \$88,392 of the grant proceeds. The repayment terms of the loan payable will be determined when the project is complete and the total actual loan proceeds are received.

Virginia Resource Authority – Loan proceeds to date	\$500,891
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COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 7 (Continued)

Loan and grant proceeds were received from the Virginia Resources Authority, and the Virginia Department of Health for the South Fork Water Extension Project. The repayment terms of the loan payable will be determined when the project is complete and the total actual loan proceeds are received. However, it initially consists of a \$1,054,490 loan at 1% interest for a term of 25 years. As of June 30, 2004, the Authority has only received \$75,904 in loan proceeds.

Virginia Resource Authority – Loan proceeds to date \$ 75,904

TOTAL BONDS & NOTES INDEBTEDNESS

COMPONENT UNIT – WISE COUNTY PUBLIC SERVICE AUTHORITY \$ 2,164,911

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, 2004 the value of accrued vacation pay, for the primary government was \$362,004.

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, 2004, accrued liability under this plan amounted to \$2,141,773. 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 \$131,677 and non-professional employees was \$75,183. The total value of these liabilities, including the early retirement option plan, for the Component Unit - School Board was \$2,348,633.

The Wise County Public Service Authority employees earn vacation and sick leave at various rates. One-half (1/2) of benefits or pay is received for unused sick leave upon termination, however, total benefits are paid in the event of employee death. At June 30, 2004 the amount of accrual recorded is \$23,506, which equals one-half of the value. Vacation is earned on a calendar year and expires at the end of the period earned. At June 30, 2004 the value of accrued vacation pay was \$15,163. The accrual for vacation and sick leave totals \$38,669.

NOTE 9: DEFINED BENEFIT PENSION PLAN

A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Administering Entity:	Virginia Retirement System (System)

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 9 (Continued)

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. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. 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 reported compensation. 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 downloaded from our web site at <http://www.varetire.org/Pdf/2003annuRept.pdf> or 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 reported compensation to the VRS. This 5% member contribution may be assumed by the employer. In addition, the County of Wise and Wise County School Board 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 2004 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 2004, 2003 and 2002 amounted to \$2,210,686, \$2,279,530 and \$2,156,828, respectively, and represented, 8.77%, 8.77% and 12.54%, respectively.

C. Annual Pension Cost

For 2004, County of Wise (including the Wise County Public Service Authority) and the School Board's Non-Professional Employees annual pension cost of \$527,611 and \$119,569, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method. This actuarial valuation uses the assumptions and methods that were adopted as a result of the 2000 Experience Study. In particular, it uses an assumed investment return rate of 8.00%; and assumed annual cost-of-living adjustment of 3.00%; salary increases that range between 4.25% and 6.10% depending on the member's service and classification (general employee or uniformed officer); and retirement, mortality, disability 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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 9 (Continued)

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, 2004	\$527,611	100%	\$0
	June 30, 2003	\$502,454	100%	\$0
	June 30, 2002	\$519,827	100%	\$0
Wise County Schools	June 30, 2004	\$119,569	100%	\$0
	June 30, 2003	\$122,297	100%	\$0
	June 30, 2002	\$135,167	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 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:

General Fund:	
Fund Balance, as of June 30, 2003 (As previously stated)	\$ 6,316,823
Adjustment for previously overstated accounts payable and payroll liabilities	<u>(262,206)</u>
Fund Balance, as of June 30, 2003 (As restated)	<u>\$ 6,054,618</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 13: SURETY BONDS

	<u>Amount</u>
Fidelity & Deposit Company Of Maryland - Surety	
Jack Kennedy, Clerk of the Circuit Court	\$ 25,000
Rita Holbrook, Treasurer	500,000
Douglas Mullins, Jr., Commissioner of the Revenue	3,000
Ronnie D. Oakes, Sheriff	30,000
All Constitutional Officer's Employees: Blanket Bond	50,000
United States Fidelity and Guaranty Company Surety:	
Michael G. Basham, Superintendent of Schools	10,000
Fidelity and Deposit Company of Maryland Surety:	
Judy Clawson , Clerk of the School Board Deputy	10,000
Clerk of the School Board	10,000
All School Board Employees: Blanket Bond	5,000
Director, Manpower Skill Center	111,000
Secretary/Bookkeeper, Manpower Skill Center	111,000
Director, Summer Youth Employment	100,000
Bookkeeper, Summer Youth Employment	100,000
All Social Services Employees: Blanket Bond	100,000
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, 2004, the County's legal counsel informed us that there is one case pending against the County. This case is as follows:

Indian Creek Monument Sales, Inc. et al v. Wise County, Virginia, Wise County Circuit Court.

This case is a suit challenging the County's collection of the landfill use fee for the period February 2001 to September 2003. The use fee was determined unconstitutional by the Supreme Court of Virginia on September 12, 2003. The County has filed special pleas and a Demurrer, which are pending. The potential for loss could be substantial, possibly in excess of \$1,000,000, should the suit be allowed to proceed and refunds be ordered.

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, 2004

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, 2004 amounted to \$82,660.

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, 2004 amounted to \$67,321. The Wise County Public Service Authority considers all short-term investments with an original maturity of three months or less to be cash equivalents.

NOTE 17: PROPRIETARY FIXED ASSETS

A summary of proprietary fund property, plant and equipment at June 30, 2004 follows:

	VRA Landfill Enterprise	Riverview Sewer Project Fund	Total
Improvements Other Than Buildings	\$ 6,722,512	\$ 549,300	\$ 7,271,812
Equipment	1,044,511	-	1,044,511
Less: Accumulated Depreciation	(1,915,185)	(164,790)	(2,079,975)
TOTAL FIXED ASSETS, NET OF DEPRECIATION	<u>\$ 5,851,838</u>	<u>\$ 384,510</u>	<u>\$ 6,236,348</u>

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	29,410,002
Equipment & Vehicles	<u>6,773,220</u>
TOTAL	\$ 50,858,222
Less: Accumulated Depreciation	<u>(17,339,640)</u>
TOTAL FIXED ASSETS, NET OF DEPRECIATION	<u>\$ 33,518,582</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 18 (Continued)

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		40,484,531
Equipment & Vehicles		5,909,826
Construction in Progress		<u>1,745,729</u>
 TOTAL		 49,454,379
 Less: Accumulated Depreciation		 <u>(27,892,891)</u>
 TOTAL FIXED ASSETS, NET OF DEPRECIATION	 \$	 <u><u>21,561,488</u></u>

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

Primary Government:

	Balance <u>July 1, 2003</u>	Additions	Deletions	Balance <u>June 30, 2004</u>
Land	\$ 14,675,000	\$ -	\$ -	\$ 14,675,000
Buildings	29,995,316	359,291	944,605	29,410,002
Equipment & Vehicles	<u>6,561,275</u>	<u>211,945</u>	<u>-</u>	<u>6,773,220</u>
 TOTAL	 <u>\$ 51,231,591</u>	 <u>\$ 571,236</u>	 <u>\$ 944,605</u>	 <u>\$ 50,858,222</u>

Component Unit School Board:

	Balance <u>July 1, 2003</u>	Additions	Deletions	Balance <u>June 30, 2004</u>
Land	\$ 1,314,293	\$ -	\$ -	\$ 1,314,293
Buildings & Improvements	39,539,926	944,605	-	40,484,531
Equipment & Vehicles	5,879,197	54,266	23,637	5,909,826
Construction in Progress	<u>-</u>	<u>1,745,729</u>	<u>-</u>	<u>1,745,729</u>
 TOTAL	 <u>\$ 46,733,416</u>	 <u>\$ 2,744,600</u>	 <u>\$ 23,637</u>	 <u>\$ 49,454,379</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

NOTE 18 (Continued)

COMPONENT UNIT - WISE COUNTY PUBLIC SERVICE AUTHORITY:

UTILITY PLANT AND EQUIPMENT IN SERVICE

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

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

Water/Sewer System	50 Years
Equipment	5 - 10 Years

At June 30, 2004 utility plant in service consisted of the following:

	<u>TOTAL</u>	
Land	\$	45,000
Construction in Progress		1,446,726
Utility Plant		21,222,031
Equipment		266,687
Automobiles		182,694
Office Furniture & Equipment		97,515
Plant Building		28,041
		<hr/>
SUB-TOTAL PLANT & EQUIPMENT	\$	23,288,694
Less: Accumulated Depreciation		(5,434,907)
		<hr/>
NET	\$	<u>17,853,787</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 18 (Continued)

Changes in utility plant and equipment as of June 30, 2004 are as follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Construction in Progress	244,130	1,431,833	229,237	1,446,726
Utility Plant	20,988,536	233,495	-	21,222,031
Equipment	266,687	-	-	266,687
Automobiles	164,194	18,500	-	182,694
Office Furniture and Equipment	92,135	5,380	-	97,515
Plant Building	28,041	-	-	28,041
TOTAL	\$ 21,828,723	\$ 1,689,208	\$ 229,237	\$ 23,288,694

NOTE 19: FUND BALANCE DEFICIT

The following funds had deficits in the amounts shown at June 30, 2004:

Community Development Fund

A deficit of \$42,821 is reflected in the Community Development Fund. A positive balance of \$56,582 is reflected in the remaining Funds, thus resulting in a net balance of \$13,761.

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 it's 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 \$13,638,805. The accrued liability for these costs reported as of June 30, 2004 is based on the capacity of the landfill used to date. The landfill capacity used as of June 30, 2004 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	\$ 13,638,805
Accrued Liability as of June 30, 2004	4,339,620
	<hr/>
Total Closure and Postclosure Care Costs Remaining to be Recognized	\$ 9,299,185

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2004

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, 2004, the County has deposited \$1,317,579 into this fund.

NOTE 21: ACCOUNTS RECEIVABLE

Proprietary Fund:

Riverview Sewer Project:

Total Accounts Receivable	\$ 14,707
Less: Allowance For Doubtful Accounts	<u>(10,509)</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 4,198</u>

COMPONENT UNIT - WISE COUNTY PUBLIC SERVICE AUTHORITY

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

	<u>AMOUNT</u>
Accounts Receivable	\$ 226,575
Less: Allowance for Doubtful Accounts	<u>(44,251)</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 182,324</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.

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 22 (Continued)

Contributions in aid of construction at June 30, 2004 include non-refundable donations or contributions in cash, services, or property from corporations, individuals, and others for the construction and extension of water and sewer facilities as follows:

<u>SOURCE</u>	<u>AMOUNT</u>
Wise County Ind. Development Auth.	\$ 60,850
County of Wise	11,477,705
State Department of Health	535,818
Federal Government	8,358,853
Developers	75,725
Others	1,052,425
SUB-TOTAL	<u>\$ 21,561,376</u>
Less: Accumulated Amortization	4,833,560
TOTAL CONTRIBUTED CAPITAL, NET OF AMORTIZATION	<u><u>\$ 16,727,816</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**

As of June 30, 2004, customer deposits held by the Public service Authority is restricted and refunded to customers upon termination of their respective water hookup. The Authority maintains a debt service account for the purpose of repayment of outstanding debt.

Total restricted cash held by the Wise County Public Service Authority at June 30, 2004 is as follows:

Customer Deposit Account	309,730
Debt Service Account	<u>33,718</u>
TOTAL	<u><u>\$ 343,448</u></u>



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FUND FINANCIAL STATEMENTS

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 9

	GENERAL FUND			VARIANCE WITH AMENDED BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	
REVENUES:				
General Property Taxes	\$ 12,337,500	\$ 12,341,865	\$ 14,012,432	\$ 1,670,567
Other Local Taxes	6,754,000	6,754,000	9,039,627	2,285,627
Permits, Privilege Fees & Regulatory Licenses	53,800	53,800	72,344	18,544
Fines & Forfeitures	20,000	20,000	32,720	12,720
Revenues From Use Of Money & Property	130,000	130,000	178,853	48,853
Charges For Services	232,000	66,650	112,122	45,472
Miscellaneous	-	415,645	506,103	90,458
Recovered Costs	513,600	488,600	513,224	24,624
Intergovernmental	18,724,195	19,571,630	16,279,684	(3,291,946)
TOTAL REVENUES	\$ 38,765,095	\$ 39,842,190	\$ 40,747,109	\$ 904,919
EXPENDITURES:				
Current:				
General Government Administration	\$ 1,607,875	\$ 1,948,476	\$ 1,904,023	\$ 44,453
Judicial Administration	1,658,411	1,614,180	1,544,754	69,426
Public Safety	4,765,438	5,362,949	5,899,664	(536,715)
Public Works	349,459	392,768	443,865	(51,097)
Health & Welfare	13,889,641	14,263,346	10,921,015	3,342,331
Education	14,233,229	14,233,229	13,984,265	248,964
Parks, Recreation & Cultural	711,632	711,632	716,065	(4,433)
Community Development	900,677	1,025,180	1,007,444	17,736
Non-Departmental	215,763	76,709	58,261	18,448
Debt Service:				
Principal Retirement	216,325	216,325	195,760	20,565
Interest & Fiscal Charges	30,000	30,000	29,327	673
TOTAL EXPENDITURES	\$ 38,578,450	\$ 39,874,794	\$ 36,704,443	\$ 3,170,351
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 186,645	\$ (32,604)	\$ 4,042,666	\$ 4,075,270
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 11,000	\$ 11,000	\$ 10,967	\$ (33)
Operating Transfers Out	(1,401,781)	(1,401,781)	(2,353,131)	(951,350)
Proceeds From Issuance Of Debt	-	-	701,422	701,422
Prior Year Appropriations	1,204,136	1,423,385	-	(1,423,385)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (186,645)	\$ 32,604	\$ (1,640,742)	\$ (1,673,346)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ -	\$ -	\$ 2,401,924	\$ 2,401,924
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	-	-	6,054,618	6,054,618
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 8,456,542	\$ 8,456,542

COUNTY OF WISE, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 10

	<u>TOTAL</u>
CAPITAL ASSETS:	
Land	\$ 14,675,000
Building and Building Improvements	29,410,002
Equipment	<u>6,773,220</u>
 Total Capital Assets	 <u>\$ 50,858,222</u>

INVESTMENT IN CAPITAL ASSETS BY SOURCE:

Proceeds from Indebtedness	\$ 12,314,406
General Fund Revenues	<u>38,543,816</u>
 TOTAL INVESTMENT IN CAPITAL ASSETS	 <u>\$ 50,858,222</u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 11

PRIMARY GOVERNMENT:	BUILDING and BUILDING			TOTAL
	LAND	MPROVEMENT	EQUIPMENT	
General Government Admini	350,000	6,952,100	292,970	7,595,070
Judicial Administration	30,000	216,040	-	246,040
Public Safety	210,000	1,918,381	2,145,554	4,273,935
Public Works	10,075,000	877,764	4,334,696	15,287,460
Health & Welfare	275,000	2,958,780	-	3,233,780
Education	-	11,068,277	-	11,068,277
Parks, Recreation & Cultural	235,000	2,341,160	-	2,576,160
Community Development	3,500,000	3,077,500	-	6,577,500
TOTAL CAPITAL ASSETS BY FUNCTION	14,675,000	29,410,002	6,773,220	50,858,222

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 12

	CAPITAL ASSETS		CAPITAL ASSETS	
	JULY 1, 2003	ADDITIONS	DELETIONS	JUNE 30, 2004
PRIMARY GOVERNMENT:				
General Government Admi	\$ 7,546,742	\$ 48,328	\$ -	\$ 7,595,070
Judicial Administration	246,040	-	-	246,040
Public Safety	3,751,027	522,908	-	4,273,935
Public Works	15,287,460	-	-	15,287,460
Health & Welfare	3,233,780	-	-	3,233,780
Education	12,012,882	-	(944,605)	11,068,277
Parks, Recreation & Cultur	2,576,160	-	-	2,576,160
Community Development	6,577,500	-	-	6,577,500
TOTALS	\$ 51,231,591	\$ 571,236	\$ (944,605)	\$ 50,858,222



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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, 2004

EXHIBIT 13

	SPECIAL WELFARE FUND	LOCAL SALES TAX FUND	LONESOM E PINE YOUTH SERVICES FUND	TOTALS
ASSETS				
Cash	\$ 82,620	\$ -	\$ 11,105	\$ 93,725
Due From Other Governmental Units	-	250,371	-	250,371
TOTAL ASSETS	\$ 82,620	\$ 250,371	\$ 11,105	\$ 344,096

LIABILITIES & FUND BALANCE

LIABILITIES:

Due To:

Social Service Clients	\$ 82,620	\$ -	\$ -	\$ 82,620
Governmental Units	-	42,126	11,105	53,231
Due To Other Funds	-	208,245	-	208,245
TOTAL LIABILITIES	\$ 82,620	\$ 250,371	\$ 11,105	\$ 344,096

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, 2004

EXHIBIT 14

ASSETS	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND	COAL ROAD IMPROVE- MENT FUND
Cash	\$ 29,986	\$ 89,383	\$ 1,739	\$ 26,187
Investments	205,000	-	-	3,069,839
Mineral Taxes Receivable	-	-	-	427,336
Accounts Receivable	-	-	-	-
Due From Other Funds	-	-	-	549,150
Governmental Units	-	-	-	-
TOTAL ASSETS	\$ 234,986	\$ 89,383	\$ 1,739	\$ 4,072,512
LIABILITIES AND NET ASSETS				
Accounts Payable	\$ 499	\$ -	\$ -	\$ 325,254
Due to Other Funds	-	-	-	-
Governmental Units	-	-	-	256,315
TOTAL LIABILITIES	\$ 499	\$ -	\$ -	\$ 581,569
FUND BALANCES:				
Restricted	\$ 234,487	\$ 89,383	\$ 1,739	\$ 3,490,943
TOTAL LIABILITIES AND NET ASSETS	\$ 234,986	\$ 89,383	\$ 1,739	\$ 4,072,512

COMMUNITY DEVELOPMENT FUND	ENERGY PERFORMANCE CONTRACT	INFORMATION TECHNOLOGY IMPROVEMENT FUND	TRANSIENT OCCUPANCY TAX FUND	SHERIFF DRUG SEIZURE & FORFEITURE AND COMMISSION FUND	TOTALS
\$ 56,582	\$ 447,000	\$ 6,659	\$ 50,423	\$ 104,118	\$ 812,077
-	-	-	-	-	3,274,839
-	-	-	-	-	427,336
-	-	-	-	-	549,150
<u>\$ 56,582</u>	<u>\$ 447,000</u>	<u>\$ 6,659</u>	<u>\$ 50,423</u>	<u>\$ 104,118</u>	<u>\$ 5,063,402</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,753
42,821	-	-	-	-	42,821
<u>\$ 42,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,315</u>
<u>\$ 42,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,889</u>
\$ 13,761	\$ 447,000	\$ 6,659	\$ 50,423	\$ 104,118	\$ 4,438,513
<u>\$ 56,582</u>	<u>\$ 447,000</u>	<u>\$ 6,659</u>	<u>\$ 50,423</u>	<u>\$ 104,118</u>	<u>\$ 5,063,402</u>

COUNTY OF WISE, VIRGINIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 15

REVENUES:	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND	COAL ROAD IMPROVEMENT FUND
Other Local Taxes	\$ 287,517	\$ -	\$ -	\$ 3,492,313
Revenues From Use of Money & Property	3,550	-	-	24,278
Charges for Services	-	15,184	-	-
Miscellaneous	-	-	616	-
Intergovernmental	\$ 214,049	-	-	-
TOTAL REVENUES	\$ 505,116	\$ 15,184	\$ 616	\$ 3,516,591
EXPENDITURES:				
General Government Administration	\$ -	\$ -	\$ -	\$ 275
Judicial Administration	-	5,767	-	-
Public Safety	685,656	-	166	-
Public Works	-	-	-	711,295
Community Development	-	-	-	2,090,237
TOTAL EXPENDITURES	\$ 685,656	\$ 5,767	\$ 166	\$ 2,801,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (180,540)	\$ 9,417	\$ 450	\$ 714,784
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	3,400	5,767	-	\$ 61,874
Operating Transfers Out	-	(5,767)	-	\$ (75,000)
Debt Proceeds	-	-	-	\$ -
TOTAL OTHER FINANCING SOURCES (USES)	\$ 3,400	\$ -	\$ -	\$ (13,126)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ (177,140)	\$ 9,417	\$ 450	\$ 701,658
FUND BALANCE AT THE BEGINNING OF YEA	411,627	79,966	1,289	2,789,285
FUND BALANCE AT THE END OF YEAR	\$ 234,487	\$ 89,383	\$ 1,739	\$ 3,490,943

COMMUNITY DEVELOPMENT FUND	ENERGY PERFORMANCE CONTRACT	INFORMATION TECHNOLOGY IMPROVEMENT FUND	TRANSIENT OCCUPANCY TAX FUND	DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	TOTAL
\$ -	\$ -	\$ -	\$ 26,615	\$ -	\$ 3,806,445
					27,828
8,797				88,589	103,773
1,622,272				52,986	62,399
\$ 1,631,069	\$ -	\$ -	\$ 26,615	\$ 9,539	1,845,860
				\$ 151,114	5,846,305
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275
					5,767
				182,728	868,550
1,716,274		33,917			711,295
\$ 1,716,274	\$ -	\$ 33,917	\$ -	\$ 182,728	3,840,428
					\$ 5,426,315
\$ (85,205)	\$ -	\$ (33,917)	\$ 26,615	\$ (31,614)	\$ 419,990
77,200		19,576			203,935
(50,200)			(5,000)	36,118	(135,967)
-	447,000				447,000
\$ 27,000	\$ 447,000	\$ 19,576	\$ (5,000)	\$ 36,118	\$ 514,968
\$ (58,205)	\$ 447,000	\$ (14,341)	\$ 21,615	\$ 4,504	\$ 934,958
71,966		21,000	28,808	99,614	3,503,555
\$ 13,761	\$ 447,000	\$ 6,659	\$ 50,423	\$ 104,118	\$ 4,438,513



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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, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA	
		LANDFILL ENTERPRIS E FUND	TOTAL
ASSETS			
CURRENT ASSETS			
Cash	\$ 33,391	\$ 39,146	\$ 72,537
Investments	-	3,203	3,203
Reserved Escrow Deposit	13,500	-	13,500
Sinking Fund Deposits	-	1,317,579	1,317,579
Bond Issuance Costs (Net)	-	16,763	16,763
Receivables:			
Accounts (Net Allowance For Uncollectibles)	4,198	66,470	70,668
TOTAL CURRENT ASSETS	51,089	1,443,161	1,494,250
NONCURRENT ASSETS			
Equipment (Net of Depreciation)	-	504,897	504,897
Improvements Other Than Building (Net of Depreciation)	384,510	5,346,941	5,731,451
TOTAL NONCURRENT ASS	384,510	5,851,838	6,236,348
TOTAL ASSETS	\$ 435,599	\$ 7,294,999	\$ 7,730,598
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 7,620	\$ 21,923	\$ 29,543
Due to Other Funds	212,898	-	212,898
Accrued Compensated Absences	-	144,044	144,044
Current Portion of Long-Term Obli	27,601	874,524	902,125
TOTAL CURRENT LIABILI	248,119	1,040,491	1,288,610
NONCURRENT LIABILITIES			
Noncurrent Portion of Long-Term	193,209	-	193,209
Accrued Landfill Closure Costs	-	4,339,620	4,339,620
TOTAL NONCURRENT LIA	193,209	4,339,620	4,532,829
TOTAL LIABILITIES	\$ 441,328	\$ 5,380,111	\$ 5,821,439
NET ASSETS			
Investment in Capital Assets, net of \$	-	\$ 5,006,177	\$ 5,006,177
Restricted Assets			
Restricted for:			
Cash for Debt Reserve	\$ 13,500	\$ -	\$ 13,500
Cash for Landfill Closing	-	1,317,579	1,317,579
Unrestricted Assets	\$ (19,229)	\$ (4,408,868)	\$ (4,428,097)
TOTAL NET ASSETS	\$ (5,729)	\$ 1,914,888	\$ 1,909,159
TOTAL LIABILITIES AND NET ASSETS	\$ 435,599	\$ 7,294,999	\$ 7,730,598

COUNTY OF WISE, VIRGINIA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 17

BUSINESS-TYPE ACTIVITIES
 ENTERPRISE FUNDS

	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
OPERATING REVENUES:			
Landfill Usage Fees	\$ -	\$ 357,706	\$ 357,706
Tipping Fees	-	39,564	39,564
Sewer Rents	48,102	-	48,102
Other Revenue	-	105,388	105,388
TOTAL REVENUE	\$ 48,102	\$ 502,658	\$ 550,760
OPERATING EXPENSES:			
Operation Expense	\$ 134,755	\$ 1,822,688 ✓	\$ 1,957,443
Landfill Closure Expense	-	790,630 ✓	790,630
Depreciation & Amortization	13,732	347,780 ✓	361,512
TOTAL OPERATING EXPENSES	\$ 148,487	\$ 2,961,098	\$ 3,109,585
NET OPERATING INCOME (LOSS)	\$ (100,385)	\$ (2,458,440)	\$ (2,558,825)
NON-OPERATING REVENUE (EXPENSE)			
Grant - Department of Environmental Quality	\$ -	\$ 10,196	\$ 10,196
Interest Revenue	93	85,861	85,954
Interest Expense	-	(82,660) ✓	(82,660)
TOTAL NON-OPERATING REVENUE AND EXPENSE	93	13,397	13,490
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (100,292)	\$ (2,445,043)	\$ (2,545,335)
OPERATING TRANSFERS IN	132,963	2,141,233	2,274,196
NET INCOME (LOSS)	32,671	(303,810)	(271,139)
NET ASSETS, BEGINNING OF YEAR	(38,400)	(2,787,479)	(2,825,879)
NET ASSETS, END OF YEAR	\$ (5,729)	\$ (3,091,289)	\$ (3,097,018)

COUNTY OF WISE, VIRGINIA
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 52,753	\$ 454,532	\$ 507,285
Cash Payments to Suppliers for Goods & Services	<u>(127,135)</u>	<u>(1,726,124)</u>	<u>(1,853,259)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (74,382)</u>	<u>\$ (1,271,592)</u>	<u>\$ (1,345,974)</u>
Cash Flow From Noncapital Financing Activities:			
Operating Transfers From Other Funds	\$ -	\$ 2,141,233	\$ 2,141,233
Decrease in Due To Other Funds	<u>135,281</u>	<u>(21,000)</u>	<u>114,281</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>\$ 135,281</u>	<u>\$ 2,120,233</u>	<u>\$ 2,255,514</u>
Cash Flows From Capital & Related Financing Activities:			
Principal Paid on Bond Maturities	\$ (27,601)	\$ (805,000)	\$ (832,601)
Interest Paid on Debt Obligations	-	(82,660)	(82,660)
Principal Paid on General Obligation Loans	-	(13,848)	(13,848)
Proceeds on General Obligation Loans	<u>-</u>	<u>20,580</u>	<u>20,580</u>
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	<u>\$ (27,601)</u>	<u>\$ (880,928)</u>	<u>\$ (908,529)</u>
Cash Flows From Investing Activities:			
Interest Revenue Earned on Investments	\$ 93	\$ 85,861	\$ 85,954
State Grant Receipts	-	10,196	10,196
Sinking Fund Deposits	-	(163,350)	(163,350)
Decrease in Investments	-	117,636	117,636
Purchase of Equipment	<u>-</u>	<u>(20,578)</u>	<u>(20,578)</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>\$ 93</u>	<u>\$ 29,765</u>	<u>\$ 29,858</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>\$ 33,391</u>	<u>\$ (2,522)</u>	<u>\$ 30,869</u>
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>-</u>	<u>41,668</u>	<u>41,668</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 33,391</u>	<u>\$ 39,146</u>	<u>\$ 72,537</u>

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	\$ (100,384)	\$ (2,458,440)	\$ (2,558,824)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 13,732	\$ 347,780	\$ 361,512
(Increase) Decrease in Accounts Receivable	4,650	(48,126)	(43,476)
Increase (Decrease) in Closure Cost Liability	-	790,630	790,630
Increase (Decrease) in Accrued Compensation	-	100,203	100,203
Increase (Decrease) in Accounts Payable	7,620	(3,639)	3,981
TOTAL ADJUSTMENTS	\$ 26,002	\$ 1,186,848	\$ 1,212,850
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (74,382)	\$ (1,271,592)	\$ (1,345,974)



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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, 2004

<u>ASSETS</u>	<u>PUBLIC SERVICE AUTHORITY</u>
CURRENT ASSETS	
Cash	\$ 1,055,743
Petty Cash	500
Investments	1,353,797
Reserved Deposits	343,448
Due From Others	54,431
Bond Issuance Costs	14,860
Receivable (Net Of Allowances For Uncollectibles):	
Accounts	<u>182,324</u>
TOTAL CURRENT ASSETS	\$ 3,005,103
NONCURRENT ASSETS	
Capital Assets:	
Land	\$ 45,000
Buildings and Equipment, Net of Depreciation	<u>17,808,787</u>
TOTAL NONCURRENT ASSETS	<u>17,853,787</u>
TOTAL ASSETS	<u>\$ 20,858,890</u>
 <u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 77,432
Due To Other Funds	-
Due To Customers - Deposits	309,730
Premium on Bonds Payable	13,343
Claims, Judgments & Compensated Absences	38,669
Current Portion of Long-Term Obligations	<u>70,568</u>
TOTAL CURRENT LIABILITIES	\$ 509,742
NONCURRENT LIABILITIES	
Noncurrent Portion of Long-Term Obligations	<u>\$ 2,094,343</u>
TOTAL NONCURRENT LIABILITIES	\$ 2,094,343
TOTAL LIABILITIES	<u>\$ 2,604,085</u>
 <u>NET ASSETS</u>	
Investment in Capital Assets, net of related debt	16,727,816
Restricted Assets (Debt Service)	33,718
Restricted Assets(Customer Deposits)	309,730
Unrestricted Assets	<u>1,183,541</u>
TOTAL NET ASSETS	<u>\$ 18,254,805</u>
 TOTAL LIABILITIES & NET ASSETS	 <u>\$ 20,858,890</u>

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, 2004

EXHIBIT 20

OPERATING REVENUES:		
Water Charges	\$ 1,439,975	
Miscellaneous	<u>14,926</u>	
TOTAL OPERATING INCOME		\$ 1,454,901
OPERATING EXPENSES:		
Salaries	\$ 632,801	
Payroll Taxes	56,804	
VRA Retirement & Life	69,015	
Hospitalization Insurance	118,373	
Workers Compensation Insurance	18,653	
Uniform Rental	6,558	
Water Purchased	229,786	
Utilities	137,005	
Line Crew Supplies & Plant Expenses	41,962	
Chemicals	29,671	
Repairs & Maintenance	76,214	
Telephone & Telemetry	21,176	
Professional Services	8,567	
Office Expense/Postage	39,428	
Office Utilities & Telephone	8,792	
Office Rent	6,544	
Conferences & Continuing Education	1,758	
Licenses, Fees & Tags	7,342	
Equipment Rental	20,828	
Insurance	3,731	
Vehicle Expense	36,126	
State Waterworks Fee	7,516	
Travel	9,554	
Miscellaneous	10,087	
Compensation - Board Members	7,140	
Depreciation	<u>501,282</u>	
TOTAL OPERATING EXPENSES		<u>2,106,713</u>
Net Operating Income (Loss) Before Depreciation		\$ (651,812)
NON-OPERATING REVENUES & (EXPENSES):		
Interest Income	\$ 25,301	
Penalties and Finance Charges	36,649	
Connection Fees	50,343	
Interest Expense	<u>(66,667)</u>	
NET NON-OPERATING REVENUES (EXPENSES)		<u>45,626</u>
Income (Loss) Before Other Revenues, Gains, Losses, and Transfers		\$ (606,186)
Federal Grants		668,329
County of Wise, Virginia		525,000
Other		<u>240,642</u>
Increase in Net Assets		827,785
Net Assets, Beginning Of Year		<u>17,427,020</u>
Net Assets, End Of Year		<u>\$ 18,254,805</u>

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, 2004

Cash Flow from Operating Activities:		
Cash Received from Customers	\$ 1,422,310	
Cash Payments to Suppliers for Goods & Services	(1,045,323)	
Cash Payments to Employees for Services	(626,240)	
Other Operating Revenues	<u>14,926</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (234,327)
Cash Flow from Noncapital Financing Activities:		
Increase in Customer Deposits	\$ 15,485	
Connection Fees	50,343	
Penalties and Finance Charges	<u>36,649</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		102,477
Cash Flows from Investing Activities:		
Interest on Investments	<u>\$ 25,301</u>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		25,301
Cash Flows from Capital & Related Financing Activities:		
Decrease in Due to Other Governmental Units	\$ (2,318)	
Increase in Due From Others	(50,938)	
Purchase of Equipment	(23,879)	
Construction of Capital Assets	(1,521,008)	
Contributions & Grants	1,433,971	
Proceeds from Issuance of Debt	576,795	
Principal Paid on FHA Bonds	(87,312)	
Interest Paid on Revenue Bonds & Equipment Contracts	<u>(67,321)</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		<u>257,990</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 151,441
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>2,602,047</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		<u>\$ 2,753,488</u>

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, 2004

Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income (Loss)		\$ (651,812)
Adjustments to Reconcile Operating Income		
to Net Cash Provided by Operating Activities:		
Depreciation	\$ 501,282	
Provision for Uncollectible Accounts	(7,329)	
Provision for Compensated Absences	2,170	
Change in Assets & Liabilities:		
(Increase) Decrease in Accounts Receivable	(10,336)	
Increase (Decrease) in Accounts Payable	(68,302)	
TOTAL ADJUSTMENTS		<u>417,485</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ (234,327)</u>



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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, 2004

EXHIBIT 22

	<u>COMPONENT UNIT</u> <u>SCHOOL BOARD</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 3,654,359
Accounts Receivable	63,196
Due From Other Governmental Units	<u>2,307,517</u>
TOTAL ASSETS	<u>\$ 6,025,072</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 471,991
Due to Primary Government	<u>1,926,037</u>
TOTAL LIABILITIES	<u>\$ 2,398,028</u>
<u>FUND EQUITY</u>	
FUND BALANCES:	
Undesignated	<u>\$ 3,627,044</u>
TOTAL FUND EQUITY	\$ 3,627,044

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.	\$ 21,561,488
Adjustment for amounts due to / due from primary government.	\$ 1,926,037
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>\$ (3,613,633)</u>
Net Assets of General Government Activities	<u>\$ 23,500,936</u>

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 23

	<u>COMPONENT UNIT</u> <u>SCHOOL FUND</u>
	<u>TOTALS</u>
REVENUES:	
Revenues From Use Of Money & Property	\$ 38,510
Charges For Services	1,028,308
Miscellaneous	448,884
Recovered Costs	211,074
Intergovernmental	55,665,131
TOTAL REVENUES	<u>\$ 57,391,907</u>
EXPENDITURES:	
Education	55,966,277
Capital Outlay	1,745,729
TOTAL EXPENDITURES	<u>\$ 57,712,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDIT	<u>\$ (320,099)</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	\$ 429,403
Operating Transfers Out	(429,403)
Proceeds From Debt	1,265,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 1,265,000</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ 944,901
FUND BALANCE AT BEGINNING OF YEAR	<u>2,682,143</u>
FUND BALANCE AT END OF YEAR	<u><u>3,627,044</u></u>

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES-BUDGET & ACT
 DISCRETELY PRESENTED COMPONENT UNIT-SCH
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 24

	BUDGET		VARIANCE
	AS		FROM AMENDED
REVENUES:	AMENDED	ACTUAL	POSITIVE (NEGATIVE)
Revenues From Use Of Money & Property	\$ 31,400	\$ 38,510	\$ 7,110
Charges For Services	1,200,900	1,028,308	(172,592)
Miscellaneous	3,412,700	448,884	(2,963,816)
Recovered Costs	207,500	211,074	3,574
Intergovernmental	57,494,700	55,665,131	(1,829,569)
TOTAL REVENUES	\$ 62,347,200	\$ 57,391,907	\$ (4,955,293)
EXPENDITURES:			
General Government Administration	\$ -	\$ -	\$ -
Judicial Administration	-	-	-
Public Works	-	-	-
Education	61,099,800	55,966,277	5,133,523
Community Development	-	-	-
Non-departmental	-	-	-
Capital Outlay	1,745,800	1,745,729	71
TOTAL EXPENDITURES	\$ 62,845,600	\$ 57,712,006	\$ 5,133,594
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (498,400)	\$ (320,099)	\$ 178,301
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ -	429,403	\$ 429,403
Operating Transfers Out	-	(429,403)	(429,403)
Proceeds From Debt	-	1,265,000	1,265,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ 1,265,000	\$ 1,265,000
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ (498,400)	\$ 944,901	\$ 1,443,301
FUND BALANCE AT BEGINNING OF YEAR (As Restated)	-	2,682,143	2,682,143
FUND BALANCE AT END OF YEAR	\$ (498,400)	\$ 3,627,044	\$ 4,125,444

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, 2004

	<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	\$ 944,901
Compensated absences not payable from current year resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year.	\$ (522,415)
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.	(1,265,000)
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>(133,384)</u>
Change in net assets of governmental activities	<u>\$ (975,898)</u>

COUNTY OF WISE, VIRGINIA
SCHEDULE OF CAPITAL ASSETS BY SOURCE
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 26

	<u>COMPONENT UNIT- SCHOOL BOARD</u>
CAPITAL ASSETS:	
Land	\$ 1,314,293
Building and Building Improvements	40,484,531
Equipment	5,909,826
Construction in Progress	<u>1,745,729</u>
TOTAL CAPITAL ASSETS	<u><u>\$ 49,454,379</u></u>
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Primary Government Revenues	<u>\$ 49,454,379</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u><u>\$ 49,454,379</u></u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 27

	BUILDING and LAND	BUILDING PROVEMEN	EQUIPMENT	CONSTRUCTION N PROGRES	TOTAL
EDUCATION	\$ 1,314,293	\$ 40,484,531	\$ 5,909,826	\$ 1,745,729	\$ 49,454,379
TOTAL	\$ 1,314,293	\$ 40,484,531	\$ 5,909,826	\$ 1,745,729	\$ 49,454,379

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 28

	CAPITAL ASSETS			CAPITAL ASSETS
	JULY 1, 2003	ADDITIONS	DELETIONS	JUNE 30, 2004
EDUCATION	\$ 46,733,416	\$ 2,744,600	\$ (23,637)	\$ 49,454,379
TOTAL	\$ 46,733,416	\$ 2,744,600	\$ (23,637)	\$ 49,454,379

COUNTY OF WISE, VIRGINIA
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
 AT JUNE 30, 2004

EXHIBIT 29

	<u>GOVERNMENTAL FUNDS</u>				
<u>ASSETS</u>	<u>SCHOOL OPERATING FUND</u>	<u>SCHOOL CAFETERIA FUND</u>	<u>TEXTBOOK RENTAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS</u>
Cash	\$ 9,193	\$ 42,321	\$ 27,249	\$ 54,891	\$ 133,654
Petty Cash	200	-	-	-	200
Investments	-	838,349	889,655	1,792,501	3,520,505
Accounts Receivable	63,196	-	-	-	63,196
Due From Other Governmental Units	2,307,517	-	-	-	2,307,517
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-	-
Amount to Be Provided For the Retirement of General Long-Term Obligations	-	-	-	-	-
TOTAL ASSETS	\$ 2,380,106	\$ 880,670	\$ 916,904	\$ 1,847,392	6,025,072
<u>LIABILITIES</u>					
Accounts Payable	\$ 453,869	\$ 18,122	\$ -	\$ -	471,991
Due To Other Funds	1,926,037	-	-	-	1,926,037
Claims, Judgments & Compensated Absences	-	-	-	-	-
State Literary Fund Loans	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
TOTAL LIABILITIES	\$ 2,379,906	\$ 18,122	\$ -	\$ -	2,398,028
<u>FUND EQUITY</u>					
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	-
FUND BALANCES:					
Undesignated	200	862,548	916,904	1,847,392	3,627,044
TOTAL FUND EQUITY	\$ 200	\$ 862,548	\$ 916,904	\$ 1,847,392	3,627,044
TOTAL LIABILITIES & FUND EQUITY	\$ 2,380,106	\$ 880,670	\$ 916,904	\$ 1,847,392	6,025,072

COUNTY OF WISE, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURE
 & CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT 30

GOVERNMENTAL FUNDS					
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Revenues From Use Of Money & Property	\$ 25,016	\$ 7,609	\$ 5,885	\$ -	\$ 38,510
Charges For Services	141,245	887,063	-	-	1,028,308
Miscellaneous	448,884	-	-	-	448,884
Recovered Costs	211,074	-	-	-	211,074
Intergovernmental	52,757,124	1,371,784	392,759	1,143,464	55,665,131
TOTAL REVENUES	\$ 53,583,343	\$ 2,266,456	\$ 398,644	\$ 1,143,464	\$57,391,907
EXPENDITURES:					
Education	53,153,940	2,198,308	614,029	-	55,966,277
Capital Outlay	-	-	-	1,745,729	1,745,729
TOTAL EXPENDITURES	\$ 53,153,940	\$ 2,198,308	\$ 614,029	\$ 1,745,729	\$57,712,006
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 429,403	\$ 68,148	\$ (215,385)	\$ (602,265)	\$ (320,099)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ -	\$ 12,530	\$ 371,319	\$ 45,554	\$ 429,403
Operating Transfers Out	(429,403)	-	-	-	(429,403)
Proceeds from Debt	-	-	-	1,265,000	1,265,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (429,403)	\$ 12,530	\$ 371,319	\$ 1,310,554	\$ 1,265,000
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ -	\$ 80,678	\$ 155,934	\$ 708,289	\$ 944,901
FUND BALANCE AT BEGINNING OF YE	200	781,870	760,970	1,139,103	2,682,143
FUND BALANCE AT END OF YEAR	\$ 200	\$ 862,548	\$ 916,904	\$ 1,847,392	3,627,044

SUPPLEMENTARY SCHEDULE

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	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	\$ 5,820,000	\$ 5,820,000	\$ 7,427,516	\$ 1,607,516
Service Corporation Taxes	367,500	367,500	459,267	91,767
Personal Property Taxes	2,100,000	2,100,000	2,220,141	120,141
Machinery & Tool Taxes	2,800,000	2,800,000	2,640,095	(159,905)
Merchants Capital Taxes	740,000	740,000	745,486	5,486
Mobile Home Taxes	180,000	180,000	183,361	3,361
Penalties & Interest	330,000	334,365	336,566	2,201
TOTAL GENERAL PROPERTY TAXES	\$ 12,337,500	\$ 12,341,865	\$ 14,012,432	\$ 1,670,567
Other Local Taxes:				
Local Sales & Use Tax	\$ 2,200,000	\$ 2,200,000	\$ 2,454,058	\$ 254,058
Coal Severance Tax	3,100,000	3,100,000	4,798,877	1,698,877
Consumer's Utility Tax	830,000	830,000	834,265	4,265
Cellular Phone Tax	60,000	60,000	211,858	151,858
Franchise Tax	370,000	370,000	333,627	(36,373)
Consumption Tax	-	-	123,620	123,620
Taxes on Recordation & Wills	72,000	72,000	95,508	23,508
Business License Tax	-	-	61,262	61,262
County Decal Licenses	105,000	105,000	108,808	3,808
Transient Occupancy Tax	17,000	17,000	17,744	744
TOTAL OTHER LOCAL TAXES	\$ 6,754,000	\$ 6,754,000	\$ 9,039,627	\$ 2,285,627
Permits, Privilege Fees & Regulatory Licenses:				
Animal Licenses	\$ 1,800	\$ 1,800	\$ 3,037	\$ 1,237
Permits & Other Licenses	52,000	52,000	69,307	17,307
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	\$ 53,800	\$ 53,800	\$ 72,344	\$ 18,544
Fines & Forfeitures:	\$ 20,000	\$ 20,000	\$ 32,720	\$ 12,720
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 100,000	\$ 100,000	\$ 100,855	\$ 855
Revenue From The Use of Property	30,000	30,000	77,998	47,998
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ 130,000	\$ 130,000	\$ 178,853	\$ 48,853
Charges For Services:				
Charges For Commonwealth's Attorney	\$ 2,000	\$ 32,000	\$ 4,297	\$ (27,703)
Charges For County Office	-	-	6,824	6,824
Charges For Court	30,000	-	3,316	3,316
Charges For Courthouse Maintenance	-	25,000	13,826	(11,174)
Charges For Sheriff	-	-	6,522	6,522
Charges For Building Department	-	9,650	15,826	6,176
Charges For Social Services	200,000	-	61,511	61,511
TOTAL CHARGES FOR SERVICES	\$ 232,000	\$ 66,650	\$ 112,122	\$ 45,472

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From Local Sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ 415,645	\$ 506,103	\$ 90,458
TOTAL MISCELLANEOUS REVENUE	\$ -	\$ 415,645	\$ 506,103	\$ 90,458
Recovered Costs:				
City of Norton-Shared Services	\$ 202,000	\$ 202,000	\$ 190,545	\$ (11,455)
CEDA Tourism	84,600	84,600	69,794	(14,806)
Miscellaneous	25,000	-	42,415	42,415
Adult Confinement Local Facilities	202,000	202,000	210,470	8,470
TOTAL RECOVERED COSTS	\$ 513,600	\$ 488,600	\$ 513,224	\$ 24,624
TOTAL REVENUE FROM LOCAL SOURCES	\$ 20,040,900	\$ 20,270,560	\$ 24,467,425	\$ 4,196,865
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Payments in Lieu of Taxes	\$ 155,000	\$ 155,000	\$ 132,157	\$ (22,843)
ABC Profits	12,100	12,100	41,694	29,594
Wine Taxes	14,800	14,800	25,844	11,044
Rolling Stock Tax	97,000	97,000	107,326	10,326
Mobile Home Titling Taxes	156,000	156,000	179,746	23,746
Grantors Tax	-	-	23,300	23,300
Recordation Tax	14,000	14,000	39,798	25,798
Personal Property Tax Reimbursement	1,300,000	1,300,000	1,342,686	42,686
Miscellaneous Grants	-	9,124	15,540	6,416
Motor Vehicle Rental Tax	3,500	3,500	2,451	(1,049)
TOTAL NON-CATEGORICAL AID	\$ 1,752,400	\$ 1,761,524	\$ 1,910,542	\$ 149,018
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 311,299	\$ 311,299	\$ 325,677	\$ 14,378
Sheriff	2,416,014	2,515,220	2,623,895	108,675
Commissioner of Revenue	167,312	167,312	167,348	36
Treasurer	148,751	148,751	149,334	583
Medical Examiner	900	900	870	(30)
Registrar/Electoral Board	38,000	38,000	85,290	47,290
Clerk of Circuit Court	300,772	308,202	317,401	9,199
TOTAL SHARED EXPENSES	\$ 3,383,048	\$ 3,489,684	\$ 3,669,815	\$ 180,131
Other Categorical Aid:				
Public Assistance & Welfare Administration	\$ 1,686,132	\$ 1,892,419	\$ 2,084,051	\$ 191,632
M H & R Service Board	5,794,000	5,849,210	2,211,205	(3,638,005)
Development Funds - Mapping	411,200	621,760	517,036	(104,724)
Clerk's Deed Book Grant	-	7,500	7,430	(70)
State Aid - M.E.O.C.	147,000	147,000	145,431	(1,569)
Disaster Relief - Flood Damage	-	10,000	10,853	853
Disaster Planning-Flooding	115,700	128,372	37,034	(91,338)
Disaster Planning	-	15,000	15,000	-
SWVA Corrections - Justice	451,000	452,529	446,709	(5,820)

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Victim Witness Grant - Justice	56,000	56,000	51,061	(4,939)
Cultural Arts Grant	-	-	5,000	5,000
Fire Grants	36,642	40,164	41,794	1,630
Two-For-Life Rescue	16,884	17,609	17,609	-
Disaster Relief	-	5,000	6,735	1,735
School Resource Officer Grant	25,000	25,000	25,633	633
TOTAL OTHER CATEGORICAL AID	<u>\$ 8,739,558</u>	<u>\$ 9,267,563</u>	<u>\$ 5,622,581</u>	<u>\$ (3,644,982)</u>
TOTAL CATEGORICAL AID	<u>\$ 12,122,606</u>	<u>\$ 12,757,247</u>	<u>\$ 9,292,396</u>	<u>\$ (3,464,851)</u>
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 13,875,006</u>	<u>\$ 14,518,771</u>	<u>\$ 11,202,938</u>	<u>\$ (3,315,833)</u>
Revenue From The Federal Government:				
Payments in Lieu of Taxes				
	<u>\$ 33,000</u>	<u>\$ -</u>	<u>\$ 48,051</u>	<u>\$ 48,051</u>
Categorical Aid:				
Public Assistance & Welfare Administration	\$ 3,866,189	\$ 4,031,826	\$ 3,725,302	\$ (306,524)
Victim Witness Grant - Justice	-	-	-	-
School Resource Officer Grant	-	33,333	79,445	46,112
M H & R Service Board	950,000	950,000	961,962	11,962
Fire Program Equipment	-	-	-	-
Disaster Relief	-	-	38,480	38,480
State Domestic Preparedness	-	-	45,298	45,298
Homeland Security Grant	-	-	133,014	133,014
Homeland Security-Citizens Corp	-	-	6,900	6,900
Violence Against Women - Justice	-	21,000	21,150	150
DCJS VSTOP Grant	-	7,000	7,402	402
WCSD SVAW Grant	-	7,500	7,500	-
Highway Litter Pick-up	-	1,200	1,200	-
Highway Safety Grants	-	1,000	1,042	42
TOTAL CATEGORICAL AID	<u>\$ 4,816,189</u>	<u>\$ 5,052,859</u>	<u>\$ 5,028,695</u>	<u>\$ (24,164)</u>
TOTAL REVENUE FROM THE FEDERAL GOVT.	<u>\$ 4,849,189</u>	<u>\$ 5,052,859</u>	<u>\$ 5,076,746</u>	<u>\$ 23,887</u>
TOTAL GENERAL FUND	<u>\$ 38,765,095</u>	<u>\$ 39,842,190</u>	<u>\$ 40,747,109</u>	<u>\$ 904,919</u>
TOTAL GENERAL FUND & OTHER FINANCING SOURCE	<u>\$ 38,765,095</u>	<u>\$ 39,842,190</u>	<u>\$ 40,747,109</u>	<u>\$ 904,919</u>
Special Revenue Funds:				
Emergency Numbers Funds:				
Revenue From Local Sources:				
Other Local Taxes:				
911 Emergency Number Tax	\$ 294,000	\$ 294,000	\$ 287,517	\$ (6,483)
Revenue From the Use of Money & Property:				
Revenue From the Use of Money	\$ 1,500	\$ 1,500	\$ 3,550	\$ 2,050
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ 295,500</u>	<u>\$ 295,500</u>	<u>\$ 291,067</u>	<u>\$ (4,433)</u>

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Emergency Numbers Funds:				
Revenue From The Commonwealth:				
Categorical Aid:				
Department of Technology Planning	37,000	37,000	214,049	177,049
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 37,000	\$ 37,000	\$ 214,049	\$ 177,049
TOTAL EMERGENCY NUMBERS FUND	\$ 332,500	\$ 332,500	\$ 505,116	\$ 172,616
Law Library Fund:				
Revenue From Local Sources:				
Charges For Services:				
Charges For Law Library	\$ 11,000	\$ 11,000	\$ 15,184	\$ 4,184
TOTAL LAW LIBRARY FUND	\$ 11,000	\$ 11,000	\$ 15,184	\$ 4,184
Coal Road Improvement Fund:				
Revenue From Local Sources:				
Other Local Taxes:				
Coal Severance Tax	\$ -	\$ -	\$ 3,492,313	\$ 3,492,313
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 24,278	\$ 24,278
TOTAL COAL ROAD IMPROVEMENT FUND	\$ -	\$ -	\$ 3,516,591	\$ 3,516,591
Drug Seizure & Forfeiture, Commission and RAID Fund:				
Sheriff Department:				
Revenue From Local Sources:				
Charges For Services:				
Commissions	\$ -	\$ -	\$ 27,332	\$ 27,332
RAID Funds	-	-	61,257	61,257
TOTAL CHARGES FOR SERVICES	\$ -	\$ -	\$ 88,589	\$ 88,589
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 52,986	\$ 52,986
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 141,575	\$ 141,575
Revenue From The Commonwealth:				
Drug Forfeiture Funds	\$ -	\$ -	\$ 221	\$ 221
Law Enforcement Block Grant	-	-	9,318	9,318
TOTAL REVENUE FROM THE COMMONWEALTH	\$ -	\$ -	\$ 9,539	\$ 9,539
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	\$ -	\$ -	\$ 151,114	\$ 151,114

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	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	\$ -	\$ -	\$ 26,615	\$ 26,615
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ -	\$ 26,615	\$ 26,615
Dog & Cat Sterilization Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 616	\$ 616
TOTAL REVENUE FROM LOCAL	\$ -	\$ -	\$ 616	\$ 616
TOTAL DOG & CAT STERILIZATION FUND	\$ -	\$ -	\$ 616	\$ 616
Community Development Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 8,797	\$ 8,797
TOTAL REVENUE FROM LOCAL	\$ -	\$ -	\$ 8,797	\$ 8,797
Community Development Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Project-Bold Camp	\$ -	\$ -	\$ -	\$ -
Project-Imboden	-	-	48,817	48,817
TOTAL REVENUE FROM THE COMMONWEALTH	\$ -	\$ -	\$ 48,817	\$ 48,817
Revenue From The Federal Government:				
Categorical Aid:				
South Fork Water Project	\$ -	\$ -	\$ 528,329	\$ 528,329
Arch Food Distribution	-	-	42,977	42,977
Business & Tech Park Access	-	-	313,148	313,148
Strawberry Mountain Project	-	-	140,000	140,000
Derby Community Renovation Project	-	-	549,001	549,001
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 1,573,455	\$ 1,573,455
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 1,631,069	\$ 1,622,272
TOTAL SPECIAL REVENUE FUNDS	\$ 343,500	\$ 343,500	\$ 5,846,305	\$ 5,494,008
GRAND TOTAL REVENUES - PRIMARY GOVERNMENT	\$ 39,108,595	\$ 40,185,690	\$ 46,593,414	\$ 6,398,927
School Operating Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Property	\$ 26,400	\$ 26,400	\$ 25,016	\$ (1,384)
Charges For Services:				
Charges For Education	\$ 12,000	\$ 12,000	\$ 141,245	\$ 129,245

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	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:				
Miscellaneous Revenue:				
Miscellaneous	\$ 2,266,200	\$ 2,266,200	\$ 448,884	\$ (1,817,316)
Recovered Costs:				
Payments From Other Localities	\$ 207,500	\$ 207,500	\$ 211,074	\$ 3,574
TOTAL REVENUE FROM LOCAL SOURCES	\$ 2,512,100	\$ 2,512,100	\$ 826,219	\$ (1,685,881)
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ 14,186,300	\$ 14,186,300	\$ 13,937,336	\$ (248,964)
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	\$ 14,186,300	\$ 14,186,300	\$ 13,937,336	\$ (248,964)
Revenue From The Commonwealth:				
Categorical Aid:				
Share of State Sales & Use Taxes	\$ 4,573,700	\$ 4,573,700	\$ 4,713,460	\$ 139,760
Basic School Aid	17,647,100	17,647,100	17,591,415	(55,685)
Remedial Education SOQ	397,100	397,100	323,130	(73,970)
State Lottery	582,900	582,900	113,549	(469,351)
Gifted SOQ	187,200	187,200	187,624	424
Special Education	1,903,700	1,903,700	1,839,756	(63,944)
Vocational Education	855,300	855,300	824,430	(30,870)
Share of Fringe Benefits	1,514,500	1,514,500	1,516,626	2,126
Reading Intervention	71,200	71,200	78,858	7,658
Governors/Magnet Schools	73,000	73,000	74,730	1,730
Electronic Classroom	453,300	453,300	494,899	41,599
SOL Algebra Readiness	63,400	63,400	77,132	13,732
Alternative Education	199,400	199,400	199,366	(34)
Primary Class Size	707,000	707,000	697,459	(9,541)
Foster Care	-	-	35,392	35,392
Salary Supplement	218,400	218,400	218,894	494
Adult Literacy	154,000	154,000	114,406	(39,594)
Adult Transitional	35,000	35,000	34,985	(15)
Adult Education	105,000	105,000	105,000	-
Remedial Education - Summer	-	-	103,720	103,720
Other State Funds	-	-	4,090	4,090
GED Prep Program	23,600	23,600	23,576	(24)
GED Testing	-	-	3,752	3,752
Enrollment Loss	149,300	149,300	115,387	(33,913)
At Risk	519,800	519,800	521,188	1,388
Homebound	-	-	35,442	35,442
Technology Initiative	466,000	466,000	518,000	52,000
SOL Remediation	163,400	163,400	177,522	14,122
English Second Language	-	-	6,904	6,904
Student Achievement Grant	128,100	128,100	128,114	14
Teacher Incentive-Mentor	-	-	8,410	8,410
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 31,191,400	\$ 31,191,400	\$ 30,887,216	\$ (304,184)

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	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:				
Adult Literacy	\$ 282,900	\$ 282,900	\$ 303,375	\$ 20,475
Title I	2,740,700	2,550,800	1,902,594	(648,206)
E-Rate	-	-	131,618	131,618
Title II - D & E Projects	59,200	45,200	49,213	4,013
Title II - Ed Tech	636,600	-	919,048	919,048
Title II - Part A - Title IV	521,200	-	558,596	558,596
Forest Reserve	11,400	11,400	19,220	7,820
Jobs Training Partnership Act (JTPA)	2,914,000	2,858,000	1,337,230	(1,520,770)
Adult Workforce Investment	-	-	93,781	93,781
Community Services	-	-	50,000	50,000
National Community Service	-	-	4,285	4,285
Even Start	350,000	350,000	173,982	(176,018)
Title VI - B - Special Education	1,065,900	763,300	1,098,778	335,478
Vocational Education	224,000	235,000	187,171	(47,829)
Title IV Part A	63,900	26,000	62,908	36,908
Title V - Part A	-	-	2,475	2,475
Title X Grant	956,000	830,000	598,394	(231,606)
Class Size - Title VI	-	253,000	1,374	(251,626)
Education for Independence	-	-	4,518	4,518
Title VI - Instruction Materials	63,400	56,600	171,086	114,486
Homeless	-	-	36,831	36,831
Pre-School Handicapped	-	-	36,449	36,449
AFROTC	-	-	39,646	39,646
TOTAL CATEGORICAL AID	\$ 9,889,200	\$ 8,262,200	\$ 7,782,572	\$ (479,628)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 9,889,200	\$ 8,262,200	\$ 7,782,572	\$ (479,628)
Debt Service:				
Revenue from Commonwealth:				
Catagorical 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	\$ 57,929,000	\$ 56,302,000	\$ 53,583,343	\$ (2,718,657)
School Cafeteria Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 7,609	\$ 7,609
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ -	\$ -	\$ 7,609	\$ 7,609

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Cafeteria Fund:				
Charges For Services:				
Cafeteria Sales	\$ 1,188,900	\$ 1,188,900	\$ 887,063	\$ (301,837)
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ 1,188,900</u>	<u>\$ 1,188,900</u>	<u>\$ 894,672</u>	<u>\$ (294,228)</u>
Revenue From The Commonwealth:				
Categorical Aid:				
School Food	\$ 38,500	\$ 38,500	\$ 38,919	\$ 419
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 38,500</u>	<u>\$ 38,500</u>	<u>\$ 38,919</u>	<u>\$ 419</u>
Revenue From The Federal Government:				
Categorical Aid:				
School Food Program Grant	\$ 1,050,000	\$ 1,050,000	\$ 1,332,865	\$ 282,865
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	<u>\$ 1,050,000</u>	<u>\$ 1,050,000</u>	<u>\$ 1,332,865</u>	<u>\$ 282,865</u>
TOTAL SCHOOL CAFETERIA FUND	<u>\$ 2,277,400</u>	<u>\$ 2,277,400</u>	<u>\$ 2,266,456</u>	<u>\$ (10,944)</u>
School Textbook Rental Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 5,885	\$ 5,885
Miscellaneous	\$ 501,500	\$ 501,500	\$ -	\$ (501,500)
TOTAL FROM LOCAL SOURCES	<u>\$ 501,500</u>	<u>\$ 501,500</u>	<u>\$ 5,885</u>	<u>\$ (495,615)</u>
Revenue From The Commonwealth:				
Categorical Aid:				
Total Rental Payments	\$ 391,900	\$ 391,900	\$ 392,759	\$ 859
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 391,900</u>	<u>\$ 391,900</u>	<u>\$ 392,759</u>	<u>\$ 859</u>
TOTAL TEXTBOOK RENTAL FUND	<u>\$ 893,400</u>	<u>\$ 893,400</u>	<u>\$ 398,644</u>	<u>\$ (494,756)</u>
TOTAL SPECIAL REVENUE FUNDS	<u>\$ 61,099,800</u>	<u>\$ 59,472,800</u>	<u>\$ 56,248,443</u>	<u>\$ (3,224,357)</u>
School Capital Project Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 432,900	\$ 432,900	\$ 905,191	\$ 472,291
VPSA Technology Grant	-	-	26,000	26,000
Public School Construction	212,900	212,900	212,273	(627)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 645,800</u>	<u>\$ 645,800</u>	<u>\$ 1,143,464</u>	<u>\$ 497,664</u>
TOTAL CAPITAL OUTLAY FUND	<u>\$ 645,800</u>	<u>\$ 645,800</u>	<u>\$ 1,143,464</u>	<u>\$ 497,664</u>
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	<u>\$ 61,745,600</u>	<u>\$ 60,118,600</u>	<u>\$ 57,391,907</u>	<u>\$ (2,726,693)</u>

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
General Government Administration:				
Legislative:				
Board Of Supervisors	\$ 212,312	\$ 227,212	\$ 218,716	\$ 8,496
General & Financial Administration:				
County Administrator	\$ 303,058	\$ 309,757	\$ 323,333	\$ (13,576)
Legal Services	50,433	327,524	299,371	28,153
Commissioner Of Revenue	400,468	400,831	400,714	117
Data Processing	150,443	157,719	141,860	15,859
Treasurer	363,012	396,851	396,987	(136)
TOTAL GENERAL & FINANCIAL ADMINISTRATION	\$ 1,267,414	\$ 1,592,682	\$ 1,562,265	\$ 30,417
Board Of Elections:				
Electoral Board & Officials	\$ 46,550	\$ 46,550	\$ 40,364	\$ 6,186
Registrar	81,599	82,032	82,678	(646)
TOTAL BOARD OF ELECTIONS	\$ 128,149	\$ 128,582	\$ 123,042	\$ 5,540
TOTAL GENERAL GOVERNMENT ADMINISTRATION	\$ 1,607,875	\$ 1,948,476	\$ 1,904,023	\$ 44,453
Judicial Administration:				
Courts:				
Clerk Of The Circuit Court	\$ 474,729	\$ 483,707	\$ 471,205	\$ 12,502
Circuit Court	98,570	100,343	92,660	7,683
District Court	5,875	5,875	5,782	93
Magistrate	1,020	1,020	1,047	(27)
Juvenile & Domestic Relations Court	344,360	377,695	374,044	3,651
Sheriff	280,016	190,962	158,628	32,334
TOTAL COURTS	\$ 1,204,570	\$ 1,159,602	\$ 1,103,366	\$ 56,236
Commonwealth Attorney	\$ 398,669	\$ 399,529	\$ 390,546	\$ 8,983
Victim Witness Protection	55,172	55,049	50,842	4,207
TOTAL JUDICIAL ADMINISTRATION	\$ 1,658,411	\$ 1,614,180	\$ 1,544,754	\$ 69,426
Public Safety:				
Law Enforcement & Traffic Control:				
Sheriff	\$ 2,092,005	\$ 2,113,954	\$ 2,234,574	\$ (120,620)
Dispatcher/E911	137,128	150,128	147,921	2,207
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	\$ 2,229,133	\$ 2,264,082	\$ 2,382,495	\$ (118,413)
Fire & Rescue Services:				
Fire & Rescue Departments	\$ 270,326	\$ 279,973	\$ 286,291	\$ (6,318)
TOTAL FIRE & RESCUE SERVICES	\$ 270,326	\$ 279,973	\$ 286,291	\$ (6,318)
Correction & Detention:				
Jail	\$ 1,382,443	\$ 1,702,748	\$ 1,705,949	\$ (3,201)
SWVA Community Corrections Center	445,180	446,709	446,709	-

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Public Safety:				
Correction & Detention:				
TOTAL CORRECTION & DETENTION	\$ 1,827,623	\$ 2,149,457	\$ 2,152,658	\$ (3,201)
Inspections:				
Building Inspector	\$ 183,454	\$ 196,709	\$ 178,025	\$ 18,684
TOTAL INSPECTIONS	\$ 183,454	\$ 196,709	\$ 178,025	\$ 18,684
Other Protection:				
Emergency Services	\$ 128,350	\$ 334,654	\$ 251,393	\$ 83,261
Animal Control	126,552	138,074	648,802	(510,728)
TOTAL OTHER PROTECTION	\$ 254,902	\$ 472,728	\$ 900,195	\$ (427,467)
TOTAL PUBLIC SAFETY	\$ 4,765,438	\$ 5,362,949	\$ 5,899,664	\$ (536,715)
Public Works:				
Maintenance Of Buildings & Grounds:				
General Properties	\$ 349,459	\$ 392,768	\$ 443,865	\$ (51,097)
TOTAL PUBLIC WORKS	\$ 349,459	\$ 392,768	\$ 443,865	\$ (51,097)
Welfare/Social Services:				
Health & Welfare:				
Health:				
Supplement To Local Health Department	\$ 403,930	\$ 434,430	\$ 434,262	\$ 168
TOTAL HEALTH	\$ 403,930	\$ 434,430	\$ 434,262	\$ 168
Mental Health & Mental Retardation:				
Mental Health	6,870,859	6,926,069	3,306,235	3,619,834
TOTAL MENTAL HEALTH & MENTAL RETARDATION	\$ 6,870,859	\$ 6,926,069	\$ 3,306,235	\$ 3,619,834
Welfare/Social Services:				
Welfare Administration	\$ 6,393,452	\$ 6,681,447	\$ 6,706,191	\$ (24,744)
Property Tax Relief for Elderly MEOC	-	-	245,496	(245,496)
Youth Service Board	147,000	147,000	145,431	1,569
Agency On Aging	14,000	14,000	24,000	(10,000)
Group Home	38,000	38,000	37,000	1,000
Group Home	22,400	22,400	22,400	-
TOTAL WELFARE/SOCIAL SERVICES	\$ 6,614,852	\$ 6,902,847	\$ 7,180,518	\$ (277,671)
TOTAL HEALTH & WELFARE	\$13,889,641	\$14,263,346	\$10,921,015	\$ 3,342,331
Education:				
Local Public Schools	\$14,186,300	\$14,186,300	\$13,937,336	\$ 248,964
Community Colleges	\$ 46,929	\$ 46,929	\$ 46,929	\$ -
TOTAL EDUCATION	\$14,233,229	\$14,233,229	\$13,984,265	\$ 248,964

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Parks, Recreation & Cultural:				
Parks & Recreation:				
Recreation Authority	\$ 27,400	\$ 27,400	\$ 26,833	\$ 567
TOTAL PARKS & RECREATION	\$ 27,400	\$ 27,400	\$ 26,833	\$ 567
Library:				
Contributions To Local Libraries	\$ 684,232	\$ 684,232	\$ 684,232	\$ -
TOTAL LIBRARY	\$ 684,232	\$ 684,232	\$ 684,232	\$ -
Cultural:				
Pro-Art Association	\$ -	\$ -	\$ 5,000	\$ (5,000)
TOTAL CULTURAL	\$ -	\$ -	\$ 5,000	\$ (5,000)
TOTAL PARKS, RECREATION & CULTURAL	\$ 711,632	\$ 711,632	\$ 716,065	\$ (4,433)
Planning & Community Development:				
Economic Development	\$ 54,123	\$ 55,235	\$ 54,677	\$ 558
Planning	-	-	-	-
Housing Authority	-	-	-	-
Cumberland Airport Commission	34,400	34,400	34,472	(72)
Lenowisco	69,780	69,780	66,920	2,860
Planning Commission	9,000	9,000	8,090	910
Industrial Development Authority	93,000	93,000	93,000	-
Wise Development Project-Mapping	400,000	623,619	614,502	9,117
Children's Advocacy	2,500	2,500	2,500	-
CEDA - Tourism	84,637	91,425	82,167	9,258
VCEDA - Economic Development	108,000	-	6,140	(6,140)
TOTAL PLANNING & COMMUNITY DEVELOPMENT	\$ 855,440	\$ 978,959	\$ 962,468	\$ 16,491
Community Development:				
Cooperative Extension Program:				
VPI & SU Extension Office	\$ 45,237	\$ 46,221	\$ 44,976	\$ 1,245
TOTAL COOPERATIVE EXTENSION PROGRAM	\$ 45,237	\$ 46,221	\$ 44,976	\$ 1,245
TOTAL COMMUNITY DEVELOPMENT	\$ 900,677	\$ 1,025,180	\$ 1,007,444	\$ 17,736
Capital Outlays:				
Other Projects	\$ 215,763	\$ 76,709	\$ 58,261	\$ 18,448
TOTAL CAPITAL OUTLAYS	\$ 215,763	\$ 76,709	\$ 58,261	\$ 18,448
Debt Service:				
Principal Retirement	\$ 216,325	\$ 216,325	\$ 195,760	\$ 20,565
Interest & Fiscal Charges	30,000	30,000	29,327	673
TOTAL DEBT SERVICE	\$ 246,325	\$ 246,325	\$ 225,087	\$ 21,238
TOTAL GENERAL FUND	\$38,578,450	\$39,874,794	\$36,704,443	\$ 3,170,351

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law Library	\$ 11,000	\$ 11,000	\$ 5,767	\$ 5,233
TOTAL LAW LIBRARY FUND	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 5,767</u>	<u>\$ 5,233</u>
Coal Road Improvement Fund:				
General Government Administration	\$ -	\$ -	\$ 275	\$ (275)
Public Works:				
Maintenance Of Highways, Streets, Bridges & Sidewalks:				
Coal Road Projects	\$ -	\$ -	\$ 711,296	\$ (711,296)
TOTAL PUBLIC WORKS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,296</u>	<u>\$ (711,296)</u>
Community Development:				
Distribution to Towns	\$ -	\$ -	\$ 904,349	\$ (904,349)
Community Development	-	-	1,185,888	(1,185,888)
TOTAL COMMUNITY DEVELOPMENT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,090,237</u>	<u>\$ (2,090,237)</u>
TOTAL COAL ROAD IMPROVEMENT FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,801,808</u>	<u>\$ (2,801,808)</u>
Emergency Numbers Fund:				
Public Safety:				
Law Enforcement & Traffic Control:				
911 System	\$ 332,500	\$ 332,500	\$ 685,655	\$ (353,155)
TOTAL PUBLIC SAFETY	<u>\$ 332,500</u>	<u>\$ 332,500</u>	<u>\$ 685,655</u>	<u>\$ (353,155)</u>
TOTAL EMERGENCY NUMBERS FUND	<u>\$ 332,500</u>	<u>\$ 332,500</u>	<u>\$ 685,655</u>	<u>\$ (353,155)</u>
Drug Seizure & Forfeiture, Commission & RAID Fund:				
Sheriff Department:				
Public Safety:				
Sheriff	\$ -	\$ -	\$ 182,728	\$ (182,728)
TOTAL PUBLIC SAFETY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,728</u>	<u>\$ (182,728)</u>
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION AND RAID FUND	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,728</u>	<u>\$ (182,728)</u>
Dog & Cat Sterilization Fund:				
Public Safety				
Other Protection:				
Animal Control	\$ -	\$ -	\$ 166	\$ 166
TOTAL PUBLIC SAFETY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166</u>	<u>\$ 166</u>

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	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	\$ -	\$ -	\$ 166	\$ 166
Information Technology Improvement Fund				
Community Development:				
Technology	\$ -	\$ -	\$ 33,917	\$ (33,917)
TOTAL INFORMATION TECHNOLOGY IMPROVEMENT FUND	\$ -	\$ -	\$ 33,917	\$ (33,917)
TOTAL INFORMATION TECHNOLOGY FUND	\$ -	\$ -	\$ 33,917	\$ (33,917)
Community Development Fund:				
Community Development:				
Project-Bold Camp	\$ -	\$ -	\$ 96,673	\$ (96,673)
Arch Food Distribution	\$ -	\$ -	\$ 43,077	\$ (43,077)
Strawberry Mountain Project	\$ -	\$ -	\$ 140,000	\$ (140,000)
Imboden Project	\$ -	\$ -	\$ 56,190	\$ (56,190)
Business & Tech Park Project	\$ -	\$ -	\$ 294,169	\$ (294,169)
South Fork Water Project	\$ -	\$ -	\$ 528,329	\$ (528,329)
Derby Community Renovation Project	\$ -	\$ -	\$ 557,836	\$ (557,836)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ -	\$ 1,716,274	\$ (1,716,274)
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 1,716,274	\$ (1,716,274)
TOTAL SPECIAL REVENUE FUNDS	\$ 343,500	\$ 343,500	\$ 5,426,315	\$ (5,082,483)
GRAND TOTAL EXPENDITURES - PRIMARY GOVERNMENT	\$38,921,950	\$40,218,294	\$42,130,758	\$ (1,912,132)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration Of Schools	\$ 781,500	\$ 781,500	\$ 803,928	\$ (22,428)
Instruction Costs:				
Classroom	\$34,908,000	\$34,908,000	\$32,490,067	\$ 2,417,933
Instructional Support:				
Student	1,466,300	1,466,300	1,455,130	11,170
Staff	4,237,900	4,237,900	4,562,366	(324,466)
Administration	3,434,000	3,434,000	3,457,880	(23,880)
TOTAL INSTRUCTION COSTS	\$44,046,200	\$44,046,200	\$41,965,443	\$ 2,080,757

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2004

FUND, MAJOR & MINOR REVENUE SOUR	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Operating Costs:				
Attendance & Health Services	\$ 829,100	\$ 829,100	\$ 793,473	\$ 35,627
Pupil Transportation	2,418,600	2,418,600	2,324,390	94,210
Operation & Maintenance Of School Plan	4,528,100	4,528,100	4,527,496	604
Non-Instructional	4,109,300	4,109,300	1,523,530	2,585,770
TOTAL OPERATING COSTS	\$11,885,100	\$11,885,100	\$ 9,168,889	\$ 2,716,211
TOTAL EDUCATION	\$56,712,800	\$56,712,800	\$51,938,260	\$ 4,774,540
Debt Service:				
Principal Retirement	\$ 944,700	\$ 944,700	\$ 944,605	\$ 95
Interest & Fiscal Charges	271,500	271,500	271,075	425
TOTAL DEBT SERVICE	\$ 1,216,200	\$ 1,216,200	\$ 1,215,680	\$ 520
TOTAL SCHOOL OPERATING FUND	\$57,929,000	\$57,929,000	\$53,153,940	\$ 4,775,060
School Cafeteria Fund:				
Education:				
Operating Costs	\$ 2,277,400	\$ 2,277,400	\$ 2,198,308	\$ 79,092
TOTAL SCHOOL CAFETERIA FUND	\$ 2,277,400	\$ 2,277,400	\$ 2,198,308	\$ 79,092
Textbook Rental Fund:				
Education:				
Operating Costs	\$ 893,400	\$ 893,400	\$ 614,029	\$ 279,371
TOTAL TEXTBOOK RENTAL FUND	\$ 893,400	\$ 893,400	\$ 614,029	\$ 279,371
Capital Project Fund:				
School Construction:				
Capital Outlays	\$ 1,745,800	\$ 1,745,800	\$ 1,745,729	\$ 71
TOTAL SCHOOL CONSTRUCTION	\$ 1,745,800	\$ 1,745,800	\$ 1,745,729	\$ 71
TOTAL CAPITAL PROJECT FUND	\$ 1,745,800	\$ 1,745,800	\$ 1,745,729	\$ 71
GRAND TOTAL EXPENDITURES, COMPONENT UNIT - SCHOOL BOARD	\$62,845,600	\$62,845,600	\$57,712,006	\$ 5,133,594

COUNTY OF WISE, VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY
 JUNE 30, 2004

WISE COUNTY (INCLUDING THE WISE COUNTY PUBLIC SERVICE AUTHORITY)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	(a / b) Funded Ratio	(c) Covered Payroll	((b - a) / c) UAAL as % of Covered Payroll
June 30, 2003	\$24,620,322	\$22,866,550	(\$1,753,772)	107.67%	\$7,779,859	-22.54%
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%

WISE COUNTY SCHOOLS (NON-PROFESSIONAL EMPLOYEES)

June 30, 2003	\$6,178,587	\$6,454,445	\$275,858	95.73%	\$1,476,728	18.68%
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%

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2004

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	\$ 19,159
Food Distribution - Schools	10.555	144,501
Department Of Social Services:		
General Administration - Food Stamp Program (Cluster)	10.561	834,009
Department Of Education:		
National School Lunch Program (SL-4) (SL-11)	10.555	1,332,865
Federal Land Use - Forest Reserve	10.665	19,220
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Pass Through Payments:		
Department of Social Services:		
Admin Energy Assist - Heating	93.568	71,475
Administration Refuge Other/Eligibility	93.566	67
Administration TANF Allocation	93.558	122,482
Temporary Assistance to Needy Families	93.558	794
Admin AFDC/TANF Allocation	93.558	12,989
View - Jobs Purchase TANF *	93.558	506,134
Foster Care - Title IV-E *	93.658	829,221
Administration - Medicaid (Cluster)	93.778	79,666
Administration Sub Adoption	93.659	4,810
Child Day Care (Cluster) *	93.596	429,354
Child Day Care - Service Delivery	93.596	47,144
Administration IV-E FOS/Adopt TR Allocation	93.658	14,280
Central Service Cost Allocation	93.658	12,276
DEPARTMENT OF HEALTH & HUMAN SERVICES: (Cont'd)		
Pass Through Payments: (Cont'd)		
Department of Social Services: (Cont'd)		
Social Service Block Grant *	93.667	183,690
ADM - Title XX Allocation*	93.667	418,767
Family Preservation - P.S. (IVB2) *	93.556	158,144
Department Of Mental Health and Mental Retardation		
Mental Health Planning **	93.958	158,295
Alcohol Abuse Services (50847-49) **	93.959	648,168
Education Funds	84.181	155,499
DEPARTMENT OF INTERIOR:		
Direct Payments:		
Bureau Of Land Management:		
Payment In Lieu Of Taxes - Public Law 97-258, (National		

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
Forect Acreage In The Localities)	15.000	48,051
FEDERAL EMERGENCY MANAGEMENT AGENCY:		
Direct Payments:		
Hazard Mitigation	83.544	38,480
State Domestic Prepardness Grant	16.007	45,298
Homeland Security Citizens Corp	97.054	6,900
State Homeland Security Grant *	97.004	133,014
DEPARTMENT OF LABOR:		
Pass Through Payments:		
Virginia Employment Commission		
Workforce Investment Act - Adult Services	17.258	4,518
Workforce Investment Act - Youth Services*	17.250	1,337,230
Job Training Partnership Act	17.250	93,781
Pass Through Payments:		
Department of Education:		
Adult Education - State Administration Program (7E002694) (8E002615) *	84.002	303,375
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	1,902,594
Even Start - SEA	84.213	173,982
Title II:		
Education for Economic Security	84.281	49,213
Part A	84.367	558,596
Elementary & Secondary Education Act (ESEA):		
Title VI-B:		

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
Assistance To Sates For Education Of Handicapped Children: Handicapped Preschool & School Programs (7E002555) (8E0025275) *		
	84.027	1,098,778
Vocational Education: Basic Grants To States (8E002628) (7E002685) (8E002607) (7E002688)		
	84.048	187,171
Special Projects:		
Title VI Innovative Education	84.298	2,475
Community Services	84.184	50,000
Drug Free Schools and Communities (7E003333)	84.186	62,908
Twenty First Century Grant *	84.287	598,394
Preschool Handicapped Allocations	84.173	36,449
E Rate	84.001	131,618
Other Funds	N/A	76,477
Title VI - Rural and Low-Income Schools	84.358	171,086
Learn and Serve Grant	94.004	4,285
Class Size	84.340	1,374
Title II Ed-Tech Literacy Challenge *	84.318	919,048
DEPARTMENT OF CRIMINAL JUSTICE SERVICES:		
Juvenile Justice & Delinquency Prevention-Title II ***	16.540	171,043
Drug Control and System Improvement - Byrne Formula	16.579	79,445
Violence Against Women	16.588	21,150
Vstop Grant	16.579	7,402
DEPARTMENT OF MOTOR VEHICLES:		
State and Community Highway Safety	20.605	9,742
DEPARTMENT OF FEDERAL HIGHWAY ADMINISTRATION:		
Department of Transportation - Project for Business & Tech Park	20.000	313,148
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:		
Arch Food Distribution	14.228	42,977
Economic Development - Water Projects *	14.228	668,329
Economic Development - Derby Project *	14.228	549,001
TOTAL FEDERAL ASSISTANCE		\$ 16,100,341

* Identified as a major program

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

*** Funds received by County of Wise, Virginia in an agency capacity passed through to Fiduciary Fund.

COUNTY OF WISE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Section I - Summary of Auditor's Results
Financial Statements

Type of Auditor's reports issued:	Unqualified
Internal Control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unqualified
Internal control over major problems:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

CFDA#	Type	Name of Federal Program or Cluster	Risk Type
84.027	A	Title VI B	High
84.287	A	Twenty First Century Grant	High
17.250	A	WIA - Youth Activites	High
14.228	A	Economic Development Block Grant	High
14.228	A	Economic Development Block Grant	High
93.558	A	View Program	High
16.540	A	Foster Care-Title-E (Protective)	High
93.658	B	Foster Care-Title-E	High
97.004	B	State Homeland Security Grant	High
84.002	B	ABE - Adult Literacy	High
93.596	B	Child Day Care (Cluster)	High
93.556	B	SL Special Needs Adoption-PS	High
93.667	B	Adm Title XX-Adm Services	High
93.667	B	Social Service Block Grant	High

COUNTY OF WISE, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Dollar threshold used to distinguish between Type A
and Type B programs \$478,073

Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

There are no financial statement findings to report.

Section III – Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

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

SCHEDULE 6

FISCAL YEAR	GENERAL PROPERTY TAXES	OTHER LOCAL TAXES	PERMIT, PRIVILEGE AND REGULATORY LICENSES	FINES & FORFEITURES	REVENUE FROM USE OF MONEY AND PROPERTY	
2003-04	\$ 14,012,432	\$ 12,846,072	\$ 72,344	\$ 32,720	\$ 245,191	\$ 245,191
2002-03	12,690,890	10,852,884	102,136	28,675	232,917	232,917
2001-02	11,748,220	10,939,149	50,295	4,347	360,656	360,656
2000-01	12,724,188	11,932,668	26,169	5,663	827,540	827,540
1999-00	11,820,028	10,387,563	29,626	2,663	729,208	729,208
1998-99	13,971,459	9,739,941	41,424	2,195	636,882	636,882
1997-98	10,728,628	10,019,460	33,040	3,745	590,821	590,821
1996-97	10,817,476	11,117,835	27,760	5,938	742,073	742,073
1995-96	10,309,651	9,612,299	36,297	5,412	604,090	604,090
1994-95	9,774,315	9,504,672	36,732	2,507	734,512	734,512

FISCAL YEAR	CHARGES FOR SERVICES		RECOVERED COSTS	INTER- GOVERNMENTAL	TOTAL
		ISCELLANEOU			
2003-04	\$ 1,244,203	\$ 1,017,386	\$ 724,298	\$ 72,647,211	\$102,841,857
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

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

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

FISCAL YEAR	GENERAL ADMINISTRATION		JUDICIAL ADMINISTRATION		PUBLIC SAFETY		PUBLIC WORKS		HEALTH AND WELFARE		EDUCATION	
		\$		\$		\$		\$		\$		\$
2003-04		1,904,298		1,550,521		6,768,214		1,155,160		10,921,015		69,950,542
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

FISCAL YEAR	PARKS, RECREATION & CULTURAL		COMMUNITY DEVELOPMENT		CAPITAL PROJECT		DEBT SERVICE		TOTALS	
		\$		\$		\$		\$		\$
2003-04		716,065		4,847,872		58,261		225,087		98,097,035
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

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

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

SCHEDULE 8

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	MACHINERY AND TOOLS	MERCHANTS CAPITAL	MOBILE HOMES
2003-04	\$1,402,880,488	\$ 319,218,724	\$ 229,631,704	\$ 26,179,626	\$ 34,975,388
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

PUBLIC UTILITIES

FISCAL YEAR	PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL	TOTAL
2003-04	\$ 279,017	\$ 60,935,369	\$ 37,500	\$2,074,137,816
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

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

SCHEDULE 9

PUBLIC UTILITIES

ISCAL YEARS	REAL ESTATE	PERSONAL PROPERTY	MACHINERY & TOOLS	MERCHANTS CAPITAL	MOBILE HOMES	PERSONAL PROPERTY	REAL ESTATE	MERCHANTS CAPITAL
2003-04	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.52
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

(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

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	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2003-04	\$14,993,928	\$ 13,558,291	90.43%	\$ 1,460,261	\$ 15,018,552	100.16%	\$ 2,097,538	13.99%
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%

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.

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

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS) (2)	GROSS BONDED DEBT (3)	LESS: DEBT SERVICE MONIES AVAILABL E	DEBT PAYABLE FROM ENTERPRISE REVENUES (5)	NET BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2003-04	40,123	\$2,074,137,816	\$ 13,850,603	0	\$ 1,095,334	\$ 12,755,269	0.61%	\$ 317.90
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

Notes:

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



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