



Historic Snow Storm Showcases the Exterior Court House Renovations

December 18-19, 2009

“Nestled Progress”

Photograph by: Roddy Addington/The Coalfield Progress

COUNTY OF WISE, VIRGINIA

AUDIT REPORT

JUNE 30, 2009

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JUNE 30, 2009

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Wise County Board of Supervisors



Office of County Administrator

COURTHOUSE

WISE, VIRGINIA 24293

TELEPHONE 276-328-2321
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206 E. MAIN STREET

CAFR - LETTER OF TRANSMITTAL

February 17, 2010

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, 2009. 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 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. A budget is approved for the general, emergency numbers, sewer enterprise, and

landfill enterprise funds. Within the general fund budget, annual appropriations are made to supplement the emergency numbers, sewer, and landfill enterprise funds.

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 of the fiscal year ended June 30, 2009 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 expenditures, as implemented through appropriations that the Board makes annually, may be greater or less than contemplated in the original 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. Therefore, the County School Board and the Wise County Public Service Authority are reported in a discrete presentation. Based upon 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. This organization is administered by a Board 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 41,703. US routes 23 and 58 and State routes 83, 72, 74, 78, 160, 620, 646, 640 and 636 are the primary routes that transverse the County. Wise County has a diversified economy with manufacturing, trade services, coal mining and agricultural sectors. Manufacturing activities include: hardwood flooring, cabinetry, 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.

Wise County has not experienced the growth in unemployment that the rest of the state has experienced but has begun to feel some affects of the global economic downturn.

MAJOR INITIATIVES

For Fiscal Year 2009

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 Attorney, and County Financial Administrator, County staff agencies implemented and continued 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 implemented this fiscal year are:

- Working with VDOT, the County saw the design completed and the bidding process completed for the turning lane off US Route 23 at the entrance to J.W. Adams Middle School near Pound, Virginia.
- The County has seen enhanced discussion with VDOT officials regarding the development of Innovation Highway between US Route 58 and State Route 646 to service the access to the Lonesome Pine Business and Technology Park, the Lonesome Pine Airport, UVA-Wise and the Wise County Fair Grounds.
- The Wise County IDA has acquired property for future industrial and technology development just off State Route 646 near the Wise County Christian School containing approximately 17 acres which has already attracted development interest.
- The County has secured funding thru the Coal Severance Fund to begin development of an access road to the newly acquired IDA development property off State Route 646 near the Wise County Christian School.
- Wise County has been selected as the site of one of five (5) research centers with the center in Wise County to be known as the Appalachia American Energy Research Center which will be funded with the support of the Virginia Tobacco Commission.
- The County has been fortunate to become the only one of the five (5) Virginia Tobacco Commission supported research facilities to be able to name a tenant before construction on the building is finished. The tenant will be Nano Chemonics, an international corporation with a regional office located in Pulaski, Virginia.
- The County has secured funding thru the Coal Severance Fund to begin development of an access road to the new Appalachian America Energy Research Center in the Lonesome Pine Business and Technology Park near the Lonesome Pine Airport.
- Wise County has been successful in negotiations with Virginia Commonwealth University and an announcement has been made and ground breaking has occurred for construction of a VCU Dental Clinic to be located near the campus of the University of Virginia's College at Wise.
- E911 address verification and necessary updates continue to greater insure first responder access to Wise County citizens.
- Wise County continues to work thru the Coal Severance Fund to secure expansion of State Route 757 into a 3-lane road to facilitate development in that area.
- Engineering Design and construction plans have been completed for development of the Stephens/Guest River Sewer Interceptor Sewer Line which will service the Guest River Water Shed Area from Glamorgan Community to the Esserville Community.

- Construction work nears completion on the long awaited Fairgrounds Sewer Project which was funded thru a \$500,000.00 grant secured thru the Southern Rivers Fund under the Virginia Department of Housing and Community Development.
- Work was completed on the upper Exeter Server Project near Appalachia, a sewer project which is a decentralized waste water system not requiring waste water flow into a central treatment plant.
- Wise County completed negotiations with the Town of Wise and entered into an agreement for Wise County to use the Bear Creek Sewer Interceptor Line owned by the Town of Wise. This will allow for disposition of waste water generated by industrial, commercial and residential development in the area between UVA-Wise and the Lonesome Pine Business and Technology Park.
- Engineering plans, construction documents and user agreements have been completed or secured to move forward with the City of Norton to make improvements to the sewer system in the Josephine Community.
- The construction is complete for exterior renovations to the Wise County Courthouse.
- Wise County completed the necessary interior needs assessment study to evaluate the interior space needs for personnel so that the County can make the best and most economical decisions regarding future building use.
- Wise County participated with neighboring counties and the City of Norton in forming the Spearhead Trails program.
- Wise County IDA, working with the Dickenson County IDA has entered into an agreement to develop the Coalfields Agricultural Center located on the line between Wise and Dickenson County to enhance agricultural development in both counties.
- Work is well under way and a committee has been formed for Wise County to participate in the recognition of the contribution of the State of Virginia to the American Civil War. Plans are to have historical markers to be located at the Pound Gap and on the lawn of the Wise County Courthouse.
- Work has been completed on the Southern Project in Big Stone Gap in which Wise County participated. The project consisted of water and sewer improvements, housing rehabilitation, flood control and street improvements related to the project.

Prospects for the Future

Work continues with necessary review and negotiations to allow for the relocation of the current E-911 Dispatch Center and Emergency Operation Center now located in the basement of the building that formerly housed the Wise County Jail.

The Wise County IDA continues to work with the Cumberland Airport Commission for the necessary physical expansion of the airport property to allow for installation of equipment necessary for instrument landing at the Lonesome Pine Airport.

The County of Wise continues negotiations with the City of Norton to use the sewer transmission lines of the Guest River Sewer Interceptor owned by the City of Norton. This will potentially allow for disposition of waste water which will flow from the new Stephens/Guest River Interceptor Line for which funding has been secured.

Wise County continues to work with Dominion Energy as Dominion works toward a completion of the Virginia City Coal Fired Plant.

The Wise County IDA continues to move forward with securing grant funds for the preservation and restoration of the Wise Inn building.

Work continues on necessary amendments to the Enterprise Zone Program in Wise County to offer tax incentives to industrial and commercial development.

Engineering studies and conversations continue with funding agencies for moving forward with a waste water treatment plant on the Powell River.

Wise County participates with others to continue to evaluate the economic impact of development of the Spearhead Trails Program and especially ATV and Waterways Trails.

Wise County Board of Supervisors and the Wise County Public Schools continue to examine the best answer to the question regarding the building needs for the high schools in Wise County.

Wise County continues to offer support to Dominion Energy in their efforts to develop a wind energy turbine project in Wise County.

The Office of Development at Virginia Tech, under contract with the Wise County IDA has completed an economic impact study as it relates to the feasibility of a wind energy turbine project in Wise County.

The Wise County IDA has contracted with AVRC (Advanced Vehicle Research Center) to complete a feasibility study for implementation of the development of alternative advanced energy projects in Wise County.

The Wise County IDA continues to work with the Virginia Department of Transportation to secure "Industrial Access Funds" to finish construction of access roads to the property acquired on State Route 646 near the Christian school and access road to the new Appalachia America Energy Research Center at the Lonesome Pine Business and Technology Park.

Discussion and negotiation continues between Wise County, LENOWISCO, the Town of Appalachia, the Town of Big Stone Gap, and Norfolk Southern Railroad to secure the land necessary for development of the Powell River Trail between Appalachia, Virginia and Big Stone Gap, Virginia

For the 2009-2010 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$52,569,888.

Cash Management

Cash temporarily idle during the year was invested in time deposits and various authorized money market instruments. The amount of interest and dividends received was \$1,028,585.00. This is a slight increase from interest and dividends earned on temporary investments in Fiscal Year 2007-2008 when the interest on investments totaled \$1,028,395.00.

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 the 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.

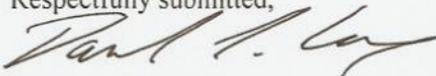
Independent Auditor

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 included in this report.

Acknowledgements

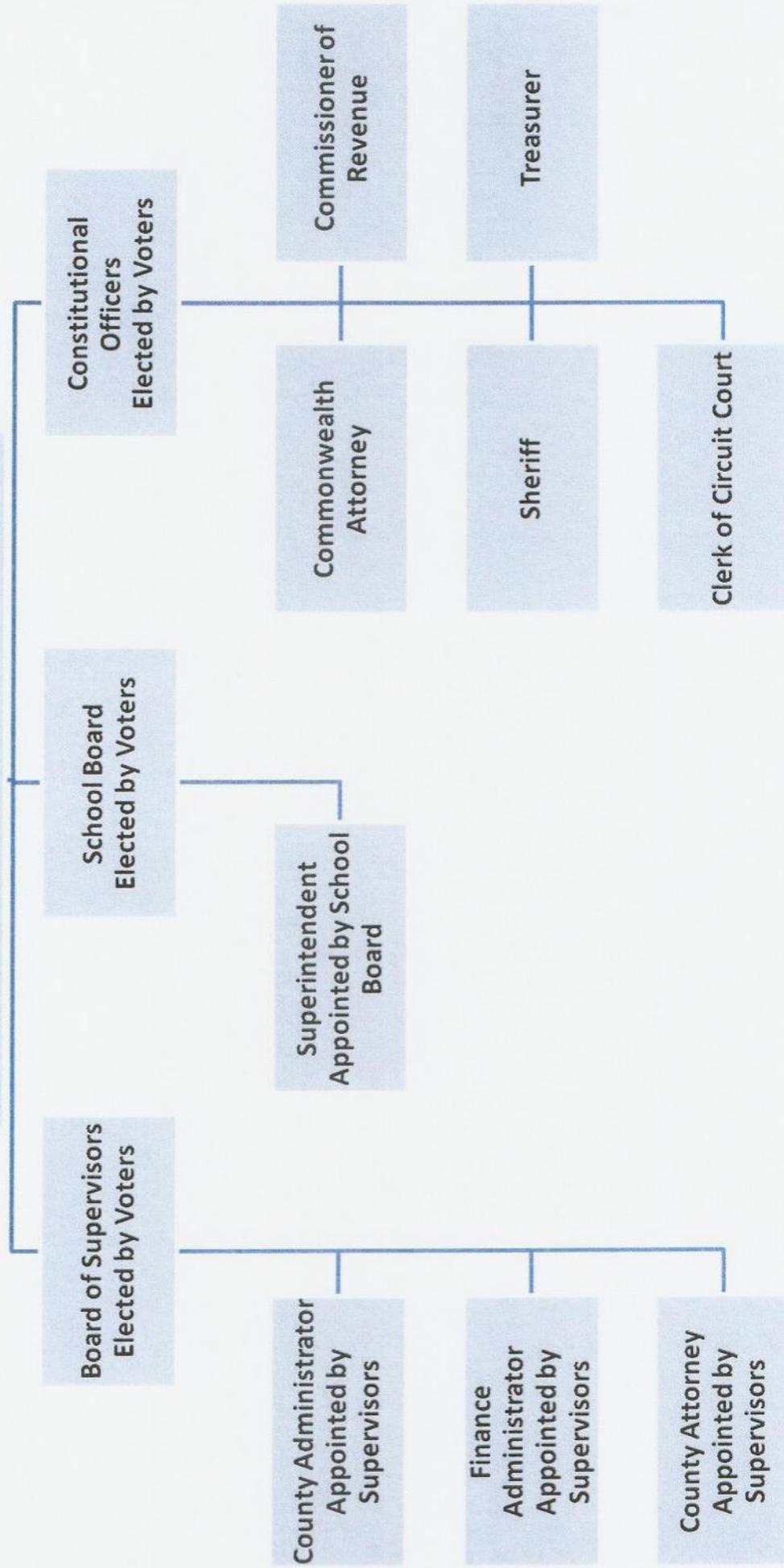
I would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



David L. Cox, CPA
County Financial Administrator

COUNTY OF WISE, VIRGINIA
ORGANIZATIONAL CHART
JUNE 30, 2009



COUNTY OF WISE, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS

BOARD OF SUPERVISORS

Robert E. Robbins, Chairperson
J.H. Rivers, Vice-Chairperson

Dana G. Kilgore
Steve Bates
Robert R. Adkins

Ronald L.Shortt
Fred Luntsford
Virginia Meador

COUNTY SCHOOL BOARD

Barry Nelson, Chairperson
Mike Mullins, Vice Chairman

Monty Salyer
Ted Thompson
Betty Cornett

Phillip Bates
Vanessa Perry
Mark Hutchinson

Judy Clawson, Clerk of the School Board

WISE COUNTY PUBLIC SERVICE AUTHORITY

Dana Kilgore, Chairperson
Fred Luntsford, Vice Chairperson
J.H. Rivers, Treasurer

Danny Mullins
Ralph Gilley
Jim Flanary

Robert R. Adkins
Albert Elkins

COUNTY SOCIAL SERVICES BOARD

Charles Bennett, Chairperson
John Graham, Vice-Chairperson

George Barton
Robert Stuart
Madonna Moore
J.D. Cassell

Danny Stallard
J. H. Rivers
Dianne Abbott

COUNTY OF WISE, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICERS

OTHER OFFICIALS

County Administration

County Administrator	Shannon C. Scott
County Financial Administrator	David L. Cox
County Attorney	Karen T. Mullins

Constitutional Officers

Clerk of the Circuit Court	Jack Kennedy
Commonwealth's Attorney	Ronald K. Elkins
Commissioner of the Revenue	Douglas Mullins, Jr.
Treasurer	Delores W. Smith
Sheriff	Ronnie D. Oakes

Courts

Chief Judge of the Circuit Court	John C. Kilgore
Judge of the Circuit Court	Joseph R. Carico
Judge of the Circuit Court	Tammy McElyea
Chief Judge of the District Court	Larry Lewis
Judge of the District Court	Chadwick S. Dotson
Judge of Juvenile & Domestic Relations Court	Elizabeth Wills
Judge of Juvenile & Domestic Relations Court	Jeff Hamilton

Component Units

Superintendent of Schools	Jeff Perry
Director of Public Service Authority	Danny Buchanan

Other

Director of Social Services	Thomas Stanley
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LARRY D. STURGILL, P. C.

LARRY D. STURGILL

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANT
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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, 2009, 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, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

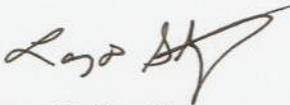
In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2010 on my consideration of the County of Wise Virginia's internal control over financial reporting on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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
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 79 through 92, 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 conducted 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 non-major 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 non-major 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
February 15, 2010

Wise County Board of Supervisors



Office of County Administrator

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P.O. BOX 570
206 E. MAIN STREET

February 17, 2010

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, 2009. 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 \$51,495,453 (net assets). Of this amount, \$ 5,985,828 (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 \$24,809,801, a decrease of \$3,631,532 in comparison with the prior year. Approximately twenty-seven percent of this total amount, \$6,784,394 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 \$6,784,394, or 13.03% percent of total general fund expenditures.

The County of Wise, Virginia's total debt decreased by \$114,356 during the current fiscal year.

Overview of the Financial Statements

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$51,495,453 at the close of the most recent fiscal year.

The largest portion of the County's net assets (48.60 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 and Business-Type Activities</u>	
	<u>2008</u>	<u>2009</u>
Current and other assets	\$ 35,169,198	\$ 31,928,324
Capital assets	<u>40,915,399</u>	<u>45,646,793</u>
Total assets	<u>\$ 76,084,597</u>	<u>\$ 77,575,117</u>
Long-term liabilities outstanding	\$ 19,937,839	\$ 20,716,765
Current liabilities	<u>5,046,465</u>	<u>5,362,899</u>
Total liabilities	<u>\$ 24,984,304</u>	<u>\$ 26,079,664</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 25,863,387	\$ 31,779,834
Restricted	25,302,332	20,514,450
Unrestricted	<u>(65,426)</u>	<u>(798,831)</u>
Total net assets	<u>\$ 51,100,293</u>	<u>\$ 51,495,453</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 \$1,530,531
Key elements of this increase are as follows:

	County of Wise, Virginia’s Change in Net Assets	
	Primary Governmental Activities and Business-Type Activities	
	<u>2008</u>	<u>2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 972,725	\$ 972,339
Operating grants and contributions	16,183,816	13,557,097
General Revenues:		
Property taxes	\$ 17,728,354	\$ 18,084,629
Other Local taxes	17,560,187	24,462,819
Other	3,635,901	1,673,471
Total revenues	<u>\$ 56,080,983</u>	<u>\$ 58,750,355</u>
Expenses		
General government	\$ 3,027,883	\$ 3,173,985
Judicial administration	2,491,772	2,633,756
Public safety	7,205,889	7,408,890
Public works	973,753	1,063,159
Health and welfare	13,103,609	13,845,186
Education	15,407,654	15,078,593
Parks, recreation and culture	899,183	921,759
Community development	6,964,606	7,246,421
Nondepartmental	4,857,143	5,785,819
Interest	67,832	62,256
Total expenses	<u>\$ 54,999,324</u>	<u>\$ 57,219,824</u>
Increase (decrease) in net assets	\$ 1,081,659	\$ 1,530,531
Net assets – beginning	<u>50,018,634</u>	<u>49,964,922</u>
Net assets – ending	<u>\$ 51,100,293</u>	<u>\$ 51,495,453</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 \$24,809,801 a decrease of \$3,468,660 in comparison with the prior year. Approximately twenty-seven percent of this total amount \$6,784,394 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
- Future school projects
- Future employee benefits

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 \$6,784,394, while the total fund balance was \$15,985,524. 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 13.03 percent of total general fund expenditures, while total fund balance represents 30.7 percent of that same amount.

The general fund balance decreased \$4,721,866 during the current fiscal year.

The special revenue funds has a total fund balance of \$8,824,277, all of which is reserved for future projects. The fund balance increased \$1,090,334 during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$3,005,123 increase in appropriations) and can be briefly summarized as follows:

- \$297,187 increase in general government administration
- \$140,933 increase in judicial administration
- \$285,690 increase in public safety expenditures
- \$620,151 increase in public work expenditures
- \$1,282,522 increase in health and welfare expenditures
- \$0 increase in education expenditures
- \$2,631 increase in Parks, Recreation & Cultural
- \$350,873 increase in community development

- 25,138 increase in nondepartmental

This increase was primarily funded by higher than anticipated revenues from various sources.. During the year, however, primary government revenues exceeded budgetary estimates by \$3,957,431 and primary government expenditures were more than budgetary estimates by \$6,474,766.

Capital Asset and Debt Administration

Capital assets – The county’s investment in capital assets for its governmental activities as of June 30, 2009 amounts to \$ 34,042,067 (net of accumulated depreciation). This investment in capital assets land, buildings and improvements, and machinery and equipment. The total increase in the County’s investment in capital assets for the current fiscal year was \$272,709.

<u>County of Wise, Virginia’s Change in Net Capital Assets</u>		
	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2009</u>
Land	\$ 13,568,000	\$ 13,568,000
Buildings	31,092,796	36,610,387
Equipment	<u>3,847,998</u>	<u>4,157,549</u>
Total	48,508,794	54,335,936
Less: accumulated depreciation	<u>(14,739,436)</u>	<u>(15,437,457)</u>
Net capital assets	<u>\$ 33,769,358</u>	<u>\$ 38,898,479</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 debt outstanding of \$16,153,840, including claims, judgments, OPEB GASB 45 liability and compensated absences of \$830,163. Of this amount \$15,323,677 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 \$114,356.

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

Economic Factors

- Unemployment rate is one of the factors considered in preparing the County's budget for the 2010 fiscal year. The September 2009 unemployment rate for the County is 6.8 percent, which is above the rate of 4.9 percent in 2008. This exceeds the state's unemployment rate of 6.5 percent and is below the national average rate of 9.5 percent as of September 2009.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year.

Budget and Rates

The approved budget is \$ 52,569,888 for fiscal year 2009-2010. The appropriate tax rates for the 2009-2010 year are as follows: .57 per \$100 value for real estate, mobile home taxes, and public utilities real estate, 1.49 per \$100 of assessed value for personal property and public service personal property, 2.85 per \$100 of assessed value for merchants capital, and 1.15 per \$100 of assessed value for machinery and tools.

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 Mr. David L. Cox, CPA, County Financial Administrator, P.O. Box 570, Wise, Virginia 24293.

COUNTY OF WISE, VIRGINIA
STATEMENT OF NET ASSETS
JUNE 30, 2009

EXHIBIT I

ASSETS	GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL ACTIVITIES
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUE	
CURRENT ASSETS			
Cash	\$ 1,443,443	579,873	2,023,316
Petty Cash	5,900	-	5,900
Investments	13,326,290	8,079,090	21,405,380
Reserved Deposits	-	-	-
Bond Insurance Costs	-	-	-
Receivable (Net Of Allowances For Uncollectibles):			
Taxes	2,097,576	-	2,097,576
Accounts	71,544	-	71,544
Mineral Taxes	436,045	415,940	851,985
Due From Other Governmental Units	586,437	-	586,437
Due From Other Funds	255,719	524,086	779,805
TOTAL CURRENT ASSETS	18,222,954	9,598,989	27,821,943
NONCURRENT ASSETS			
Capital Assets:			
Land	13,568,000	-	13,568,000
Buildings and equipment, net of depreciation	24,931,464	399,015	25,330,479
TOTAL NONCURRENT ASSETS	38,499,464	399,015	38,898,479
TOTAL ASSETS	\$ 56,722,418	\$ 9,998,004	66,720,422
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 747,716	\$ 226,050	\$ 973,766
Due To Other Funds	523,987	42,821	566,808
Due To Other Governmental Units	-	505,841	505,841
Premium on Bonds Payable	-	-	-
Due To Customers - Deposits	-	-	-
Deferred Revenues - Taxes	1,062,664	-	1,062,664
OPEB GASB 45 Liability	59,813	2,918	62,731
Claims, Judgments & Compensated Absences	641,816	-	641,816
Current Portion of Long-Term Obligations	638,968	-	638,968
TOTAL CURRENT LIABILITIES	3,674,964	777,630	4,452,594
NONCURRENT LIABILITIES			
Landfill Closure Cost Liability	-	-	-
Noncurrent Portion of Long-Term Obligations	14,144,829	-	14,144,829
TOTAL NONCURRENT LIABILITIES	14,144,829	-	14,144,829
TOTAL LIABILITIES	\$ 17,819,793	\$ 777,630	18,597,423
NET ASSETS			
Investment In Capital Assets, net of related debt	\$ 23,715,667	\$ 399,015	24,114,682
Restricted Assets	9,201,130	8,821,359	18,022,489
Unrestricted Assets	5,985,828	-	5,985,828
TOTAL NET ASSETS	\$ 38,902,625	\$ 9,220,374	48,122,999
TOTAL LIABILITIES & NET ASSETS	\$ 56,722,418	\$ 9,998,004	66,720,422

COMPONENT UNITS

BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS	
		SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
\$ 262,965	\$ 2,286,281	\$ 766,824	\$ 713,322
-	5,900	200	500
1,267,519	22,672,899	3,408,583	1,689,199
2,491,676	2,491,676	-	2,126,086
-	-	-	12,003
-	2,097,576	-	-
74,779	146,323	477,782	187,864
-	851,985	-	-
9,442	595,879	1,802,636	5,058
-	779,805	-	-
4,106,381	31,928,324	6,456,025	4,734,032
-	13,568,000	1,358,879	165,000
6,748,314	32,078,793	27,824,939	22,499,427
6,748,314	45,646,793	29,183,818	22,664,427
<u>\$ 10,854,695</u>	<u>\$ 77,575,117</u>	<u>\$ 35,639,843</u>	<u>\$ 27,398,459</u>
\$ 193,764	\$ 1,167,530	\$ 1,705,115	\$ 102,512
212,898	779,706	-	-
-	505,841	-	9,442
-	-	-	10,777
-	-	-	362,160
-	1,062,664	-	-
11,032	73,763	338,328	-
114,583	756,399	300,055	73,006
378,028	1,016,996	66,618	148,660
910,305	5,362,899	2,410,116	706,557
6,410,083	6,410,083	-	-
161,853	14,306,682	1,640,141	3,075,413
6,571,936	20,716,765	1,640,141	3,075,413
<u>\$ 7,482,241</u>	<u>\$ 26,079,664</u>	<u>\$ 4,050,257</u>	<u>\$ 3,781,970</u>
7,665,152	\$ 31,779,834	\$ 27,477,059	\$ 22,845,631
2,491,961	20,514,450	-	2,126,087
(6,784,659)	(798,831)	4,112,527	(1,355,229)
<u>\$ 3,372,454</u>	<u>\$ 51,495,453</u>	<u>\$ 31,589,586</u>	<u>\$ 23,616,489</u>
<u>\$ 10,854,695</u>	<u>\$ 77,575,117</u>	<u>\$ 35,639,843</u>	<u>\$ 27,398,459</u>

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS and CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT:				
Governmental Activities				
General Government Administration	\$ 3,173,985	\$ 5,878	\$ 52,145	\$ (3,115,962)
Judicial Administration	2,633,756	48,010	107,583	(2,478,163)
Public Safety	7,408,890	-	1,409,941	(5,998,949)
Public Works	1,063,159	-	-	(1,063,159)
Health & Welfare	13,845,186	258,166	11,639,341	(1,947,679)
Education	15,078,593	-	-	(15,078,593)
Parks, Recreation & Cultural	921,759	-	5,000	(916,759)
Community Development	7,246,421	-	180,569	(7,065,852)
Non-Departmental	561,300	-	-	(561,300)
Interest & Fiscal Charges	62,256	-	-	(62,256)
Total Governmental Activities	\$ 51,995,305	\$ 312,054	\$ 13,394,579	\$ (38,288,672)
Business-Type Activities				
Landfill	4,657,337	593,239	13,900	
Sewer	567,182	67,046	148,618	
Total Business-Type Activities	5,224,519	660,285	162,518	
Total Primary Government	\$ 57,219,824	\$ 972,339	\$ 13,557,097	
COMPONENT UNITS:				
School Board	75,484,515	1,045,152	75,141,267	
Public Service Authority	2,830,087	1,842,239	1,724,175	
Total Component Units	\$ 78,314,602	\$ 2,887,391	\$ 76,865,442	
General Revenues				
Taxes:				
Property Taxes, levied for general purposes				\$ 18,084,464
Utility Taxes				1,681,253
Mineral Taxes				13,813,123
Franchise Taxes				101,049
Local Sales & Use Taxes				2,997,155
Other Local Taxes				448,742
Grants and Contributions, not restricted to specific programs				5,421,662
Investment Income				1,028,585
Miscellaneous				530,020
Operating Transfers				(3,340,913)
Total General Revenue				\$ 40,765,140
Change in Net Assets				\$ 2,476,468
Net Assets, July 01, 2008				45,646,531
Net Assets, June 30, 2009				\$ 48,122,999

NET (EXPENSE) REVENUE
AND CHANGES IN NET ASSETS

BUSINESS-TYPE ACTIVITIES	COMPONENT UNITS		
	PRIMARY GOVERNMENT GOVERNMENTAL AND BUSINESS - TYPE ACTIVITIES	SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
	\$ (3,115,962)		
	(2,478,163)		
	(5,998,949)		
	(1,063,159)		
	(1,947,679)		
	(15,078,593)		
	(916,759)		
	(7,065,852)		
	(561,300)		
	(62,256)		
	<u>\$ (38,288,672)</u>		
\$ (4,050,198)	\$ (4,050,198)		
\$ (351,518)	(351,518)		
<u>(4,401,716)</u>	<u>(4,401,716)</u>		
	<u>\$ (42,690,388)</u>		
		<u>701,904</u>	<u>736,327</u>
\$ -	18,084,464	\$ -	\$ -
-	1,681,253	-	-
-	13,813,123	-	-
-	101,049	-	-
-	2,997,155	-	-
-	448,742	-	-
-	5,421,662	-	-
114,866	1,143,451	47,324	123,290
-	530,020	2,327,694	73,686
<u>3,340,913</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 3,455,779	\$ 44,220,919	\$ 2,375,018	\$ 196,976
\$ (945,937)	\$ 1,530,531	\$ 3,076,922	\$ 933,303
4,318,391	49,964,922	28,512,664	22,683,186
<u>\$ 3,372,454</u>	<u>\$ 51,495,453</u>	<u>\$ 31,589,586</u>	<u>\$ 23,616,489</u>



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COUNTY OF WISE, VIRGINIA
BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2009

EXHIBIT 3

	PRIMARY GOVERNMENT		
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUES	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 14,775,633	\$ 8,658,963	\$ 23,434,596
Receivables (Net of allowances for uncollectibles):			
Taxes, including penalties	2,251,294	415,940	2,667,234
Accounts	71,544	-	71,544
Due from Component Unit	1,408,491	-	1,408,491
Due from Other Funds	255,719	524,086	779,805
Due from Other Governmental Units	586,437	-	586,437
TOTAL ASSETS	\$ 19,349,118	\$ 9,598,989	\$ 28,948,107
<u>LIABILITIES</u>			
Accounts Payable	\$ 747,716	\$ 226,050	\$ 973,766
Due to Other Funds	523,987	42,821	566,808
Due to Other Governmental Units	-	505,841	505,841
Deferred Revenue	2,091,891	-	2,091,891
TOTAL LIABILITIES	\$ 3,363,594	\$ 774,712	\$ 4,138,306
<u>FUND BALANCES</u>			
Reserved	9,201,130	8,824,277	18,025,407
Unreserved	6,784,394	-	6,784,394
TOTAL FUND BALANCES	\$ 15,985,524	\$ 8,824,277	\$ 24,809,801
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,349,118	\$ 9,598,989	\$ 28,948,107

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

Total Fund Balance June 30, 2009	\$ 24,809,801
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.	38,898,479
Adjustment for amounts due to/due from primary government	(1,408,491)
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.	1,311,554
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.	(15,488,344)
Net assets of General Government Activities	<u>\$ 48,122,999</u>

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 4

<u>PRIMARY GOVERNMENT</u>	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
General Property Taxes	18,116,122	-	\$ 18,116,122
Other Local Taxes	12,016,618	6,907,431	18,924,049
Permits, Privilege Fees & Regulatory Licenses	69,524	-	69,524
Fines & Forfeitures	15,848	24,755	40,603
Revenues From Use Of Money & Property	884,027	144,558	1,028,585
Charges For Services	299,526	12,528	312,054
Miscellaneous	197,742	98,480	296,222
Recovered Costs	233,798	-	233,798
Intergovernmental	18,509,741	306,500	18,816,241
TOTAL REVENUES	\$ 50,342,946	\$ 7,494,252	\$ 57,837,198
EXPENDITURES:			
Current:			
General Government Administration	\$ 2,973,861	987	\$ 2,974,848
Judicial Administration	2,581,764	16,622	2,598,386
Public Safety	6,761,236	477,828	7,239,064
Public Works	1,357,333	270,880	1,628,213
Health & Welfare	13,999,745	-	13,999,745
Education	21,305,910	-	21,305,910
Parks, Recreation & Cultural	879,848	-	879,848
Community Development	1,167,068	5,912,925	7,079,993
Non-Departmental	561,705	-	561,705
Debt Service:			
Principal Retirement	419,790	40,187	459,977
Interest & Fiscal Charges	60,378	1,878	62,256
TOTAL EXPENDITURES	\$ 52,068,638	\$ 6,721,307	\$ 58,789,945
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,725,692)	\$ 772,945	(952,747)
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ -	\$ 318,431	\$ 318,431
Operating Transfers Out	(3,658,302)	(1,042)	(3,659,344)
Proceeds from Issuance of Debt	825,000	-	825,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (2,833,302)	\$ 317,389	\$ (2,515,913)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ (4,558,994)	\$ 1,090,334	\$ (3,468,660)
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	20,544,518	7,733,943	28,278,461
FUND BALANCE AT END OF YEAR	\$ 15,985,524	\$ 8,824,277	\$ 24,809,801

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, 2009

	<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	\$ (3,468,660)
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 capital outlays exceeded the depreciation in the current period.	6,150,363
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(24,513)
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.	(103,037)
Accrued OPEB GASB 45 Hospitalization Insurance Liability not payable from current year resources. In the Statement of Activities, these costs represent expenses of the current year.	(62,731)
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>(14,954)</u>
Change in net assets of governmental activities	<u>\$ 2,476,468</u>

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN NET ASSETS - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 6

OPERATING REVENUES:

Landfill Usable Fees	\$ 579,207
Sewer Rents	67,046
Other Revenues	<u>14,032</u>

TOTAL OPERATING REVENUES

\$ 660,285

OPERATING EXPENSES:

Other Operating Charges	4,395,185
Landfill Closure Expense	307,624
Depreciation	<u>499,119</u>

TOTAL OPERATING EXPENSES

5,201,928

NET OPERATING INCOME (LOSS)

\$ (4,541,643)

NON-OPERATING REVENUE AND EXPENSE

Grant Receipts	\$ 162,518
Interest Revenue	114,866
Interest Expense	<u>(22,591)</u>

TOTAL NON-OPERATING REVENUE
 AND EXPENSE

254,793

INCOME (LOSS) BEFORE OPERATING TRANSFERS

\$ (4,286,850)

NET OPERATING TRANSFERS

3,340,913

NET INCOME (LOSS)

\$ (945,937)

NET ASSETS AT BEGINNING OF YEAR

4,318,391

NET ASSETS AT END OF YEAR

\$ 3,372,454

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 7

Cash Flow From Operating Activities:

Cash Received from Customers	\$ 652,247	
Cash Payments to Suppliers for Goods & Services	<u>(4,348,743)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (3,696,496)

Cash Flow from Noncapital Financing Activities:

Operating Transfers From Other Funds	\$ 3,340,913	
Decrease in Due From Other Funds	<u>-</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		3,340,913

Cash Flows from Capital & Related Financing Activities:

Principal Paid on Revenue Bond Maturities	\$ (27,601)	
Interest Paid on Debt Obligations	(22,591)	
Proceeds from General Obligation Loans	153,000	
Principal Paid on General Obligation Loans	<u>(182,620)</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		(79,812)

Cash Flows from Investing Activities:

Sinking Fund Deposits	(163,350)	
Interest Earned on Investments	115,151	
State Grant Receipts	162,518	
Decrease in Investments	616,260	
Purchase of Equipment	<u>(101,392)</u>	
NET CASH PROVIDED FORM INVESTING ACTIVITIES		<u>629,187</u>

NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS \$ 193,792

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR 69,173

CASH & CASH EQUIVALENTS AT END OF YEAR \$ 262,965

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:

Operating Income		\$ (4,541,643)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 499,119	
Decrease in Accounts Receivable	(8,038)	
Increase in Closure Cost Liability	307,624	
Increase (Decrease) in Accrued Compensation	26,403	
Increase in Accounts Payable	<u>9,007</u>	
TOTAL ADJUSTMENTS		<u>834,115</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ (3,707,528)

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF FIDUCIARY NET ASSETS
 AT JUNE 30, 2009

EXHIBIT 8

ASSETS	<u>ASSETS</u>	<u>AGENCY FUNDS</u>
Cash		\$ 110,244
Due From Other Governmental Units		<u>329,476</u>
TOTAL ASSETS		<u>\$ 439,720</u>

LIABILITIES:	<u>LIABILITIES</u>	
Due To:		
Social Service Clients		\$ 109,249
Governmental Units		62,742
Due To Other Funds		<u>267,729</u>
TOTAL LIABILITIES		<u>\$ 439,720</u>
FUND BALANCE:		
Unrestricted		\$ -
TOTAL LIABILITIES		<u>\$ 439,720</u>



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COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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 component units. For the most part, effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(4) 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.

(5) 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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 \$580,814 at June 30, 2009.

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, 2009

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits: All cash of the County of Wise, Virginia is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400et.seq. of the Code of Virginia or covered by federal depository insurance.

Deposits: All cash of the Wise County School Board, a discretely presented component unit, is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400et.seq. of the Code of Virginia or covered by federal depository insurance.

Deposits: All cash of the Wise County Public Service Authority, a discretely presented component unit, County of Wise, Virginia is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400et.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 includes 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.

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	\$ 21,094,854	\$ -	\$ -	\$ 21,094,854	\$ 21,094,854
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 4,056,221	\$ 4,056,221
Total Investments				\$ 25,151,075	\$ 25,151,075
Total Deposits				2,396,525	
Total Reserved Deposits				13,500	
Total Deposits and Investments				\$ 27,561,100	

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
Total				\$ -	\$ -
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 3,408,583	\$ 3,408,583
Total Investments				\$ 3,408,583	\$ 3,408,583
Total Deposits				\$ 766,824	
Total Deposits and Investments				<u>\$ 4,175,407</u>	

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

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificates of Deposit	\$ 1,866,488	\$ -	\$ -	\$ 1,866,488	\$ 1,866,488
Total Investments				\$ 1,866,488	\$ 1,866,488
Total Deposits				<u>\$ 2,662,120</u>	
Total Deposits and Investments				<u>\$ 4,528,608</u>	

NOTE 3: TAXES RECEIVABLE

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

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

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4: INTERFUND OBLIGATIONS

FUND	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 1,931,939	\$ 523,987
Enterprise Funds	-	212,898
School Fund	-	1,408,491
Local Sales Tax Fund	-	267,729
Community Development Fund	-	42,821
Emergency Numbers Fund	5,308	
Coal Road Improvement	518,679	-
	<u>518,679</u>	<u>-</u>
TOTALS	\$ 2,455,926	\$ 2,455,926

NOTE 5: DUE FROM OTHER GOVERNMENTAL UNITS

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNIT</u>
	<u>GENERAL FUND</u>	<u>FIDUCIARY FUND</u>	<u>ENTERPRISE FUND</u>	<u>SCHOOL BOARD</u>
Local Governmental Units:				
Towns	\$ 213,761	\$ -	\$ -	\$ -
School Boards	-	-	-	264,057
	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,057</u>
TOTAL LOCAL	\$ 213,761	\$ -	\$ -	\$ 264,057
Commonwealth of Virginia:				
Tax on Wills	\$ 2,176	\$ -	\$ -	\$ -
Shared Expenses	296,671	-	-	-
Local Sales Taxes	-	329,476	-	-
State Sales Taxes	-	-	-	515,792
School Funds	-	-	-	21,352
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,352</u>
TOTAL STATE	\$ 298,847	\$ 329,476	\$ -	\$ 537,144
Federal Government:				
Grant Funds	\$ 73,829	\$ -	\$ -	\$ 1,613,980
School Funds	-	-	-	1,613,980
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,613,980</u>
TOTAL FEDERAL	\$ 73,829	\$ -	\$ -	\$ 1,613,980
TOTAL DUE	\$ 586,437	\$ 329,476	\$ -	\$ 2,415,181

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS

	<u>PRIMARY GOVERNMENT</u>	
	<u>SPECIAL REVENUE</u>	<u>FIDUCIARY</u>
Appalachia	\$ 37,143	\$ 7,828
Big Stone Gap	47,405	22,230
Coeburn	38,155	10,571
Pound	34,831	4,541
St. Paul	34,108	4,209
Wise	48,127	12,368
Norton	49,283	-
Public Service Authority	216,789	-
Others	-	995
TOTALS	<u>\$ 505,841</u>	<u>\$ 62,742</u>

NOTE 7: LONG-TERM DEBT

PRIMARY GOVERNMENT

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

GENERAL LONG-TERM DEBT

<u>YEAR ENDING JUNE 30,</u>	<u>GENERAL LONG-TERM FINANCING</u>		<u>ENTERPRISE FUNDS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2010	638,968	48,065	377,988	6,267
2011	316,286	31,991	64,299	3,459
2012	273,209	20,743	59,155	2,169
2013	284,225	9,728	32,815	907
2014	93,417	1,182	5,625	5
TOTALS	<u>\$ 1,606,106</u>	<u>\$ 111,709</u>	<u>\$ 539,881</u>	<u>\$ 12,807</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (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 LOANS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2010	199,073	285,450	685,000	145,964
2011	236,825	275,041	685,000	132,265
2012	240,337	264,057	685,000	118,565
2013	245,247	251,675	585,000	104,865
2014	250,413	239,035	585,000	93,165
2015	255,850	226,126	585,000	81,465
2016	261,572	212,931	585,000	69,765
2017	267,594	199,438	585,000	58,065
2018	273,929	185,629	585,000	46,365
2019	280,598	171,489	585,000	34,665
2020	287,614	156,999	585,000	22,965
2021	294,999	142,142	563,227	11,265
2022	302,769	126,899		
2023-2029	<u>2,482,643</u>	<u>425,449</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 5,879,463</u>	<u>\$ 3,162,360</u>	<u>\$ 7,298,227</u>	<u>\$ 919,374</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

Changes in Long-term Debt:

The following is a summary of long-term obligations of the County for the year ended JUNE 30, 2009, as categorized below:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
<u>General Long-Term Debt:</u>				
General Long-Term Financing	\$ 1,241,083	\$ 825,000	\$ 459,977	\$ 1,606,106
Debt Acquired for School Purposes:				
General Obligations Bonds	95,000	-	50,000	45,000
VPSA Bond	5,724,823	109,640	-	5,834,463
State Literary Loans	7,983,227	-	685,000	7,298,227
TOTAL LOANS AND BONDS	\$ 15,044,133	\$ 934,640	\$ 1,194,977	\$ 14,783,796
OPEB GASB 45 Liability	-	62,731	-	62,731
Claims, Judgments and Compensated Absences	538,780	103,037	-	641,817
TOTAL GENERAL LONG-TERM DEBT	\$ 15,582,913	\$ 1,100,408	\$ 1,194,977	\$ 15,488,344
<u>Enterprise Fund:</u>				
VRA Revenue Bonds	\$ 110,404	\$ -	\$ 27,601	\$ 82,803
General Long-Term Financing Loans	486,699	153,000	182,621	457,078
OPEB GASB 45 Liability	-	11,032	-	11,032
Claims, Judgements and Compensated Absences	88,180	26,403	-	114,583
TOTAL ENTERPRISE FUND	\$ 685,283	\$ 190,435	\$ 210,222	\$ 665,496
TOTAL PRIMARY GOVERNMENT DEBT	\$ 16,268,196	\$ 1,290,843	\$ 1,405,199	\$ 16,153,840

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

AMOUNT
 OUTSTANDING

DETAILS OF LONG-TERM INDEBTEDNESS

General Long-Term Debt:

General Long-Term Financing:

<p>\$472,000 Loan payable to B B & T Bank issued December 14, 2005, due in 60 monthly installments of \$8,680; interest payable at 3.940% annually. 89% of this note is recorded in the General Long-Term Debt Account Group and 11% is recorded as Enterprise Liability.</p>	142,720
<p>\$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.</p>	230,307
<p>\$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.</p>	237,343
<p>\$527,000 Loan payable to First Bank and Trust issued December 15, 2004, due in 60 monthly installments of \$9,637; interest payable at 3.71% annually. 40% of this note is recorded in the General Long-Term Debt Account Group and 60% is recorded as Enterprise Liability.</p>	22,855
<p>978,000 Loan payable to First Bank and Trust issued August 19, 2008, due in 60 monthly installments of \$17,967.90; interest payable at 3.9% annually, 84% of this note is recorded in the General Long-Term Debt Account Group and 16% is recorded as Enterprise Liability</p>	698,401
<p>Line of Credit to Powell Valley National Bank issued December 14, 2004, interest payable at 3.75% annually. 46% of this note is recorded in the General Long-Term Debt Account Group and 54% is recorded as Enterprise Liability.</p>	274,479
<p style="text-align: right;">TOTAL GENERAL LONG-TERM FINANCING</p>	<p><u>\$ 1,606,106</u></p>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

DETAILS OF LONG-TERM INDEBTEDNESS

General Long-Term Debt:

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>\$ 45,000</u>
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TOTAL GENERAL OBLIGATIONS BONDS	<u>\$ 45,000</u>
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VPSA Bond:

\$5,834,463 VPSA Fund loan issued May 15, 2008, due in principal annual installments and bi-annual interest payments through June 30, 2029; interest payable annually at 5.10%.	<u>\$ 5,834,463</u>
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TOTAL VPSA BONDS	<u>\$ 5,834,463</u>
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State Literary Loans:

\$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%.	300,000
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\$3,700,000 State Literary Fund loan issued March 01, 2001, due in annual installments of \$185,000 through 2021; interest payable at 2%.	2,220,000
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\$2,978,227 State Literary Fund loan issued December 15, 2000, due in annual installments of \$150,000 through 2021; interest payable at 2%.	1,778,227
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\$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>3,000,000</u>
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TOTAL STATE LITERARY LOANS	<u>\$ 7,298,227</u>
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TOTAL LONG-TERM DEBT ACQUIRED FOR SCHOOL PURPOSES	<u>\$ 13,132,690</u>
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TOTAL OPEB GASB 45 LIABILITY	62,731
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TOTAL COMPENSATED ABSENCES	<u>641,817</u>
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TOTAL GENERAL LONG-TERM DEBT	<u>\$ 15,488,344</u>
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COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

ENTERPRISE FUND LOANS

Enterprise Fund:

VRA Revenue Bonds:

\$524,421 Virginia Resources Authority, Virginia Revolving Loan Fund issued April 8, 1991, due in semi-annual installments of \$13,801 through April 1, 2012, interest payable annually at 0%. \$ 82,803

TOTAL VRA REVENUE BONDS \$ 82,803

General Long-Term Financing:

\$472,000 Loan payable to B B & T Bank issued December 14, 2005, due in 60 monthly installments of \$8,680; interest payable at 3.940% annually. 89% of this note is recorded in the General Long-Term Debt Account Group and 11% is recorded as Enterprise Liability. \$ 16,904

\$527,000 Loan payable to First Bank and Trust issued December 15, 2004, due in 60 monthly installments of \$9,637; interest payable at 3.71% annually. 40% of this note is recorded in the General Long-Term Debt Account Group and 60% is recorded as Enterprise Liability. 32,278

978,000 Loan payable to First Bank and Trust issued August 19, 2008, due in 60 monthly installments of \$17,967.90: interest payable at 3.9% annually, 84% of this note is recorded in the General Long-Term Debt Account Group and 16% is recorded as Enterprise Liability 129,529

Line of Credit to Powell Valley National Bank issued December 14, 2004, interest payable at 3.75% annually. 46% of this note is recorded in the General Long-Term Debt Account Group and 54% is recorded as Enterprise Liability. 278,366

TOTAL GENERAL LONG-TERM FINANCING \$ 457,077

TOTAL OPEB GASB 45 LIABILITY 11,032

TOTAL COMPENSATED ABSENCES 114,583

TOTAL ENTERPRISE FUND LONG-TERM DEBT \$ 665,496

TOTAL PRIMARY GOVERNMENT DEBT \$16,153,840

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

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 until June 19, 2006; interest payable at an annual rate of 3.454%.	\$ 804,867
\$960,000 Loan payable to Suntrust Bank for an Energy Performance Contract, due in 144 monthly installments of \$8,457 until June 20, 2020; interest payable at an annual rate of 4.00%.	<u>\$ 901,892</u>
Total Loans Payable	<u>\$ 1,706,759</u>
Total OPEB GASB 45 Liability	338,328
Total Compensated Absences and Early Retirement Plan Payable	<u>300,055</u>
TOTAL LONG-TERM DEBT – SCHOOL BOARD	<u>\$ 2,354,142</u>

Changes in Long-Term Debt:

The following is a summary of School Board long-term debt transactions for the year ended JUNE 30, 2009:

	July 1, 2008	Increases	Decreases	June 30, 2009
<u>Long-Term Debt:</u>				
Long-Term Financing				
Loans	\$ 1,864,794	-	\$ 158,035	\$ 1,706,759
OPEB GASB 45 Liability	-	338,328	-	338,328
Claims, Judgments and Compensated Absences Payable	282,344	17,711	-	300,055
TOTAL LONG-TERM DEBT	\$ 2,147,138	\$ 356,039	\$ 158,035	\$ 2,345,142

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

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

<u>LONG-TERM FINANCING LOANS</u>			
YEAR ENDING JUNE 30,	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2010	170,052	60,852	230,904
2011	176,395	54,689	231,084
2012	182,977	48,107	231,084
2013	189,804	41,280	231,084
2014	196,889	34,195	231,084
2015	204,239	26,846	231,085
2016	211,864	19,219	231,083
2017	88,103	13,378	101,481
2018	91,692	9,789	101,481
2019	95,428	6,053	101,481
2020	99,315	2,165	101,480
TOTALS	<u>\$ 1,706,759</u>	<u>\$ 316,573</u>	<u>\$ 2,023,332</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

COMPONENT UNIT-WISE COUNTY PUBLIC SERVICE AUTHORITY

BONDS & NOTES OUTSTANDING

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

PERIOD ENDED JUNE 30,	<u>LONG-TERM OBLIGATIONS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2010	148,660	50,783
2011	154,058	48,313
2012	154,461	45,686
2013	159,867	42,827
2014	145,278	40,089
2015	150,692	37,652
2016	151,111	35,152
2017	151,534	32,454
2018	151,961	29,580
2019	152,393	26,645
2020	137,828	24,042
2021	143,269	21,690
2022	148,713	19,077
2023	149,162	16,333
2024	139,616	13,839
2025	140,074	11,596
2026	150,537	9,085
2027	151,004	6,303
2028	141,477	3,775
2029	126,953	1,886
2030	98,117	506
2031	58,921	-
2032	47,403	-
2033	24,201	-
2034	24,200	-
2035	5,833	-
2036	5,833	-
2037	5,833	-
2038	5,084	-
<i>SUB-TOTALS</i>	<u>\$ 3,224,073</u>	<u>\$ 517,312</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 7: LONG-TERM DEBT (Continued)

Changes in Bonds and Notes Outstanding

The following is a summary of Authority long-term debt transactions of the Authority for the year ended JUNE 30, 2009:

Beginning Balance	\$3,128,824
Additions:	
Virginia Resources Authority Bond	240,534
Retirements:	
Virginia Resources Authority Bonds	<u>(145,285)</u>
TOTAL BOND AND LOANS PAYABLE	<u>\$3,224,073</u>

Details of Bonds and Notes Outstanding

\$106,131 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%.	\$ 79,528
\$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%.	270,750
\$551,025 Water and Sewer Revenue Bond, Series 2001, Virginia Resources Authority issued January 22, 2004, due in semi-monthly installments of \$9,184 through May 01, 2034, interest payable annually at 0%.	459,187
\$1,160,000 Water and Sewer Revenue Bond, Series 2004, Virginia Resources Authority beginning on October 01, 2004 and ending October 01, 2029. Interest payable semi-annually at a variable interest rate varying from 2.92% to 5.14%.	910,000
\$1,054,490 Water and Sewer Revenue Bond, Virginia Resources Authority issued February 27, 2004, due in annual installments ending on December 1, 2029, interest payable semi-annually at 1.00%.	899,436
\$481,875 North Fork Water Project. Water and Sewer Revenue Bond, Virginia Resources Authority issued June 30, 2006, due in semi-annual Installments beginning on January 01, 2007 and ending on July 1, 2037 Interest payable at 0%.	369,192
\$90,745 Banner/Sandy Ridge Interconnect. Water and Sewer Revenue Bond, Virginia Resources Authority issued June 15, 2007, due in semi-annual Installments beginning on February 01, 2008 and ending on November 1, 2038 Interest payable at 0%.	67,562
\$175,000 Dunbar Water Project. Water and Sewer Revenue Bond, VRA issued August 29, 2008, due in semi-annual installments beginning on March 1, 2009 And ending on September 1, 2038, interest payable at 0%.	168,418
TOTAL LONG-TERM OBLIGATIONS	<u>\$3,224,073</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009 the value of accrued vacation pay, for the primary government was \$756,399.

The amount of accrued vacation pay for the professional School Board employees was \$189,470 and non-professional employees was \$110,585. The total value of these liabilities for the Component Unit - School Board was \$300,055.

The Wise County School Board adopted on March 28, 2000 the Local Retirement Option Plan, making it possible for any full-time certified or professional of Wise County Schools who are covered by the Virginia Retirement System to retire and receive supplemental retirement benefits. As of June 30, 2009, the School Board held an investment account with SunTrust Bank with a market value of \$3,089,743. This account exceeds the total obligation under this plan of \$2,477,426 by \$612,317.

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, 2009 the amount of accrual recorded is \$22,146, 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, 2009 the value of accrued vacation pay was \$31,187. The accrual for vacation and sick leave totals \$53,333.

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)

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 (1.85% for sheriffs and, if the employer elects, other employees in hazardous duty positions receiving enhanced benefits). 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.

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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/Publications/2008AnnuRept.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 2008 was 5.00% 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 2009, 2008 and 2007 amounted to \$5,352,105, \$4,831,697, and \$4,310,587, respectively, and represented, 15.71%, 15.30% and 11.24%, respectively.

C. Annual Pension Cost

For 2009, County of Wise and the School Board's Non-Professional Employees annual pension cost of \$866,407 and \$366,663, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2007 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 2004 Experience Study. In particular, it uses an assumed investment return rate of 7.50%; an assumed annual cost-of-living adjustment of 2.50%; salary increases that range between 3.75% and 5.60% 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 2004 Experience Study prepared for VRS. Liabilities were determined under the Entry Age Normal actuarial cost method.

THREE-YEAR TREND INFORMATION FOR COUNTY OF WISE, VIRGINIA

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Wise County	June 30, 2009	\$866,407	100%	\$0
	June 30, 2007	\$992,899	100%	\$0
	June 30, 2006	\$959,198	100%	\$0
Wise County Schools	June 30, 2009	\$366,663	100%	\$0
	June 30, 2007	\$339,570	100%	\$0
	June 30, 2006	\$324,774	100%	\$0

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

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 \$2,091,891 is comprised of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures in the amount of \$1,029,227 and collection of 2009 taxes not due until October 15, 2009 in the amount of \$1,062,664.

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: SURETY BOND

	<u>Amount</u>
Fidelity & Deposit Company Of Maryland - Surety	
Jack Kennedy, Clerk of the Circuit Court	\$ 25,000
Delores W. Smith, 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:	
Jeff Perry, 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

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 13: LITIGATION

In regard to litigation involving the County of Wise, Virginia at June 30, 2009, the County's legal counsel informed us that there is one case pending court actions in which Wise County is a party:

Equitable Production Company v. County of Wise, Virginia, Wise County Circuit Court.

This case is a suit challenging the County's assessment methodology correction of erroneous assessment of property tax suit challenging the County's assessment methodology for gas well gathering systems and gas producing real property improvements for the periods 2002 to September 2005 and requests a refund for payment of the assessed fees.

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.

NOTE 14: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest Paid - Proprietary Fund

Cash paid interest expense relating to debt for the year ended June 30, 2009 amounted to \$22,591.

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

NOTE 15: INTEREST PAID - WISE COUNTY PUBLIC SERVICE AUTHORITY

Cash paid interest expense relating to debt for the period ending June 30, 2009 amounted to \$52,568. 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 16: PROPRIETARY CAPITAL ASSETS

A summary of proprietary fund capital assets is as follows:

	VRA Landfill Enterprise	Riverview Sewer Project Fund	Total
Land	\$ 207,500	\$ -	\$ 207,500
Buildings & Improvements	8,596,174	549,300	9,145,474
Equipment	4,073,326	-	4,073,326
Less: Accumulated Depreciation	(6,444,533)	(233,453)	(6,677,986)
NET CAPITAL ASSETS	\$ 6,432,467	\$ 315,847	\$ 6,748,314

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 17: CAPITAL ASSETS

Primary Government:

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

Land	\$ 13,568,000
Buildings	36,610,387
Equipment & Vehicles	<u>4,157,549</u>
TOTAL CAPITAL ASSETS	\$ 54,335,936
Less: Accumulated Depreciation	<u>(15,437,457)</u>
NET CAPITAL ASSETS	<u>\$ 38,898,479</u>

Component Unit - School Board:

A summary of capital assets for the school board is as follows:

	<u>Total</u>
Land	\$ 1,358,879
Buildings & Improvements	46,190,811
Equipment & Vehicles	7,852,248
Construction In Progress	<u>7,024,616</u>
TOTAL CAPITAL ASSETS	62,426,555
Less: Accumulated Depreciation	<u>(33,242,737)</u>
NET CAPITAL ASSETS	<u>\$ 29,183,818</u>

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 17: CAPITAL ASSETS (Continued)

A summary of changes in capital assets is as follows:

Primary Government:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Land	\$ 13,568,000	\$ -	\$ -	\$ 13,568,000
Buildings and IOTB	31,092,796	6,988,134	1,160,991	36,919,938
Equipment & Vehicles	3,847,998	-	-	3,847,998
TOTAL CAPITAL ASSETS	\$ 48,508,794	\$ 6,988,134	\$ 1,160,991	\$ 54,335,936

Component Unit School Board:

Land	\$ 1,358,879	\$ -	\$ -	\$ 1,358,879
Buildings & Improvements	44,306,965	1,883,846	-	46,190,811
Equipment & Vehicles	7,410,697	738,551	297,000	7,852,248
Construction in Progress	7,386,174	2,564,924	2,926,482	7,024,616
TOTAL	\$ 60,462,715	\$ 5,187,321	\$ 3,223,482	\$ 62,426,555

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

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 17: CAPITAL ASSETS (Continued)

A summary of capital assets for the Authority is as follows:

	<u>Total</u>
Land and Easements	\$ 165,000
Construction in Progress	3,301,986
Utility Plant	26,568,933
Equipment	334,302
Automobiles	284,762
Office Furniture & Equipment	137,822
Plant Building	28,041
TOTAL PLANT & EQUIPMENT	\$ 30,820,846
Less: Accumulated Depreciation	(8,156,419)
NET CAPITAL ASSETS	\$ 22,664,427

A summary of changes in capital assets is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Land	\$ 165,000	\$ -	\$ -	\$ 165,000
Construction in Progress	6,823,479	919,679	4,441,173	3,301,986
Utility Plant	22,082,477	4,486,456	-	26,568,933
Equipment	325,923	8,378	-	334,302
Automobiles	279,196	29,675	24,109	284,762
Office Furniture and Equipment	120,262	18,560	1,000	137,822
Plant Building	28,041	-	-	28,041
TOTAL CAPITAL ASSETS	\$ 29,824,378	\$ 5,462,749	\$ 4,466,282	\$ 30,820,846

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**NOTE 18: RESTRICTED CASH/DEBT RESERVE - COMPONENT UNIT:
WISE COUNTY PUBLIC SERVICE AUTHORITY**

As of JUNE 30, 2009, 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 Authority at JUNE 30, 2009 is as follows:

	Balance
Capital Improvement Fund	\$ 619,365
Operating Reserve	58,023
Emergency Reserve	375,998
Replacement Reserve	291,746
Total Reserve Accounts	1,345,132
Customer Deposit Account	362,160
Debt Service Accounts	418,795
TOTAL RESTRICTED CASH	\$ 2,126,086

NOTE 19: 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 \$15,519,149. The accrued liability for these costs reported as of June 30, 2009 is based on the capacity of the landfill used to date. The landfill capacity used at year end is approximately 41% and the remaining life of the landfill is approximately 27 years. The remaining costs to be accrued in the future is as follows:

Total Estimated Liability	\$ 15,519,149
Accrued Liability as of June 30, 2009	6,410,083
Total Closure and Postclosure Care Costs Remaining to be Recognized	\$ 9,109,066

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.

COUNTY OF WISE, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009

NOTE 19: LANDFILL CLOSURE COST LIABILITY (Continued)

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, 2009, the County has deposited \$2,478,461 into this fund.

NOTE 20: ACCOUNTS RECEIVABLE

Proprietary Fund:

	<u>Balance</u>
Accounts Receivable	
Landfill Fees	\$ 69,561
Riverview Sewer	<u>5,218</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 74,779</u>

Component Unit - Wise County Public Service Authority:

	<u>Balance</u>
Accounts Receivable	\$ 240,037
Less: Allowance for Doubtful Accounts	<u>(52,173)</u>
NET ACCOUNTS RECEIVABLE	<u>\$ 187,864</u>

NOTE 21: CONTRIBUTED CAPITAL

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

Contributions in aid of construction at JUNE 30, 2009 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.	\$ 105,850
County of Wise	16,021,079
State Department of Health	1,334,057
Federal Government	10,506,268
Others	<u>2,213,746</u>
SUB-TOTAL	\$ 30,181,000
Less: Accumulated Amortization	7,335,369
TOTAL CONTRIBUTED CAPITAL, NET OF AMORTIZATION	<u>\$ 22,845,631</u>

COUNTY OF WISE, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

**NOTE 22: 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 23: RESTATEMENT OF BEGINNING FUND BALANCE

GENERAL FUND:

Fund Balance, at June 30, 2008, as previously reported	\$ 20,707,390
Adjustment for accounts receivable	<u>(162,872)</u>
Fund Balance, at June 30, 2008, as restated	<u>\$ 20,544,518</u>

NOTE 24: RESTATEMENT OF BEGINNING NET ASSETS

COMPONENT UNIT SCHOOL BOARD

Net Assets at June 30, 2008, as previously reported	\$ 28,623,228
Asset Adjustment	<u>(110,564)</u>
Net Assets at June 30, 2008, as restated	<u>\$ 28,512,664</u>

NOTE 25: GASB STATEMENT 45 ACTUARIAL VALUATION FOR WISE COUNTY

The objective of Statement 45 is to accurately reflect the financial effects of OPEB (postemployment benefits other than pensions), including the amounts paid or contributed by the government. Statement 45 requires the disclosure of information about the funded status of the plan, including the UAAL (Unfunded Actuarial Accrued Liability).

Required Supplementary Information	2008/09
Actuarial Accrued Liability as of the beginning of the year	\$ 8,953,683
Actuarial Value of Assets as of the beginning of the year	0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,953,683
Covered Payroll	\$40,801,970
UAAL as a % of covered payroll	21.9%

Schedule of Employer Contributions

FYE	Employer Contributions A	Annual Required Contribution B	% of ARC Contributed C= A/B
6/30/2009	\$480,151	\$892,242	53.8%

Historical Annual OPEB Cost

FYE	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$892,242	53.8%	\$412,091

	<u>AAL</u> <u>As of July 1, 2008</u>	<u>ARC</u> <u>For 2008/09</u>	<u>NOO</u> <u>As of June 30,2009</u>
Wise County	\$ 958,471	\$ 106,033	\$ 73,763
Wise County Schools	\$ 7,995,212	\$ 786,209	\$ 338,328
Total	\$ 8,953,683	\$ 892,242	\$ 412,091

COUNTY OF WISE, VIRGINIA
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 9

	GENERAL FUND			
	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE WITH AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
General Property Taxes	\$ 17,684,750	\$ 18,177,110	\$ 18,116,122	\$ (60,988)
Other Local Taxes	10,104,000	11,103,615	12,016,618	913,003
Permits, Privilege Fees & Regulatory Licenses	52,700	52,700	69,524	16,824
Fines & Forfeitures	20,000	20,000	15,848	(4,152)
Revenues From Use Of Money & Property	570,000	570,000	884,027	314,027
Charges For Services	164,000	164,000	299,526	135,526
Miscellaneous	60,616	105,203	197,742	92,539
Recovered Costs	150,000	150,326	233,798	83,472
Intergovernmental	16,748,606	18,124,313	18,509,741	385,428
TOTAL REVENUES	\$ 45,554,672	\$ 48,467,267	\$ 50,342,946	\$ 1,875,679
EXPENDITURES:				
Current:				
General Government Administration	\$ 2,822,115	\$ 3,119,302	\$ 2,973,861	\$ 145,441
Judicial Administration	2,625,450	2,766,383	2,581,764	184,619
Public Safety	6,741,327	7,027,017	6,761,236	265,781
Public Works	1,086,332	1,706,483	1,357,333	349,150
Health & Welfare	12,083,003	13,365,525	13,999,745	(634,220)
Education	14,784,290	14,784,290	21,305,910	(6,521,620)
Parks, Recreation & Cultural	850,017	852,648	879,848	(27,200)
Community Development	779,761	1,130,634	1,167,068	(36,434)
Non-Departmental	344,465	369,603	561,705	(192,102)
Debt Service:				
Principal Retirement	473,152	473,152	419,790	53,362
Interest & Fiscal Charges	75,000	75,000	60,378	14,622
TOTAL EXPENDITURES	\$ 42,664,913	\$ 45,670,036	\$ 52,068,638	\$ (6,398,602)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,889,759	\$ 2,797,231	\$ (1,725,692)	\$ (4,522,923)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	(3,867,759)	(4,409,882)	(3,658,302)	751,580
Proceeds From Issuance Of Debt	978,000	1,029,820	825,000	(204,820)
Prior Year Appropriations	-	582,831	-	(582,831)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (2,889,759)	\$ (2,797,231)	\$ (2,833,302)	\$ (36,071)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & (USES)	\$ 0	\$ (0)	\$ (4,558,994)	\$ (4,558,994)
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	-	-	20,544,518	20,544,518
FUND BALANCE AT END OF YEAR	\$ 0	\$ (0)	\$ 15,985,524	\$ 15,985,524

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY SOURCE
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 10

	<u>TOTAL</u>
CAPITAL ASSETS:	
Land	\$ 13,568,000
Building and Building Improvements	36,610,387
Equipment	<u>4,157,549</u>
Total Capital Assets	<u>\$ 54,335,936</u>
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Proceeds from Indebtedness	\$ 14,783,797
General Fund Revenues	<u>39,552,139</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 54,335,936</u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 11

	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>TOTAL</u>
PRIMARY GOVERNMENT:				
<u>GENERAL FUND</u>				
General Government Administration	650,000.00	-	1,022,935.00	1,672,935.00
Judicial Administration	-	24,500.00	77,629.00	102,129.00
Public Safety	250,000.00	2,519,012.00	1,875,472.00	4,644,484.00
Public Works	160,000.00	8,514,203.00	74,050.00	8,748,253.00
Health & Welfare	275,000.00	3,014,830.00	480,292.00	3,770,122.00
Education	-	12,377,505.00	-	12,377,505.00
Parks, Recreation & Cultural	225,000.00	2,064,100.00	-	2,289,100.00
Community Development	12,008,000.00	8,071,237.00	-	20,079,237.00
TOTAL GENERAL FUND CAPITAL ASSETS BY FUNCTION	<u>13,568,000.00</u>	<u>36,585,387.00</u>	<u>3,530,378.00</u>	<u>53,683,765.00</u>
<u>SPECIAL REVENUE FUNDS:</u>				
<u>EMERGENCY 911 FUND</u>				
Public Safety	-	25,000.00	592,395.00	617,395.00
<u>WISE DEVELOPMENT FUND</u>				
Public Safety	-	-	34,776.00	34,776.00
TOTAL SPECIAL REVENUE FUND CAPITAL ASSETS BY FUNCTION	<u>-</u>	<u>25,000.00</u>	<u>627,171.00</u>	<u>652,171.00</u>
TOTAL PRIMARY GOVERNMENT CAPITAL ASSETS BY FUNCTION	<u><u>13,568,000.00</u></u>	<u><u>36,610,387.00</u></u>	<u><u>4,157,549.00</u></u>	<u><u>54,335,936.00</u></u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 12

	<u>CAPITAL ASSETS JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS JUNE 30, 2009</u>
PRIMARY GOVERNMENT:				
<u>GENERAL FUND:</u>				
General Government Administration	\$ 1,652,702	\$ 28,540	\$ 8,307	\$ 1,672,935
Judicial Administration	67,129	35,000	-	102,129
Public Safety	4,522,932	227,995	106,443	4,644,484
Public Works	7,959,243	814,010	25,000	8,748,253
Health & Welfare	3,612,356	157,766	-	3,770,122
Education	7,673,922	5,724,823	1,021,241	12,377,504
Parks, Recreation & Cultural	2,289,100	-	-	2,289,100
Community Development	20,079,238	-	-	20,079,238
TOTAL GENERAL FUND	47,856,622	6,988,134	1,160,991	53,683,765
<u>SPECIAL REVENUE FUNDS:</u>				
<u>EMERGENCY 911 FUND</u>				
Public Safety	617,395	-	-	617,395
<u>Wise Development Fund</u>				
Public Safety	34,776	-	-	34,776
TOTAL SPECIAL REVENUE FUND	652,171	-	-	652,171
TOTAL PRIMARY GOVERNMENT	\$ 48,508,793	\$ 6,988,134	\$ 1,160,991	\$ 54,335,936



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COUNTY OF WISE, VIRGINIA
 COMBINING SCHEDULE OF FIDUCIARY
 NET ASSETS - AGENCY FUNDS
 AT JUNE 30, 2009

EXHIBIT 13

	<u>SPECIAL WELFARE FUND</u>	<u>LOCAL SALES TAX FUND</u>	<u>LONESOME PINE YOUTH SERVICES FUND</u>	<u>TOTALS</u>
<u>ASSETS</u>				
ASSETS:				
Cash	\$ 109,249	\$ -	\$ 995	\$ 110,244
Due From Other Governmental Units	-	329,476	-	329,476
TOTAL ASSETS	<u>\$ 109,249</u>	<u>\$ 329,476</u>	<u>\$ 995</u>	<u>\$ 439,720</u>
<u>LIABILITIES</u>				
LIABILITIES:				
Due To:				
Social Service Clients	\$ 109,249	\$ -	\$ -	\$ 109,249
Governmental Units	-	61,747	995	62,742
Due To Other Funds	-	267,729	-	267,729
TOTAL LIABILITIES	<u>\$ 109,249</u>	<u>\$ 329,476</u>	<u>\$ 995</u>	<u>\$ 439,720</u>

COUNTY OF WISE, VIRGINIA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 AT JUNE 30, 2009

EXHIBIT 14

<u>ASSETS</u>	<u>EMERGENCY NUMBERS FUND</u>	<u>LAW LIBRARY FUND</u>	<u>DOG AND CAT STERILIZATION FUND</u>	<u>COAL ROAD IMPROVEMENT FUND</u>
Assets:				
Cash	\$ 28,770	\$ 67,822	\$ 409	\$ 31,504
Investments	-	-	-	8,079,090
Mineral Taxes Receivable	-	-	-	415,940
Accounts Receivable	-	-	-	-
Due From Other Funds	5,307	-	-	518,679
Governmental Units	-	-	-	-
TOTAL ASSETS	<u>\$ 34,077</u>	<u>\$ 67,822</u>	<u>\$ 409</u>	<u>\$ 9,045,213</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 10,475	\$ 1,486	\$ 120	\$ 207,823
Due to Other Funds	-	-	-	-
Governmental Units	-	-	-	505,841
TOTAL LIABILITIES	<u>\$ 10,475</u>	<u>\$ 1,486</u>	<u>\$ 120</u>	<u>\$ 713,664</u>
FUND BALANCES:				
Restricted	\$ 23,602	\$ 66,336	\$ 289	\$ 8,331,549
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 34,077</u>	<u>\$ 67,822</u>	<u>\$ 409</u>	<u>\$ 9,045,213</u>

COMMUNITY DEVELOPMENT FUND	WISE DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENT FUND	SOFTWARE ENGINEERING INITIATIVE FUND	TRANSIENT OCCUPANCY TAX FUND	SHERIFF DRUG SEIZURE & FORFEITURE AND COMMISSION FUND	TOTALS
\$ 200	\$ 951	\$ 57,448	\$ 117,000	\$ 214,401	\$ 61,368	\$ 579,873
-	-	-	-	-	-	8,079,090
-	-	-	-	-	-	415,940
100	-	-	-	-	-	-
-	-	-	-	-	-	524,086
<u>\$ 300</u>	<u>\$ 951</u>	<u>\$ 57,448</u>	<u>\$ 117,000</u>	<u>\$ 214,401</u>	<u>\$ 61,368</u>	<u>\$ 9,598,989</u>
\$ -	\$ 6,146	\$ -	\$ -	\$ -	\$ -	\$ 226,050
42,821	-	-	-	-	-	42,821
-	-	-	-	-	-	505,841
<u>\$ 42,821</u>	<u>\$ 6,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,712</u>
\$ (42,521)	\$ (5,195)	\$ 57,448	\$ 117,000	\$ 214,401	\$ 61,368	\$ 8,824,277
<u>\$ 300</u>	<u>\$ 951</u>	<u>\$ 57,448</u>	<u>\$ 117,000</u>	<u>\$ 214,401</u>	<u>\$ 61,368</u>	<u>\$ 9,598,989</u>

COUNTY OF WISE, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES &
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 15

	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND	COAL ROAD IMPROVEMENT FUND
REVENUES:				
Other Local Taxes	\$ 83,145	\$ -	\$ -	\$ 6,787,974
Revenues From Use of Money & Property	319	-	-	144,239
Charges for Services	-	12,528	-	-
Fines & Forfeitures	-	-	-	-
Miscellaneous	-	-	1,521	-
Intergovernmental	\$ 52,491	-	-	-
TOTAL REVENUES	\$ 135,955	\$ 12,528	\$ 1,521	\$ 6,932,213
EXPENDITURES:				
General Government Administration	\$ -	\$ -	\$ -	\$ 987
Judicial Administration	-	16,622	-	-
Public Safety	341,890	-	2,487	-
Public Works	-	-	-	270,880
Community Development	-	-	-	5,387,263
Debt Service:				
Principal Retirement	40,187	-	-	-
Interest & Fiscal Charges	1,878	-	-	-
TOTAL EXPENDITURES	\$ 383,955	\$ 16,622	\$ 2,487	\$ 5,659,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (248,000)	\$ (4,094)	\$ (966)	\$ 1,273,083
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	255,842	-	-	\$ -
Operating Transfers Out	-	-	-	-
Debt Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 255,842	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ 7,842	\$ (4,094)	\$ (966)	\$ 1,273,083
FUND BALANCE AT THE BEGINNING OF YEAR	15,760	70,430	1,255	7,058,466
FUND BALANCE AT THE END OF YEAR	\$ 23,602	\$ 66,336	\$ 289	\$ 8,331,549

COMMUNITY DEVELOPMENT FUND	WISE DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENT UND	SOFTWARE ENGINEERING INITIATIVE FUND	TRANSIENT OCCUPANCY TAX FUND	DRUG SEIZURE & FORFEITURE, COMMISSION & RAID FUND	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 36,312	\$ -	\$ 6,907,431
-	-	-	-	-	-	144,558
-	-	-	-	-	-	12,528
-	-	-	-	-	24,755	24,755
-	-	-	-	-	96,959	98,480
57,969	196,040	\$ -	\$ -	-	-	306,500
<u>\$ 57,969</u>	<u>\$ 196,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,312</u>	<u>\$ 121,714</u>	<u>7,494,252</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 987
-	-	-	-	-	-	16,622
-	-	-	-	-	133,451	477,828
-	-	-	-	-	-	270,880
69,405	452,257	-	4,000	-	-	5,912,925
-	-	-	-	-	-	40,187
-	-	-	-	-	-	1,878
<u>\$ 69,405</u>	<u>\$ 452,257</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 133,451</u>	<u>\$ 6,721,307</u>
\$ (11,436)	\$ (256,217)	\$ -	\$ (4,000)	\$ 36,312	\$ (11,737)	\$ 772,945
-	62,589	-	-	-	-	318,431
(1,042)	-	-	-	-	-	(1,042)
-	-	-	-	-	-	-
<u>\$ (1,042)</u>	<u>\$ 62,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,389</u>
\$ (12,478)	\$ (193,628)	\$ -	\$ (4,000)	\$ 36,312	\$ (11,737)	\$ 1,090,334
(30,043)	188,433	57,448	121,000	178,089	73,105	7,733,943
<u>\$ (42,521)</u>	<u>\$ (5,195)</u>	<u>\$ 57,448</u>	<u>\$ 117,000</u>	<u>\$ 214,401</u>	<u>\$ 61,368</u>	<u>\$ 8,824,277</u>



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COUNTY OF WISE, VIRGINIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AT JUNE 30, 2009

EXHIBIT 16

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 44,420	\$ 218,545	\$ 262,965
Investments	-	1,267,519	1,267,519
Reserved Escrow Deposit	13,500	-	13,500
Sinking Fund Deposits	-	2,478,176	2,478,176
Due From Other Funds	-	-	-
Due from Other Gov't Units	9,442	-	9,442
Receivables:			
Accounts (Net Allowance For Uncollectibles)	5,218	69,561	74,779
TOTAL CURRENT ASSETS	72,580	4,033,801	4,106,381
NONCURRENT ASSETS			
Land and Building (Net of Depreciation)	-	637,817	637,817
Equipment (Net of Depreciation)	-	852,909	852,909
Improvements Other Than Buildings (Net of Depreciation)	315,847	4,941,741	5,257,588
TOTAL NONCURRENT ASSETS	315,847	6,432,467	6,748,314
TOTAL ASSETS	\$ 388,427	\$ 10,466,268	\$ 10,854,695
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts Payable	\$ 11,426	\$ 182,338	\$ 193,764
Due to Other Funds	212,898	-	212,898
Accrued Compensated Absences	-	114,583	114,583
OPEB GASB 45 Liability	-	11,032	11,032
Current Portion of Long-Term Obligations	27,601	350,427	378,028
TOTAL CURRENT LIABILITIES	251,925	658,380	910,305
NONCURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	55,202	106,651	161,853
Accrued Landfill Closure Costs	-	6,410,083	6,410,083
TOTAL NONCURRENT LIABILITIES	55,202	6,516,734	6,571,936
TOTAL LIABILITIES	\$ 307,127	\$ 7,175,114	\$ 7,482,241
<u>NET ASSETS</u>			
Investment in Capital Assets, net of related debt	\$ -	\$ 7,665,152	\$ 7,665,152
Restricted Assets			
Restricted for:			
Cash for Debt Reserve	\$ 13,500	\$ -	\$ 13,500
Cash for Landfill Closing	-	2,478,461	2,478,461
Unrestricted Assets	\$ 67,800	\$ (6,852,459)	\$ (6,784,659)
TOTAL NET ASSETS	\$ 81,300	\$ 3,291,154	\$ 3,372,454
TOTAL LIABILITIES AND NET ASSETS	\$ 388,427	\$ 10,466,268	\$ 10,854,695

COUNTY OF WISE, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 & CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 17

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
OPERATING REVENUES:			
Landfill Usage Fees	\$ -	\$ 579,207	\$ 579,207
Sewer Rents	67,046	-	67,046
Other Revenue	-	14,032	14,032
TOTAL REVENUE	\$ 67,046	\$ 593,239	\$ 660,285
OPERATING EXPENSES:			
Operation Expense	\$ 553,450	\$ 3,841,735	\$ 4,395,185
Landfill Closure Expense	-	307,624	307,624
Depreciation & Amortization	13,732	485,387	499,119
TOTAL OPERATING EXPENSES	\$ 567,182	\$ 4,634,746	\$ 5,201,928
NET OPERATING INCOME (LOSS)	\$ (500,136)	\$ (4,041,507)	\$ (4,541,643)
NON-OPERATING REVENUE (EXPENSE)			
Grants	\$ 148,618	\$ 13,900	162,518
Interest Revenue	514	114,352	114,866
Interest Expense	-	(22,591)	(22,591)
TOTAL NON-OPERATING REVENUE AND EXPENSE	149,132	105,661	254,793
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ (351,004)	\$ (3,935,846)	\$ (4,286,850)
OPERATING TRANSFERS IN	379,984	2,960,929	\$ 3,340,913
OPERATING TRANSFERS OUT	-	-	\$ -
NET OPERATING TRANSFERS	379,984	2,960,929	3,340,913
NET INCOME (LOSS)	28,980	(974,917)	(945,937)
NET ASSETS, BEGINNING OF YEAR	52,320	4,266,071	4,318,391
NET ASSETS, END OF YEAR	\$ 81,300	\$ 3,291,154	\$ 3,372,454

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVER VIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 67,317	\$ 584,930	\$ 652,247
Cash Payments to Suppliers for Goods & Services	(551,279)	(3,797,464)	(4,348,743)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (483,962)	\$ (3,212,534)	\$ (3,696,496)
Cash Flow From Noncapital Financing Activities:			
Operating Transfers From Other Funds	\$ 379,984	\$ 2,960,929	\$ 3,340,913
Decrease in Due To Other Gov't Units	-	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	\$ 379,984	\$ 2,960,929	\$ 3,340,913
Cash Flows From Capital & Related Financing Activities:			
Principal Paid on Bond Maturities	\$ (27,601)	\$ -	\$ (27,601)
Interest Paid on Debt Obligations	-	(22,591)	(22,591)
Principal Paid on General Obligation Loans	-	(182,620)	(182,620)
Proceeds on General Obligation Loans	-	153,000	153,000
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$ (27,601)	\$ (52,211)	\$ (79,812)
Cash Flows From Investing Activities:			
Interest Revenue Earned on Investments	\$ 514	\$ 114,637	\$ 115,151
Grant Receipts	148,618	13,900	162,518
Sinking Fund Deposits	-	(163,350)	(163,350)
Decrease in Investments	-	616,260	616,260
Purchase of Equipment and IOTB	-	(101,392)	(101,392)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ 149,132	\$ 480,055	\$ 629,187
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 17,553	\$ 176,239	\$ 193,792
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	26,867	42,306	69,173
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 44,420	\$ 218,545	\$ 262,965

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	<u>RIVERVIEW SEWER PROJECT FUND</u>	<u>VRA LANDFILL ENTERPRISE FUND</u>	<u>TOTAL</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Net Operating Income	\$ (500,136)	\$ (4,041,507)	\$ (4,541,643)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 13,732	\$ 485,387	\$ 499,119
(Increase) Decrease in Accounts Receivable	271	(8,309)	(8,038)
Increase (Decrease) in Closure Cost Liability	-	307,624	307,624
Increase (Decrease) in Accrued Compensation	-	26,403	26,403
Increase (Decrease) in OPEB GASB 45 Liability	-	11,032	11,032
Increase (Decrease) in Accounts Payable	2,171	6,836	9,007
TOTAL ADJUSTMENTS	\$ 16,174	\$ 828,973	\$ 845,147
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (483,962)	\$ (3,212,534)	\$ (3,696,496)



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ASSETS	LIABILITIES	EQUITY
Current Assets	Current Liabilities	Capital Assets
Accounts Receivable	Accounts Payable	Land
Prepaid Expenses	Accrued Liabilities	Buildings
Inventory	Deferred Contributions	Equipment
Other Current Assets	Other Current Liabilities	Other Assets
Total Current Assets	Total Current Liabilities	Total Capital Assets
Non-Current Assets	Non-Current Liabilities	
Investments	Long-Term Debt	
Property, Plant, and Equipment, Net	Other Non-Current Liabilities	
Other Non-Current Assets		
Total Non-Current Assets	Total Non-Current Liabilities	
Total Assets	Total Liabilities	Total Equity

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

ASSETS	LIABILITIES	EQUITY
Current Assets	Current Liabilities	Capital Assets
Accounts Receivable	Accounts Payable	Land
Prepaid Expenses	Accrued Liabilities	Buildings
Inventory	Deferred Contributions	Equipment
Other Current Assets	Other Current Liabilities	Other Assets
Total Current Assets	Total Current Liabilities	Total Capital Assets
Non-Current Assets	Non-Current Liabilities	
Investments	Long-Term Debt	
Property, Plant, and Equipment, Net	Other Non-Current Liabilities	
Other Non-Current Assets		
Total Non-Current Assets	Total Non-Current Liabilities	
Total Assets	Total Liabilities	Total Equity

COUNTY OF WISE, VIRGINIA
STATEMENT OF NET ASSETS - PROPRIETARY FUND
DISCRETELY PRESENTED COMPONENT UNIT
WISE COUNTY PUBLIC SERVICE AUTHORITY
JUNE 30, 2009

EXHIBIT 19

<u>ASSETS</u>	<u>PUBLIC SERVICE</u>	
CURRENT ASSETS		
Cash	\$ 713,322	
Petty Cash	500	
Investments	1,689,199	
Reserved Deposits	-	
Due From Others	5,058	
Due From Other Governmental Units	-	
Bond Issuance Costs	12,003	
Receivable (Net Of Allowances For Uncollectibles):		
Accounts	<u>187,864</u>	
TOTAL CURRENT ASSETS		\$ 2,607,946
NONCURRENT ASSETS		
Capital Assets:		
Land and Easements	\$ 165,000	
Cash on Deposit	\$ 2,126,086	
Buildings and Equipment, Net of Depreciation	<u>22,499,427</u>	
TOTAL NONCURRENT ASSETS		<u>24,790,513</u>
TOTAL ASSETS		\$ 27,398,459
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 102,512	
Due To Other Gov't Units	9,442	
Due To Customers - Deposits	362,160	
Premium on Bonds Payable	10,777	
Claims, Judgments & Compensated Absences	73,006	
Current Portion of Long-Term Obligations	<u>148,660</u>	
TOTAL CURRENT LIABILITIES		\$ 706,557
NONCURRENT LIABILITIES		
Noncurrent Portion of Long-Term Obligations	<u>\$ 3,075,413</u>	
TOTAL NONCURRENT LIABILITIES		<u>\$ 3,075,413</u>
TOTAL LIABILITIES		<u>\$ 3,781,970</u>
NET ASSETS		
Investment in Capital Assets, net of related debt	22,845,631	
Restricted Assets (Debt Service)	418,795	
Restricted Assets (Reserve Accounts)	1,345,132	
Restricted Assets (Customer Deposits)	362,160	
Unrestricted Assets	<u>(1,355,229)</u>	
TOTAL NET ASSETS		<u>\$ 23,616,489</u>
TOTAL LIABILITIES & NET ASSETS		<u>\$ 27,398,459</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, 2009

EXHIBIT 20

OPERATING REVENUES:

Water Charges	\$ 1,819,795	
Miscellaneous	<u>22,444</u>	
TOTAL OPERATING INCOME		\$ 1,842,239

OPERATING EXPENSES:

Salaries	\$ 833,809	
Payroll Taxes	65,035	
VRA Retirement & Life	75,428	
Hospitalization Insurance	178,086	
Dental Insurance	14,619	
Workers Compensation Insurance	21,297	
Uniform Rental	8,017	
Water Purchased	166,617	
Utilities	220,165	
Line Crew Supplies & Plant Expenses	104,619	
Chemicals	79,375	
Sampling	18,468	
Repairs & Maintenance	68,789	
Telephone & Telemetry	34,780	
Professional Services	116,088	
Office Expense/Postage	47,187	
Office Utilities & Telephone	13,301	
Office Rent	6,000	
Conferences & Continuing Education	424	
Licenses, Fees & Tags	2,376	
Insurance	21,579	
Vehicle Expense	59,989	
State Waterworks Fee	9,822	
Travel	4,050	
Miscellaneous	2,621	
Compensation - Board Members	11,850	
Depreciation	<u>593,623</u>	
TOTAL OPERATING EXPENSES		<u>2,778,014</u>

Net Operating Income (Loss) \$ (935,775)

NON-OPERATING REVENUES & (EXPENSES):

Interest Income	\$ 123,289	
Penalties and Finance Charges	42,839	
Connection Fees	30,847	
Gain (Loss) on Asset Disposal	-	
Interest Expense	<u>(52,073)</u>	
NET NON-OPERATING REVENUES (EXPENSES)		<u>144,903</u>

Income (Loss) Before Other Revenues, Gains, Losses, and Transfers \$ (790,872)

Federal Grants		32,969
County of Wise, Virginia		1,074,724
State Department of Health		514,005
Other		99,500
Gain/Loss on Asset Disposal		<u>2,977</u>

Increase in Net Assets 933,303
 Net Assets, Beginning Of Year 22,683,186
 Net Assets, End Of Year \$ 23,616,489

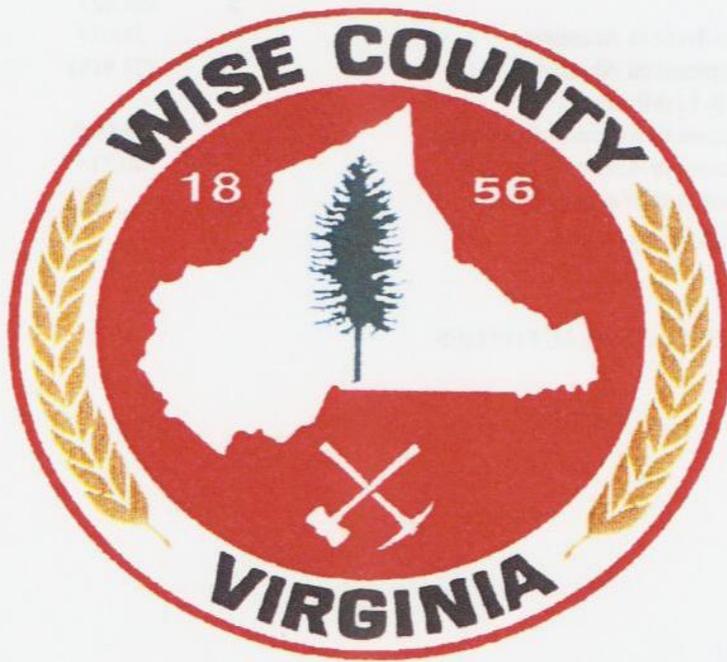
COUNTY OF WISE, VIRGINIA
 STATEMENT OF CASH FLOWS-PROPRIETARY FUND
 DISCRETELY PRESENTED COMPONENT UNIT -
 WISE COUNTY PUBLIC SERVICE AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2009

Cash Flow from Operating Activities:		
Cash Received from Customers	\$ 1,818,924	
Cash Payments to Suppliers for Goods & Services	(1,310,368)	
Cash Payments to Employees for Services	(857,966)	
Other Operating Revenues	<u>22,444</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (326,966)
Cash Flow from Noncapital Financing Activities:		
Increase in Customer Deposits	\$ 9,765	
Connection Fees	30,847	
Penalties and Finance Charges	<u>42,839</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		83,451
Cash Flows from Investing Activities:		
Interest on Investments	\$ <u>123,289</u>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		123,289
Cash Flows from Capital & Related Financing Activities:		
Increase in Due to Other Governmental Units	\$ (522)	
Increase in Due From Others	6,058	
Purchase of Equipment	(80,198)	
Construction of Capital Assets	(919,678)	
Contributions & Grants	1,721,198	
Gain/Loss from Asset Disposal	2,977	
Provision for Bond Premium and Issuance Costs	59	
Proceeds from Issuance of Debt	240,534	
Principal Paid on FHA Bonds	(145,285)	
Interest Paid on Revenue Bonds & Equipment Contracts	<u>(52,568)</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		<u>772,575</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 652,349
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>3,876,759</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		<u>\$ 4,529,108</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, 2009

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:		
Operating Income (Loss)		\$ (935,775)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 593,623	
Provision for Uncollectible Accounts	35,034	
Provision for Compensated Absences	(24,919)	
Change in Assets & Liabilities:		
(Increase) Decrease in Accounts Receivable	(35,905)	
Increase (Decrease) in Accounts Payable	40,214	
Increase (Decrease) in Wages Payable	762	
TOTAL ADJUSTMENTS		<u>608,809</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u><u>\$ (326,966)</u></u>



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DISCRETE COMPONENT UNIT
SCHOOL BOARD

Section 1

Section 2

Section 3

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Section 1

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**DISCRETE COMPONENT UNIT
SCHOOL BOARD**

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COUNTY OF WISE, VIRGINIA
 COMBINED BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
 AT JUNE 30, 2009

EXHIBIT 22

COMPONENT UNIT
 SCHOOL BOARD

ASSETS

ASSETS:

Cash and Cash Equivalents	\$ 4,175,607
Accounts Receivable	477,782
Due From Other Governmental Units	<u>1,802,636</u>
TOTAL ASSETS	<u>\$ 6,456,025</u>

LIABILITIES

LIABILITIES:

Accounts Payable	\$ 1,705,115
Due to Primary Government	<u>1,408,491</u>
TOTAL LIABILITIES	\$ 3,113,606

FUND EQUITY

FUND BALANCES:

Undesignated	<u>\$ 3,342,419</u>
TOTAL FUND EQUITY	<u>\$ 6,456,025</u>

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

FUND BALANCE JUNE 30, 2009	\$ 3,342,419
----------------------------	--------------

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.

\$ 29,183,818

Adjustment for amounts due to / due from primary government.

\$ 1,408,491

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.

\$ (2,345,142)

Net Assets of General Government Activities

\$ 31,589,586

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 23

COMPONENT UNIT
 SCHOOL FUND

	<u>TOTALS</u>
REVENUES:	
Revenues From Use Of Money & Property	\$ 47,324
Charges For Services	1,045,152
Miscellaneous	1,879,456
Recovered Costs	448,238
Intergovernmental	<u>75,141,267</u>
TOTAL REVENUES	<u>\$ 78,561,437</u>
EXPENDITURES:	
Education	71,979,421
Capital Outlay	<u>5,409,278</u>
TOTAL EXPENDITURES	<u>\$ 77,388,699</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,172,738</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	\$ 15,767
Operating Transfers Out	(15,767)
Proceeds From Debt	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ 1,172,738
FUND BALANCE AT BEGINNING OF YEAR	<u>1,819,612</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 2,992,350</u></u>

COUNTY OF WISE, VIRGINIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES-BUDGET & ACTUAL
 DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 24

	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
REVENUES:				
Revenues From Use Of Money & Property	\$ 47,500	\$ 47,500	\$ 47,324	\$ (176)
Charges For Services	1,550,500	1,550,500	1,045,152	(505,348)
Miscellaneous	4,735,900	4,735,900	1,879,456	(2,856,444)
Recovered Costs	280,000	280,000	448,238	168,238
Intergovernmental	71,100,400	71,100,400	75,141,267	4,040,867
TOTAL REVENUES	\$ 77,714,300	\$ 77,714,300	\$78,561,437	\$ 847,137
EXPENDITURES:				
General Government Administration	\$ -	\$ -	\$ -	\$ -
Judicial Administration	-	-	-	-
Public Works	-	-	-	-
Education	76,236,700	76,236,700	71,979,421	4,257,279
Community Development	-	-	-	-
Non-Departmental	-	-	-	-
Capital Outlay	9,410,100	9,410,100	5,409,278	4,000,822
TOTAL EXPENDITURES	\$ 85,646,800	\$ 85,646,800	\$77,388,699	\$ 8,258,101
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (7,932,500)	\$ (7,932,500)	\$ 1,172,738	\$ 9,105,238
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 6,472,500	\$ 6,472,500	15,767	\$ (6,456,733)
Operating Transfers Out	-	-	(15,767)	(15,767)
Prior Period Carryforward Proceeds From Debt	500,000	500,000	-	(500,000)
Proceeds From Debt	960,000	960,000	-	(960,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 7,932,500	\$ 7,932,500	\$ -	\$ (7,932,500)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ -	\$ -	\$ 1,172,738	\$ 1,172,738
FUND BALANCE AT BEGINNING OF YEAR (As Restated)	-	-	1,819,612	1,819,612
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 2,992,350	\$ 2,992,350

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, 2009

	<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	\$ 1,172,738
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.	\$ (17,710)
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.	\$ 493,363
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>1,428,531</u>
Change in net assets of governmental activities	<u>\$ 3,076,922</u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY SOURCE
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 26

	COMPONENT UNIT- SCHOOL BOARD
CAPITAL ASSETS:	
Land	\$ 1,358,879
Building and Building Improvements	46,190,812
Equipment	7,852,248
Construction in Progress	7,024,616
TOTAL CAPITAL ASSETS	\$ 62,426,555
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Primary Government Revenues	62,426,555
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 62,426,555

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 27

	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
EDUCATION	<u>\$ 1,358,879</u>	<u>\$ 46,190,812</u>	<u>\$ 7,852,248</u>	<u>\$ 7,024,616</u>	<u>\$ 62,426,555</u>
TOTAL	<u><u>\$ 1,358,879</u></u>	<u><u>\$ 46,190,812</u></u>	<u><u>\$ 7,852,248</u></u>	<u><u>\$ 7,024,616</u></u>	<u><u>\$ 62,426,555</u></u>

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 28

	<u>CAPITAL ASSETS JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS JUNE 30, 2009</u>
EDUCATION	<u>\$ 60,462,716</u>	<u>\$ 9,890,903</u>	<u>\$ 7,927,064</u>	<u>\$ 62,426,555</u>
TOTAL	<u>\$ 60,462,716</u>	<u>\$ 9,890,903</u>	<u>\$ 7,927,064</u>	<u>\$ 62,426,555</u>

COUNTY OF WISE, VIRGINIA
 COMBINING BALANCE SHEET
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD
 AT JUNE 30, 2009

EXHIBIT 29

	GOVERNMENTAL FUNDS				TOTALS
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	
<u>ASSETS</u>					
Cash	\$ 314,777	\$ 292,790	\$ 159,257	\$ -	\$ 766,824
Petty Cash	200	-	-	-	200
Investments	422,122	504,405	1,296,260	1,185,796	3,408,583
Accounts Receivable	477,782	-	-	-	477,782
Due From Other Governmental Units	1,781,771	20,865	-	-	1,802,636
Due From Other Funds	-	-	-	-	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	-	-
Amount to Be Provided For the Retirement of General Long-Term Obligations	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,996,652</u>	<u>\$ 818,060</u>	<u>\$ 1,455,517</u>	<u>\$ 1,185,796</u>	<u>6,456,025</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,587,961	\$ 13,271	\$ -	\$ 103,883	1,705,115
Due To Other Funds	1,408,491	-	-	-	1,408,491
Claims, Judgments & Compensated Absences	-	-	-	-	-
State Literary Fund Loans	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 2,996,452</u>	<u>\$ 13,271</u>	<u>\$ -</u>	<u>\$ 103,883</u>	<u>3,113,606</u>
<u>FUND EQUITY</u>					
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	-
FUND BALANCES:					
Undesignated	200	804,789	1,455,517	1,081,913	3,342,419
TOTAL FUND EQUITY	<u>\$ 200</u>	<u>\$ 804,789</u>	<u>\$ 1,455,517</u>	<u>\$ 1,081,913</u>	<u>3,342,419</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 2,996,652</u>	<u>\$ 818,060</u>	<u>\$ 1,455,517</u>	<u>\$ 1,185,796</u>	<u>6,456,025</u>

COUNTY OF WISE, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 & CHANGES IN FUND BALANCES
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD
 FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT 30

	GOVERNMENTAL FUNDS				
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES:					
Revenues From Use Of Money & Property	\$ 16,450	\$ 11,449	\$ 19,425	\$ -	\$ 47,324
Charges For Services	4,522	1,040,630	-	-	1,045,152
Miscellaneous	1,878,867	-	589	-	1,879,456
Recovered Costs	448,238	-	-	-	448,238
Intergovernmental	66,608,530	1,610,988	634,190	6,637,628	75,491,336
TOTAL REVENUES	\$ 68,956,607	\$ 2,663,067	\$ 654,204	\$ 6,637,628	\$ 78,911,506
EXPENDITURES:					
Education	68,940,840	2,740,966	297,615	-	71,979,421
Capital Outlay	-	-	-	5,409,278	5,409,278
TOTAL EXPENDITURES	\$ 68,940,840	\$ 2,740,966	\$ 297,615	\$ 5,409,278	\$ 77,388,699
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 15,767	\$ (77,899)	\$ 356,589	\$ 1,228,350	\$ 1,522,807
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ -	\$ 15,767	\$ -	\$ -	\$ 15,767
Operating Transfers Out	(15,767)	-	-	-	(15,767)
Proceeds From Debt	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (15,767)	\$ 15,767	\$ -	\$ -	\$ -
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ -	\$ (62,132)	\$ 356,589	\$ 1,228,350	\$ 1,522,807
FUND BALANCE AT BEGINNING OF YEAR	200	866,921	1,098,928	(146,437)	1,819,612
FUND BALANCE AT END OF YEAR	\$ 200	\$ 804,789	\$ 1,455,517	\$ 1,081,913	\$ 3,342,419

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From Local Sources:				
General Property Taxes:				
Real Property Taxes	\$ 8,978,000	\$ 8,978,000	\$ 9,138,575	\$ 160,575
Service Corporation Taxes	450,000	937,290	468,925	(468,365)
Personal Property Taxes	3,519,750	3,519,750	4,017,376	497,626
Machinery & Tool Taxes	3,300,000	3,300,000	2,986,323	(313,677)
Merchants Capital Taxes	800,000	800,000	911,534	111,534
Mobile Home Taxes	217,000	217,000	242,137	25,137
Penalties & Interest	420,000	425,070	351,252	(73,818)
TOTAL GENERAL PROPERTY TAXES	\$ 17,684,750	\$ 18,177,110	\$ 18,116,122	\$ (60,988)
Other Local Taxes:				
Local Sales & Use Tax	\$ 2,560,000	\$ 2,560,000	\$ 2,990,010	\$ 430,010
Coal Severance Tax	5,500,000	6,499,615	7,025,149	525,534
Consumer's Utility Tax	480,000	480,000	490,773	10,773
Franchise Tax	-	-	101,049	101,049
Consumption Tax	120,000	120,000	125,790	5,790
Communication Taxes	1,140,000	1,140,000	981,545	(158,455)
Taxes on Recordation & Wills	170,000	170,000	168,362	(1,638)
County Decal Licenses	110,000	110,000	109,818	(182)
Transient Occupancy Tax	24,000	24,000	24,122	122
TOTAL OTHER LOCAL TAXES	\$ 10,104,000	\$ 11,103,615	\$ 12,016,618	\$ 913,003
Permits, Privilege Fees & Regulatory				
Licenses:				
Animal Licenses	\$ 2,700	\$ 2,700	\$ 10,149	\$ 7,449
Permits & Other Licenses	50,000	50,000	59,375	9,375
TOTAL PERMITS, PRIVILEGE FEES & REGULATORY LICENSES	\$ 52,700	\$ 52,700	\$ 69,524	\$ 16,824
Fines & Forfeitures:	\$ 20,000	\$ 20,000	\$ 15,848	\$ (4,152)
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 500,000	\$ 500,000	\$ 811,954	\$ 311,954
Revenue From The Use of Property	70,000	70,000	72,073	2,073
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ 570,000	\$ 570,000	\$ 884,027	\$ 314,027
Charges For Services:				
Charges For Commonwealth's Attorney	\$ 2,000	\$ 2,000	\$ 2,441	\$ 441
Charges For County Offices	-	-	5,878	5,878
Charges For Court	32,000	32,000	33,042	1,042
Charges For Health	30,000	30,000	70,826	40,826
Charges For Social Services	100,000	100,000	187,339	87,339
TOTAL CHARGES FOR SERVICES	\$ 164,000	\$ 164,000	\$ 299,526	\$ 135,526
Miscellaneous:				
Miscellaneous	-	-	-	-
Miscellaneous	\$ 60,616	\$ 105,203	\$ 197,742	\$ 92,539
TOTAL MISCELLANEOUS REVENUE	\$ 60,616	\$ 105,203	\$ 197,742	\$ 92,539

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From Local Sources:				
Recovered Costs:				
City of Norton-Shared Services	\$ 150,000	\$ 150,000	\$ 213,761	\$ 63,761
Miscellaneous	-	326	20,037	19,711
TOTAL RECOVERED COSTS	\$ 150,000	\$ 150,326	\$ 233,798	\$ 83,472
TOTAL REVENUE FROM LOCAL SOURCES	\$ 28,806,066	\$ 30,342,954	\$ 31,833,205	\$ 1,490,251
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Payments in Lieu of Taxes	\$ 164,000	\$ 164,000	\$ 204,079	\$ 40,079
ABC Profits	16,000	16,000	-	(16,000)
Wine Taxes	16,800	16,800	-	(16,800)
Rolling Stock Tax	100,600	100,600	22,053	(78,547)
Mobile Home Titling Taxes	190,000	190,000	93,945	(96,055)
Recordation Tax	27,000	27,000	48,368	21,368
Personal Property Tax Reimbursement	1,380,250	1,380,250	1,380,233	(17)
Miscellaneous Grants	194,000	672,224	-	(672,224)
Motor Vehicle Rental Tax	3,000	3,000	4,115	1,115
TOTAL NON-CATEGORICAL AID	\$ 2,091,650	\$ 2,569,874	\$ 1,752,793	\$ (817,081)
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 647,516	\$ 647,516	\$ 600,878	\$ (46,638)
Sheriff	2,056,370	2,056,370	2,121,589	65,219
Commissioner of Revenue	175,992	175,992	206,571	30,579
Treasurer	169,877	169,877	176,287	6,410
Medical Examiner	900	900	-	(900)
Jail	-	-	-	-
Registrar/Electoral Board	54,335	54,335	65,077	10,742
Clerk of Circuit Court	360,285	401,513	411,278	9,765
TOTAL SHARED EXPENSES	\$ 3,465,275	\$ 3,506,503	\$ 3,581,680	\$ 75,177
Other Categorical Aid:				
Public Assistance & Welfare				
Administration	\$ 2,422,742	\$ 2,948,695	\$ 3,699,650	\$ 750,955
M H & R Service Board	3,710,836	2,993,049	3,269,289	276,240
VA Heritage Music-Crooked Road	92,427	92,427	-	(92,427)
Dept of Military-Defense Preparedness	-	-	1,117	1,117
Records Grant-Circuit Court Clerk	-	-	37,585	-
Circuit Court Clerk State Grant	-	-	9,195	9,195
DOJ Sheiff Security Grant	21,000	-	12,300	12,300
Domestic Violence Grant	59,414	43,525	40,000	(3,525)
Haz-Mat - General	100,000	-	15,000	15,000
Dept of Emergency Services-Emergency	-	-	14,054	14,054
Haz-Mat - Emergency Services	-	-	2,770	2,770
Health Department Grant	-	-	157,766	157,766
SWVA Corrections - Justice	587,824	587,824	587,824	-
GIS Wireless	40,000	110,000	111,365	1,365
PSAP Grant	-	-	5,824	5,824
Victim Witness Grant - Justice	56,544	56,544	38,532	(18,012)
Cultural Arts Grant	-	-	5,000	5,000
Fire Program Funds	75,000	75,000	74,401	(599)
Four-For-Life Rescue	35,000	36,308	36,307	(1)
School Resource Officer Grant	-	13,670	181,746	168,076
TOTAL OTHER CATEGORICAL AID	\$ 7,200,787	\$ 6,957,042	\$ 8,299,725	\$ 1,342,683
TOTAL CATEGORICAL AID	\$ 10,666,062	\$ 10,463,545	\$ 11,881,405	\$ 1,417,860

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Revenue From The Commonwealth:				
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 12,757,712	\$ 13,033,419	\$ 13,634,198	\$ 600,779
Revenue From The Federal Government:				
Payments in Lieu of Taxes	\$ 38,000	\$ 38,000	\$ 87,189	\$ 49,189
Categorical Aid:				
Public Assistance & Welfare				
Administration	\$ 3,952,894	\$ 3,952,894	\$ 3,432,400	\$ (520,494)
M H & R Service Board	-	1,000,000	1,080,236	80,236
Dept of Military-Defense Preparedness	-	-	1,117	1,117
Emergency Services-Homeland Security	-	90,000	89,353	(647)
Emergency Services-Preparedness	-	5,000	5,000	-
Emergency Services-LETTP04	-	5,000	5,000	-
Violence Against Women - Justice	-	-	29,051	29,051
Community Development Grant-Napoleon Hill	-	-	122,600	122,600
Ground Transportation	-	-	18,232	18,232
Rents & Royalties	-	-	5,365	5,365
TOTAL CATEGORICAL AID	\$ 3,952,894	\$ 5,052,894	\$ 4,788,354	\$ (264,540)
TOTAL REVENUE FROM THE FEDERAL GOVT.	\$ 3,990,894	\$ 5,090,894	\$ 4,875,543	\$ (215,351)
TOTAL GENERAL FUND	\$ 45,554,672	\$ 48,467,267	\$ 50,342,946	\$ 1,875,679
Special Revenue Funds:				
Emergency Numbers Funds:				
Revenue From Local Sources:				
Other Local Taxes:				
Communication Tax	\$ -	\$ -	\$ 83,145	\$ 83,145
Revenue From the Use of Money & Property:				
Revenue From the Use of Money	\$ -	\$ -	\$ 319	\$ 319
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 83,464	\$ 83,464
Revenue From The Commonwealth:				
Categorical Aid:				
Department of Technology Planning	-	-	52,491	52,491
TOTAL REVENUE FROM THE COMMONWEALTH	\$ -	\$ -	\$ 52,491	\$ 52,491
TOTAL EMERGENCY NUMBERS FUND	\$ -	\$ -	\$ 135,955	\$ 135,955
Law Library Fund:				
Revenue From Local Sources:				
Charges For Services:				
Charges For Law Library	\$ 12,500	\$ 12,500	\$ 12,528	\$ 28
TOTAL LAW LIBRARY FUND	\$ 12,500	\$ 12,500	\$ 12,528	\$ 28

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Fund:				
Coal Road Improvement Fund:				
Revenue From Local Sources:				
Other Local Taxes:				
Coal Severance Tax	\$ 5,400,000	\$ 5,400,000	\$ 6,787,974	\$ 1,387,974
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 144,239	\$ 144,239
TOTAL COAL ROAD IMPROVEMENT FUND	\$ 5,400,000	\$ 5,400,000	\$ 6,932,213	\$ 1,532,213
Drug Seizure & Forfeiture, Commission and Special Funds:				
Sheriff Department:				
Revenue From Local Sources:				
Fines & Forfeitures:				
Fines & Forfeitures	\$ -	\$ -	\$ 24,755	\$ 24,755
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 96,959	\$ 96,959
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 121,714	\$ 121,714
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION	\$ -	\$ -	\$ 121,714	\$ 121,714
Transient Occupancy Tax Fund:				
Revenue From Local Sources:				
Other Local Taxes:				
Transient Occupancy Tax	\$ -	\$ -	\$ 36,312	\$ 36,312
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ -	\$ 36,312	\$ 36,312
Dog & Cat Sterilization Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 1,521	\$ 1,521
TOTAL REVENUE FROM LOCAL	\$ -	\$ -	\$ 1,521	\$ 1,521
TOTAL DOG & CAT STERILIZATION FUND	\$ -	\$ -	\$ 1,521	\$ 1,521
Wise Development Fund:				
Revenue From The Federal Government:				
Categorical Aid:				
Research Cooperative Agreement-NASA	\$ -	\$ -	\$ 196,040	\$ 196,040
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 196,040	\$ 196,040
TOTAL WISE DEVELOPMENT FUND	\$ -	\$ -	\$ 196,040	\$ 196,040

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Software Engineering Initiative Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ -	\$ -
TOTAL SOFTWARE ENGINEERING INITIATIVE FUND	\$ -	\$ -	\$ -	\$ -
Community Development Fund:				
Revenue From The Federal Government:				
Categorical Aid:				
Lower Birchfield Project	\$ -	\$ -	\$ 57,969	\$ 57,969
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 57,969	\$ 57,969
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 57,969	\$ 57,969
TOTAL SPECIAL REVENUE FUNDS	\$ 5,412,500	\$ 5,412,500	\$ 7,494,252	\$ 2,081,752
GRAND TOTAL REVENUES - PRIMARY GOVERNMENT	<u>\$ 50,967,172</u>	<u>\$ 53,879,767</u>	<u>\$ 57,837,198</u>	<u>\$ 3,957,431</u>
COMPONENT UNIT - SCHOOL BOARD:				
School Operating Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Property	\$ 47,500	\$ 47,500	\$ 16,450	\$ (31,050)
Charges For Services:				
Charges For Education	\$ 12,000	\$ 12,000	\$ 4,522	\$ (7,478)
Miscellaneous Revenue:				
Miscellaneous	\$ 4,524,200	\$ 4,735,900	\$ 2,172,148	\$ (2,563,752)
Recovered Costs:				
Payments From Other Localities	\$ 280,000	\$ 280,000	\$ 448,238	\$ 168,238
TOTAL REVENUE FROM LOCAL SOURCES	\$ 4,863,700	\$ 5,075,400	\$ 2,641,358	\$ (2,434,042)
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ 15,391,600	\$ 15,391,600	\$ 15,741,669	\$ 350,069
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	<u>\$ 15,391,600</u>	<u>\$ 15,391,600</u>	<u>\$ 15,741,669</u>	<u>\$ 350,069</u>

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
School Operating Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Share of State Sales & Use Taxes	\$ 6,259,400	\$ 6,259,400	\$ 5,707,920	\$ (551,480)
Basic School Aid	26,482,800	26,482,800	26,793,404	310,604
Remedial Education SOQ	839,700	839,700	840,092	392
Remedial Education - Summer	106,900	106,900	123,686	16,786
Gifted SOQ	240,700	240,700	240,791	91
Special Education	2,280,100	2,280,100	2,140,363	(139,737)
Vocational Education	1,215,900	1,215,900	1,182,388	(33,512)
Vocational Education-Adult	-	-	41,484	41,484
Share of Fringe Benefits	3,310,900	3,310,900	3,296,158	(14,742)
Reading Intervention	153,500	153,500	135,889	(17,611)
Governors/Magnet Schools	74,800	74,800	74,810	10
Electronic Classroom	453,300	453,300	-	(453,300)
SOL Algebra Readiness	110,600	110,600	108,062	(2,538)
Alternative Education	262,000	262,000	262,190	190
Primary Class Size/K-3 Initiative	1,123,200	1,123,200	1,101,807	(21,393)
Foster Care	-	-	21,764	21,764
Compensation Supplement	-	-	-	-
Adult Literacy	430,000	430,000	277,483	(152,517)
Adult Occupational Prep & Equipment	-	-	-	-
Adult Secondary	-	-	26,351	26,351
GED Prep Program - ISAEP	23,600	23,600	23,576	(24)
GED	-	-	74,996	74,996
GED Testing	-	-	6,562	6,562
Enrollment Loss	137,000	137,000	166,709	29,709
At Risk	1,060,400	1,060,400	1,058,403	(1,997)
At Risk - Four-Year Olds	467,500	467,500	447,829	(19,671)
Technology Initiative	518,000	518,000	538,627	20,627
Homebound	-	-	92,763	92,763
Virtual Advanced Placement	-	-	-	-
Leadership Development Grants	-	-	-	-
English As A Second Language (ESL)	-	-	15,371	15,371
VPI Start Up Expansion	-	-	-	-
Project Graduation	-	-	-	-
Mentor Teacher HTS	-	-	4,309	4,309
Industry Certification	-	-	-	-
Teacher Incentive-Mentor	-	-	-	-
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 45,550,300	\$ 45,550,300	\$ 44,803,787	\$ (746,513)
Revenue From The Federal Government:				
Categorical Aid:				
Adult Literacy	\$ 289,000	\$ 289,000	\$ 225,645	\$ (63,355)
Title I	2,971,200	2,971,200	2,303,894	(667,306)
Title II - Part A	19,900	19,900	69,767	49,867
Title II - Ed Technology / Part D	252,500	252,500	281,248	28,748
Forest Reserve	20,000	20,000	72,244	52,244
JROTC	-	-	50,085	50,085
Homeless	491,500	491,500	10,228	(481,272)
National Community Service	-	-	18,296	18,296
Drug Free Schools	-	-	-	-
Title VI - B - Flow Through	1,448,900	1,448,900	1,652,625	203,725
Vocational Education	160,500	160,500	168,726	8,226
Title IV Part A, Subpart 1 / Drug Free	41,600	41,600	34,366	(7,234)
Title V-A Innovative Programs	17,700	17,700	5,014	(12,686)
Title X Grant - 21st Century	736,000	736,000	691,884	(44,116)

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
School Operating Fund:				
Revenue From The Federal Government:				
Categorical Aid: (Continued)				
Title VI - Rural/Low Income Schools	-	-	152,137	152,137
Crude Oil Overbill (Department of Energy)	-	-	-	-
Pre-School Special Education	-	-	36,655	36,655
Peace Project	-	-	-	-
Hammer	-	-	140,260	140,260
TOTAL CATEGORICAL AID	\$ 6,448,800	\$ 6,448,800	\$ 5,913,074	\$ (535,726)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 6,448,800	\$ 6,448,800	\$ 5,913,074	\$ (535,726)
Debt Service:				
Revenue from Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL CATEGORICAL AID	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL SCHOOL OPERATING FUND	\$ 72,404,400	\$ 72,616,100	\$ 69,249,888	\$ (3,366,212)
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 11,449	\$ 11,449
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	\$ -	\$ -	\$ 11,449	\$ 11,449
Charges For Services:				
Cafeteria Sales	\$ 1,538,500	\$ 1,538,500	\$ 1,040,630	\$ (497,871)
TOTAL REVENUE FROM LOCAL SOURCES	\$ 1,538,500	\$ 1,538,500	\$ 1,052,078	\$ (486,422)
Revenue From The Commonwealth:				
Categorical Aid:				
School Food	\$ 43,500	\$ 43,500	\$ 45,964	\$ 2,464
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 43,500	\$ 43,500	\$ 45,964	\$ 2,464
Revenue From The Federal Government:				
Categorical Aid:				
School Food Program Grant	\$ 1,400,000	\$ 1,400,000	\$ 1,565,024	\$ 165,024
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 1,400,000	\$ 1,400,000	\$ 1,565,024	\$ 165,024
TOTAL SCHOOL CAFETERIA FUND	\$ 2,982,000	\$ 2,982,000	\$ 2,663,066	\$ (318,934)

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF REVENUES-BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Fund:				
School Textbook Rental Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 19,425	\$ 19,425
Miscellaneous	\$ 211,700	\$ 211,700	\$ 589	\$ (211,111)
TOTAL FROM LOCAL SOURCES	\$ 211,700	\$ 211,700	\$ 20,013	\$ (191,687)
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ -	\$ -	\$ -	\$ -
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	\$ -	\$ -	\$ -	\$ -
Revenue From The Commonwealth:				
Categorical Aid:				
Total Rental Payments	\$ 638,600	\$ 638,600	\$ 634,190	\$ (4,410)
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 638,600	\$ 638,600	\$ 634,190	\$ (4,410)
TOTAL TEXTBOOK RENTAL FUND	\$ 850,300	\$ 850,300	\$ 654,203	\$ (196,097)
TOTAL SPECIAL REVENUE FUNDS	\$ 76,236,700	\$ 76,448,400	\$ 72,567,157	\$ (3,881,243)
School Capital Project Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
TOTAL FROM LOCAL SOURCES	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ -	\$ -	\$ 5,513,725	\$ 5,513,725
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	\$ -	\$ -	\$ 5,513,725	\$ 5,513,725
Revenue From The Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 1,372,200	\$ 1,372,200	\$ 912,851	\$ (459,349)
Public School Construction	105,400	105,400	211,052	105,652
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 1,477,600	\$ 1,477,600	\$ 1,123,903	\$ (353,697)
TOTAL CAPITAL OUTLAY FUND	\$ 1,477,600	\$ 1,477,600	\$ 6,637,628	\$ 5,160,028
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	\$ 77,714,300	\$ 77,926,000	\$ 79,204,785	\$ 1,278,785

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
General Government Administration:				
Legislative:				
Board Of Supervisors	\$ 320,763	\$ 497,415	511,173	\$ (13,758)
General & Financial Administration:				
County Administrator	\$ 456,572	\$ 419,815	\$ 395,945	\$ 23,870
Legal Services	159,819	144,242	147,420	(3,178)
Commissioner Of Revenue	539,685	543,651	525,518	18,133
Assessor	189,919	212,286	207,755	4,531
Data Processing	189,818	194,947	190,735	4,212
Treasurer	592,230	600,671	530,514	70,157
Geographic Information	199,390	331,237	305,396	25,841
TOTAL GENERAL & FINANCIAL ADMINISTRATION	\$ 2,327,433	\$ 2,446,848	\$ 2,303,283	\$ 143,565
Board Of Elections:				
Electoral Board & Officials	\$ 63,350	\$ 63,350	\$ 49,974	\$ 13,376
Registrar	110,569	111,689	109,431	2,258
TOTAL BOARD OF ELECTIONS	\$ 173,919	\$ 175,039	\$ 159,405	\$ 15,634
TOTAL GENERAL GOVERNMENT ADMINISTRATION	\$ 2,822,115	\$ 3,119,302	\$ 2,973,861	\$ 145,441
Judicial Administration:				
Courts:				
Clerk Of The Circuit Court	\$ 800,821	\$ 902,682	\$ 846,247	\$ 56,435
District Court	9,925	11,225	8,544	2,681
Magistrate	2,731	3,531	3,870	(339)
Juvenile & Domestic Relations Court	405,455	405,455	408,873	(3,418)
Sheriff	403,568	407,069	391,285	15,784
TOTAL COURTS	\$ 1,622,500	\$ 1,729,962	\$ 1,658,819	\$ 71,143
Commonwealth Attorney	\$ 946,263	\$ 979,734	\$ 867,853	\$ 111,881
Victim Witness Protection	56,687	56,687	55,092	1,595
TOTAL JUDICIAL ADMINISTRATION	\$ 2,625,450	\$ 2,766,383	\$ 2,581,764	\$ 184,619
Public Safety:				
Law Enforcement & Traffic Control:				
Sheriff	\$ 3,013,466	\$ 3,167,586	\$ 2,974,282	\$ 193,304
Dispatcher/E911	251,351	253,397	249,233	4,164
TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL	\$ 3,264,817	\$ 3,420,982	\$ 3,223,515	\$ 197,467
Fire & Rescue Services:				
Fire & Rescue Departments	\$ 538,800	\$ 565,795	\$ 565,196	\$ 599
TOTAL FIRE & RESCUE SERVICES	\$ 538,800	\$ 565,795	\$ 565,196	\$ 599
Correction & Detention:				
SWVA Community Corrections Center	\$ 587,824	\$ 587,824	\$ 579,591	\$ 8,233
SW Regional Jail Authority	1,677,850	1,597,640	1,597,640	-

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Public Safety:				
Correction & Detention:				
TOTAL CORRECTION & DETENTION	\$ 2,265,674	\$ 2,185,464	\$ 2,177,231	\$ 8,233
Inspections:				
Building Inspector	\$ 264,258	\$ 294,334	\$ 244,602	\$ 49,732
TOTAL INSPECTIONS	\$ 264,258	\$ 294,334	\$ 244,602	\$ 49,732
Other Protection:				
Emergency Services	\$ 147,054	\$ 257,054	\$ 231,966	\$ 25,088
Animal Control	260,724	303,388	318,726	(15,338)
TOTAL OTHER PROTECTION	\$ 407,778	\$ 560,441	\$ 550,692	\$ 9,749
TOTAL PUBLIC SAFETY	\$ 6,741,327	\$ 7,027,017	\$ 6,761,236	\$ 265,781
Public Works:				
Maintenance Of Buildings & Grounds:				
General Properties	\$ 1,086,332	\$ 1,706,483	\$ 1,357,333	\$ 349,150
TOTAL PUBLIC WORKS	\$ 1,086,332	\$ 1,706,483	\$ 1,357,333	\$ 349,150
Welfare/Social Services:				
Health & Welfare:				
Health:				
Supplement To Local Health Department	\$ 642,166	\$ 716,222	\$ 697,953	\$ 18,269
TOTAL HEALTH	\$ 642,166	\$ 716,222	\$ 697,953	\$ 18,269
Mental Health & Mental Retardation:				
Mental Health	3,845,691	4,127,904	4,484,380	(356,476)
TOTAL MENTAL HEALTH & MENTAL RETARDATION	\$ 3,845,691	\$ 4,127,904	\$ 4,484,380	\$ (356,476)
Welfare/Social Services:				
Welfare Administration	\$ 7,492,846	\$ 8,418,799	\$ 8,414,139	\$ 4,660
Property Tax Relief for Elderly	-	-	300,673	(300,673)
MEOC	-	-	-	-
Youth Service Board	22,000	22,000	22,000	-
Agency On Aging	80,300	80,600	80,600	-
Group Home	-	-	-	-
TOTAL WELFARE/SOCIAL SERVICES	\$ 7,595,146	\$ 8,521,399	\$ 8,817,412	\$ (296,013)
TOTAL HEALTH & WELFARE	\$ 12,083,003	\$ 13,365,525	\$ 13,999,745	\$ (634,220)
Education:				
Local Public Schools	\$ 14,732,100	\$ 14,732,100	\$ 21,253,720	\$ (6,521,620)
UVA-Engineering Project	-	-	-	-
Community Colleges	52,190	52,190	52,190	-
TOTAL EDUCATION	\$ 14,784,290	\$ 14,784,290	\$ 21,305,910	\$ (6,521,620)

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
General Fund:				
Parks, Recreation & Cultural:				
Parks & Recreation:				
Recreation Authority	\$ 40,000	\$ 40,000	\$ 40,200	\$ (200)
TOTAL PARKS & RECREATION	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,200</u>	<u>\$ (200)</u>
Library:				
Contributions To Local Libraries	\$ 810,017	\$ 812,648	\$ 827,648	\$ (15,000)
TOTAL LIBRARY	<u>\$ 810,017</u>	<u>\$ 812,648</u>	<u>\$ 827,648</u>	<u>\$ (15,000)</u>
Cultural:				
Pro-Art Association	\$ -	\$ -	\$ 12,000	\$ (12,000)
TOTAL CULTURAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ (12,000)</u>
TOTAL PARKS, RECREATION & CULTURAL	<u>\$ 850,017</u>	<u>\$ 852,648</u>	<u>\$ 879,848</u>	<u>\$ (27,200)</u>
Planning & Community Development:				
Economic Development	\$ 129,733	\$ 213,382	\$ 361,126	\$ (147,744)
Housing Authority	25,000	25,000	25,000	-
Cumberland Airport Commission	115,000	115,000	115,059	(59)
Lenowisco	66,684	66,684	66,684	-
Planning Commission	8,800	8,800	8,725	75
Industrial Development Authority	135,000	378,645	517,940	(139,295)
Music Trail-Crooked Road	92,427	92,427	5,548	86,879
CEDA - Tourism	109,238	132,816	-	132,816
TOTAL PLANNING & COMMUNITY DEVELOPMENT	<u>\$ 681,882</u>	<u>\$ 1,032,755</u>	<u>\$ 1,100,082</u>	<u>\$ (67,327)</u>
Community Development:				
Cooperative Extension Program:				
VPI & SU Extension Office	\$ 97,879	\$ 97,879	\$ 66,986	\$ 30,893
TOTAL COOPERATIVE EXTENSION PROGRAM	<u>\$ 97,879</u>	<u>\$ 97,879</u>	<u>\$ 66,986</u>	<u>\$ 30,893</u>
TOTAL COMMUNITY DEVELOPMENT	<u>\$ 779,761</u>	<u>\$ 1,130,634</u>	<u>\$ 1,167,068</u>	<u>\$ (36,434)</u>
Non-Departmental:				
Non-Departmental	\$ 344,465	\$ 369,603	\$ 561,705	\$ (192,102)
TOTAL NON-DEPARTMENTAL	<u>\$ 344,465</u>	<u>\$ 369,603</u>	<u>\$ 561,705</u>	<u>\$ (192,102)</u>
Debt Service:				
Principal Retirement	\$ 473,152	\$ 473,152	\$ 419,790	\$ 53,362
Interest & Fiscal Charges	75,000	75,000	60,378	14,622
TOTAL DEBT SERVICE	<u>\$ 548,152</u>	<u>\$ 548,152</u>	<u>\$ 480,168</u>	<u>\$ 67,984</u>
TOTAL GENERAL FUND	<u><u>\$ 42,664,913</u></u>	<u><u>\$ 45,670,036</u></u>	<u><u>\$ 52,068,638</u></u>	<u><u>\$ (6,398,602)</u></u>

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DESCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law Library	\$ 18,500	\$ 18,500	\$ 16,622	\$ 1,878
TOTAL LAW LIBRARY FUND	\$ 18,500	\$ 18,500	\$ 16,622	\$ 1,878
Coal Road Improvement Fund:				
General Government Administration	\$ -	\$ -	\$ 987	\$ (987)
Public Works:				
Maintenance Of Highways, Streets, Bridges & Sidewalks:				
Coal Road Projects	\$ 200,000	\$ 200,000	\$ 270,880	\$ (70,880)
TOTAL PUBLIC WORKS	\$ 200,000	\$ 200,000	\$ 270,880	\$ (70,880)
Community Development:				
Distribution to Towns	\$ 1,080,000	\$ 1,080,000	\$ 1,413,550	\$ (333,550)
Community Development	4,120,000	4,120,000	3,973,713	146,287
TOTAL COMMUNITY DEVELOPMENT	\$ 5,200,000	\$ 5,200,000	\$ 5,387,263	\$ (187,263)
TOTAL COAL ROAD IMPROVEMENT FUND	\$ 5,400,000	\$ 5,400,000	\$ 5,659,130	\$ (259,130)
Emergency Numbers Fund:				
Public Safety:				
Law Enforcement & Traffic Control:				
911 System	\$ 354,521	\$ 354,522	\$ 341,890	\$ 12,632
TOTAL PUBLIC SAFETY	\$ 354,521	\$ 354,522	\$ 341,890	\$ 12,632
Debt Service:				
Principal Retirement	\$ 76,500	\$ 76,500	\$ 40,187	\$ 36,313
Interest & Fiscal Charges	5,578	5,578	1,878	3,700
TOTAL DEBT SERVICE	\$ 82,078	\$ 82,078	\$ 42,065	\$ 40,013
TOTAL EMERGENCY NUMBERS FUND	\$ 436,600	\$ 436,600	\$ 383,955	\$ 52,645
Drug Seizure & Forfeiture, Commission & Special Funds:				
Sheriff Department:				
Public Safety:				
Sheriff	\$ -	\$ -	\$ 133,451	\$ (133,451)
TOTAL PUBLIC SAFETY	\$ -	\$ -	\$ 133,451	\$ (133,451)
TOTAL DRUG SEIZURE & FORFEITURE, COMMISSION	\$ -	\$ -	\$ 133,451	\$ (133,451)
Dog & Cat Sterilization Fund:				
Public Safety				
Other Protection:				
Animal Control	\$ 2,500	\$ 2,500	\$ 2,487	\$ (13)
TOTAL PUBLIC SAFETY	\$ 2,500	\$ 2,500	\$ 2,487	\$ (13)

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
PRIMARY GOVERNMENT:				
Special Revenue Funds:				
Dog & Cat Sterilization Fund:				
Public Safety				
TOTAL DOG & CAT STERILIZATION FUND	\$ 2,500	\$ 2,500	\$ 2,487	\$ 13
Information Technology Improvement Fund:				
Community Development:				
Technology	\$ -	\$ -	\$ 4,000	\$ (4,000)
TOTAL INFORMATION TECHNOLOGY IMPROVEMENT FUND	\$ -	\$ -	\$ 4,000	\$ (4,000)
TOTAL INFORMATION TECHNOLOGY FUND	\$ -	\$ -	\$ 4,000	\$ (4,000)
Wise Development Fund:				
Community Development:				
Community Project	\$ 770,035	\$ 787,543	\$ 452,257	\$ 335,286
TOTAL COMMUNITY DEVELOPMENT	\$ 770,035	\$ 787,543	\$ 452,257	\$ 335,286
TOTAL WISE DEVELOPMENT FUND	\$ 770,035	\$ 787,543	\$ 452,257	\$ 335,286
Community Development Fund:				
Community Development:				
Lower Birchfield Project	\$ -	\$ -	\$ 57,969	\$ (57,969)
Business & Tech Park Access Road	-	-	11,436	(11,436)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ -	\$ 69,405	\$ (69,405)
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 69,405	\$ (69,405)
TOTAL SPECIAL REVENUE FUNDS	\$ 6,627,635	\$ 6,645,143	\$ 6,721,307	\$ (76,164)
GRAND TOTAL EXPENDITURES - PRIMARY GOVERNMENT	<u>\$ 49,292,547</u>	<u>\$ 52,315,179</u>	<u>\$ 58,789,945</u>	<u>\$ (6,474,766)</u>
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Administration Of Schools	\$ 1,059,100	\$ 1,059,100	\$ 807,198	\$ 251,902
Instruction Costs:				
Classroom	\$ 47,237,400	\$ 47,237,400	\$ 42,478,754	\$ 4,758,646
Instructional Support:				
Student	1,357,400	1,357,400	2,066,221	(708,821)
Staff	3,482,200	3,482,200	3,805,368	(323,168)
Administration	2,163,100	2,163,100	4,254,909	(2,091,809)
TOTAL INSTRUCTION COSTS	<u>\$ 54,240,100</u>	<u>\$ 54,240,100</u>	<u>\$ 52,605,252</u>	<u>\$ 1,634,848</u>

COUNTY OF WISE, VIRGINIA
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Operating Costs:				
Attendance & Health Services	\$ 1,116,000	\$ 1,116,000	\$ 1,174,600	\$ (58,600)
Pupil Transportation	3,965,600	3,965,600	3,895,717	69,883
Operation & Maintenance Of School Plant	5,634,600	5,634,600	5,863,219	(228,619)
Non-Instructional	<u>5,239,000</u>	<u>5,239,000</u>	<u>3,501,569</u>	<u>1,737,431</u>
TOTAL OPERATING COSTS	<u>\$ 15,955,200</u>	<u>\$ 15,955,200</u>	<u>\$ 14,435,105</u>	<u>\$ 1,520,095</u>
TOTAL EDUCATION	<u>\$ 71,254,400</u>	<u>\$ 71,254,400</u>	<u>\$ 67,847,555</u>	<u>\$ 3,406,845</u>
Debt Service:				
Principal Retirement	\$ 792,200	\$ 792,200	\$ 735,000	\$ 57,200
Interest & Fiscal Charges	<u>357,800</u>	<u>357,800</u>	<u>358,285</u>	<u>(485)</u>
TOTAL DEBT SERVICE	<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,093,285</u>	<u>\$ 56,715</u> <u>735,000</u>
TOTAL SCHOOL OPERATING FUND	<u>\$ 72,404,400</u>	<u>\$ 72,404,400</u>	<u>\$ 68,940,840</u>	<u>\$ 3,463,560</u>
School Cafeteria Fund:				
Education:				
Operating Costs	<u>\$ 2,982,000</u>	<u>\$ 2,982,000</u>	<u>\$ 2,740,966</u>	<u>\$ 241,034</u>
TOTAL SCHOOL CAFETERIA FUND	<u>\$ 2,982,000</u>	<u>\$ 2,982,000</u>	<u>\$ 2,740,966</u>	<u>\$ 241,034</u>
Textbook Rental Fund:				
Education:				
Operating Costs	<u>\$ 850,300</u>	<u>\$ 850,300</u>	<u>\$ 297,614</u>	<u>\$ 552,686</u>
TOTAL TEXTBOOK RENTAL FUND	<u>\$ 850,300</u>	<u>\$ 850,300</u>	<u>\$ 297,614</u>	<u>\$ 552,686</u>
Capital Project Fund:				
School Construction:				
Capital Outlays	<u>\$ 9,410,100</u>	<u>\$ 9,410,100</u>	<u>\$ 5,409,278</u>	<u>\$ 4,000,822</u>
TOTAL SCHOOL CONSTRUCTION	<u>\$ 9,410,100</u>	<u>\$ 9,410,100</u>	<u>\$ 5,409,278</u>	<u>\$ 4,000,822</u>
TOTAL CAPITAL PROJECT FUND	<u>\$ 9,410,100</u>	<u>\$ 9,410,100</u>	<u>\$ 5,409,278</u>	<u>\$ 4,000,822</u>
GRAND TOTAL EXPENDITURES, COMPONENT UNIT - SCHOOL BOARD	<u><u>\$ 85,646,800</u></u>	<u><u>\$ 85,646,800</u></u>	<u><u>\$ 77,388,699</u></u>	<u><u>\$ 8,258,101</u></u>

COUNTY OF WISE, VIRGINIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY
 JUNE 30, 2009

WISE COUNTY (INCLUDING THE WISE COUNTY PUBLIC SERVICE AUTHORITY)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b - a) Unfunded Actuarial Accrued Liability (UAAL)	(a / b) Funded Ratio	(c) Covered Payroll	((b - a) / c) UAAL as % of Covered Payroll
June 30, 2008	\$35,056,452	\$37,130,428	\$2,073,976	94.41%	\$9,102,239	22.79%
June 30, 2007	\$32,139,174	\$32,921,775	\$782,601	97.62%	\$9,447,042	8.28%
June 30, 2006	\$27,613,660	\$28,674,533	\$1,060,873	96.30%	\$8,364,880	12.68%
June 30, 2005	\$25,862,321	\$29,123,470	\$3,261,149	88.80%	\$7,905,622	41.25%
June 30, 2004	\$25,072,489	\$24,487,777	(\$584,712)	102.39%	\$8,058,514	-7.26%
June 30, 2003	24,620,322	22,866,550	(1,753,772)	107.67%	7,779,859	-22.54%

WISE COUNTY SCHOOLS (NON-PROFESSIONAL EMPLOYEES)

June 30, 2008	\$8,220,987	\$10,010,334	\$1,789,347	82.13%	\$1,916,646	93.36%
June 30, 2007	\$7,474,327	\$9,332,330	\$1,858,003	80.09%	\$1,848,676	100.50%
June 30, 2006	\$6,498,023	\$8,080,477	\$1,582,454	80.42%	\$1,712,525	92.40%
June 30, 2005	\$6,189,105	\$8,026,236	\$1,837,131	77.11%	\$1,649,912	111.35%
June 30, 2004	\$6,111,481	\$7,276,148	\$1,164,667	83.99%	\$1,486,481	78.35%

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

SCHEDULE 4

FISCAL YEAR	GENERAL PROPERTY TAXES	OTHER LOCAL TAXES	PERMIT, PRIVILEGE FEES AND REGULATORY LICENSES		FINES & FORFEITURES	REVENUE FROM USE OF MONEY AND PROPERTY
			\$	\$		
2008-09	\$ 18,116,122	\$ 18,924,049	\$ 69,524	\$ 40,603		\$ 1,075,909
2007-08	17,916,509	17,164,312	54,549	66,143		1,113,532
2006-07	17,004,359	16,201,166	51,681	69,353		1,299,948
2005-06	17,145,306	17,184,970	80,303	77,620		1,025,314
2004-05	16,057,621	15,941,319	65,871	30,617		452,287
2003-04	14,012,432	12,846,072	72,344	32,720		245,191
2002-03	12,690,890	10,852,884	102,136	28,675		232,917
2001-02	11,748,220	10,939,149	50,295	4,347		360,656
2000-01	12,724,188	11,932,668	26,169	5,663		827,540
1999-00	11,820,028	10,387,563	29,626	2,663		729,208

FISCAL YEAR	CHARGES FOR SERVICES	MISCELLANEOUS	RECOVERED COSTS		INTER-GOVERNMENTAL	TOTAL
			\$	\$		
2008-09	\$ 1,357,206	\$ 2,175,678	\$ 682,036	\$ 86,669,949		\$ 129,111,076
2007-08	1,414,365	1,350,269	455,399	83,031,348		122,566,426
2006-07	1,291,195	530,450	502,072	80,807,592		117,757,816
2005-06	1,196,407	662,857	402,123	76,554,141		114,329,041
2004-05	1,259,067	587,221	665,678	75,748,924		110,808,605
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

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

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

FISCAL YEAR	HEALTH AND WELFARE				
	GENERAL ADMINISTRATION	JUDICIAL ADMINISTRATION	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND WELFARE
2008-09	\$ 2,974,848	\$ 2,598,386	\$ 7,246,622	\$ 1,628,213	\$ 13,999,745
2007-08	2,792,431	2,465,396	6,994,029	958,550	13,081,322
2006-07	2,609,378	2,460,677	6,768,362	920,170	18,156,152
2005-06	2,435,632	2,033,252	6,352,758	831,729	17,571,446
2004-05	2,065,348	1,781,370	6,159,167	690,916	17,378,741
2003-04	1,904,298	1,550,521	6,768,214	1,155,160	10,921,015
2002-03	2,036,832	1,634,549	5,747,227	1,060,934	10,121,069
2001-02	2,339,164	1,734,967	5,409,891	877,534	7,119,945
2000-01	1,782,680	1,727,460	5,159,893	3,256,712	10,068,943
1999-00	1,668,020	1,631,771	5,162,285	2,119,186	6,660,401
					EDUCATION
					\$ 93,285,331

FISCAL YEAR	PARKS, RECREATION & CULTURAL					TOTALS
	RECREATION & CULTURAL	COMMUNITY DEVELOPMENT	CAPITAL PROJECT	DEBT SERVICE		
2008-09	\$ 879,848	\$ 7,079,993	\$ 624,294	\$ 522,233		\$ 130,839,513
2007-08	857,272	6,802,797	243,705	483,216		117,958,143
2006-07	872,192	532,441	255,603	502,768		112,322,723
2005-06	829,339	547,097	104,517	580,878		108,146,594
2004-05	804,718	1,298,362	591,595	445,768		104,715,576
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

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

SCHEDULE 6

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

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	MACHINERY AND TOOLS	MERCHANT'S CAPITAL	MOBILE HOMES
2008-09	\$ 1,610,887,320	\$ 358,482,416	\$ 259,709,887	\$ 32,705,319	\$ 44,779,700
2007-08	1,569,201,913	344,388,992	289,224,955	29,678,518	43,365,050
2006-07	1,498,797,637	342,140,366	281,527,290	31,157,558	43,613,739
2005-06	1,466,488,034	320,440,992	241,866,889	27,474,402	40,590,687
2004-05	1,449,470,035	409,631,850	239,769,025	27,021,861	39,975,359
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

PUBLIC UTILITIES

FISCAL YEAR	PERSONAL PROPERTY	REAL ESTATE	MERCHANT'S CAPITAL	TOTAL
2008-09	\$ 325,916	\$ 81,297,579	\$ 23,600	\$ 2,388,211,737
2007-08	395,768	77,052,759	26,000	2,353,333,955
2006-07	418,372	75,756,574	99,202	2,273,510,738
2005-06	523,376	83,993,059	90,500	2,181,467,939
2004-05	689,690	97,163,185	4,000	2,263,725,005
2003-04	594,230	94,231,231	37,500	2,107,748,891
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

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

SCHEDULE 7

FISCAL YEARS	PUBLIC UTILITIES						
	REAL ESTATE	PERSONAL PROPERTY	MACHINERY & TOOLS	MERCHANTS' CAPITAL	MOBILE HOMES	PERSONAL PROPERTY	MERCHANTS' CAPITAL
2008-09	0.57	1.49	1.15	2.85	0.57	1.49	0.57
2007-08	0.57	1.49	1.15	2.85	0.57	1.49	0.57
2006-07	0.57	1.49	1.15	2.85	0.57	1.49	0.57
2005-06	0.57	1.49	1.15	2.85	0.57	1.49	0.57
2004-05	0.57	1.49	1.15	2.85	0.57	1.49	0.57
2003-04	0.48	1.15	1.15	2.85	0.48	1.15	0.48
2002-03	0.48	1.15	1.15	2.85	0.48	1.15	0.48
2001-02	0.52	1.15	1.15	2.85	0.52	1.15	0.52
2000-01	0.52	1.15	1.15	2.85	0.52	1.15	0.52
1999-00	0.52	1.15	1.15	2.85	0.52	1.15	0.52

- (1) Per \$100 of assessed value
- (2) Tax Rate Increased From .48 per \$100 to .57 per \$100 for Real Estate Taxes

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

SCHEDULE 8

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
2007-08	\$19,166,376	\$ 17,860,754	93.19%	\$ 1,284,349	\$ 19,145,103	99.89%	\$ 2,060,134	10.75%
2007-08	18,940,894	17,857,624	94.28%	1,023,621	18,881,245	99.69%	2,164,886	11.43%
2006-07	18,541,708	16,936,338	91.34%	1,122,341	18,058,679	97.39%	2,282,018	12.31%
2005-06	17,383,552	16,600,213	95.49%	1,429,301	18,029,514	103.72%	1,672,576	9.62%
2004-05	15,159,339	14,375,804	94.83%	1,283,999	15,659,803	103.30%	2,194,617	14.48%
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%

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.

SCHEDULE 9

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

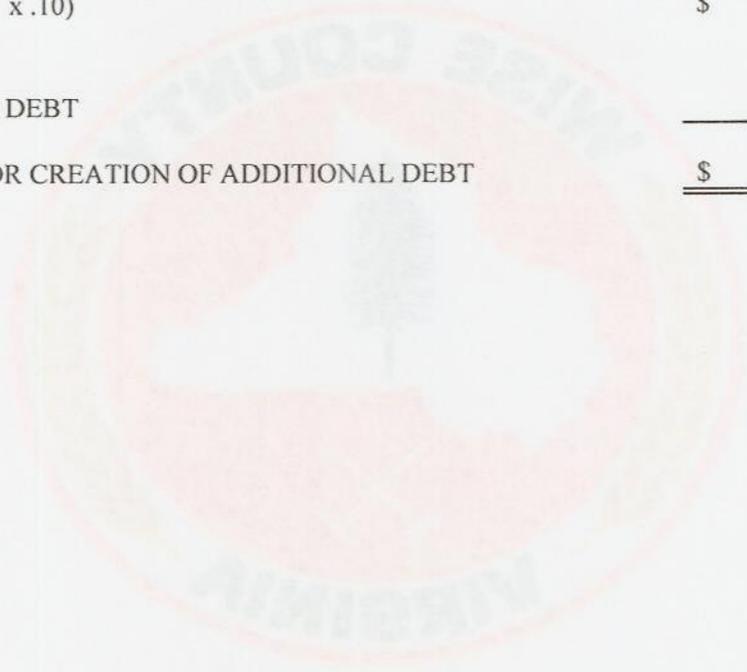
FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS) (2)	GROSS BONDED DEBT (3)	LESS: DEBT SERVICE MONIES AVAILABL E	DEBT PAYABLE FROM ENTERPRISE REVENUES (5)	NET BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2008-09	40,123	\$ 2,384,049,068	\$ 15,214,037	0	\$ 539,881	\$ 14,674,156	0.62%	\$ 365.73
2007-08	40,123	2,353,333,955	15,641,236	0	597,103	15,044,133	0.64%	374.95
2006-07	40,123	2,273,510,738	11,246,545	0	771,850	10,474,695	0.46%	261.06
2005-06	40,123	2,181,467,939	12,776,974	0	936,725	11,840,249	0.54%	295.10
2004-05	40,123	2,263,725,005	12,514,637	0	495,597	12,019,040	0.53%	299.55
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

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.

COUNTY OF WISE, VIRGINIA
 SCHEDULE OF LEGAL DEBT MARGIN
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

LEGAL DEBT LIMIT	
10% OF ASSESSED VALUE OF TAXABLE REAL ESTATE (INCLUDING PUBLIC UTILITY REAL ESTATE) (1,692,184,899 x .10)	\$ 169,218,490
DEDUCT	
GROSS BONDED DEBT	<u>15,214,037</u>
LEGAL MARGIN FOR CREATION OF ADDITIONAL DEBT	<u><u>\$ 154,004,453</u></u>





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COMPLIANCE SECTION

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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

I have audited the financial statements of the governmental activities, and the major funds of the County of Wise, Virginia as of and for the year ended June 30 2009, and have issued my report thereon dated February 15, 2010, which collectively comprise the County of Wise, Virginia's basic financial statements. 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's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combinations of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness.

The Honorable Members of the
Board of Supervisors
County of Wise
Wise, Virginia 24293
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
February 15, 2010

LARRY D. STURGILL, P. C.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON 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, 2009. 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
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 of Wise, Virginia's compliance with those requirements.

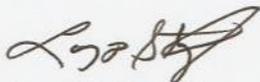
In my opinion, Wise County, Virginia, complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

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 applicable requirements of laws, regulations, contracts and grants caused by error or fraud 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
February 15, 2010

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009

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 - Schools	10.555	\$ 187,317
Department Of Social Services:		
General Administration - Food Stamp Program (Cluster) *	10.561	560,456
Department Of Education:		
National School Lunch Program (SL-4) (SL-11)	10.555	1,188,075
National School Breakfast	10.553	355,597
National Summer Feeding Program	10.555	21,352
Total National School Food (Cluster)		<u>1,565,024</u>
Federal Land Use - Forest Reserve	10.665	72,244
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Department of Social Services:		
Pass Through Payments:		
Department of Social Services:		
Admin Energy Assist - LIHEAP	93.568	\$ 33,461
Administration Refuge Other/Eligibility	93.566	1,316
TANF (Cluster) *	93.558	757,234
Foster Care - Title IV-E (Cluster) *	93.658	441,057
Adoption Assistance *	93.659	418,477
Child Welfare State Grant	93.645	4,664
Administration FAMIS Allocation	93.767	43,038
Medicaid Cluster:		
Administration \ TXIX Allocation-Medical Asst Program	93.778	307,053
Administration \ Administration LSCA-TXIX	93.778	25,157
Central Service Cost Allocation	93.778	38,302
Administration - Medicaid	93.778	4,898
Total Medicaid (Cluster)		<u>375,409</u>
Child Day Care (Cluster)		
Child Care Dev. Fund - Head Start	93.575	271
Child Day Care Fee at Risk	93.575	119,998
Tanf Ed / Trng.: Non Jobs	93.575	704
Child Care- CCDF	93.596	197,294
Total Child Day Care (CCDF) (Cluster)		<u>318,267</u>
Chafee Foster Care Independence Program	93.674	14,643
Chafee Education & Training Vouchers Program	93.599	3,387
Social Service Block Grant *	93.667	427,780
Protective Services Promoting Safe and Stable Families	93.556	33,210
Department Of Mental Health and Mental Retardation		
Mental Health Planning **	93.959	827,149
Alcohol Abuse Services (50847-49) **	93.958	123,484
Education Funds**	84.181	129,603
DEPARTMENT OF INTERIOR:		
Direct Payments:		
Bureau Of Land Management:		
Payment In Lieu Of Taxes - Public Law 97-258, (National Forest Acreage In The Localities)	15.000	87,189
FEDERAL EMERGENCY MANAGEMENT AGENCY:		
Direct Payments:		
State Homeland Security Grant	97.042	99,353
DEPARTMENT OF EDUCATION:		
Pass Through Payments:		
Department of Education:		
Adult Education - State Administration Program (7E002694) (8E002615)	84.002	225,645

COUNTY OF WISE, VIRGINIA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2009

FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/ GRANT PROGRAM/GRANT NUMBER	FEDERAL CATALOGUE NUMBER	EXPENDITURES
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	2,303,894
Title II:		
Part A	84.367	69,767
Part D- Technology	84.318	281,248
Vocational Education:		
Basic Grants To States (8E002628) (7E002685) (8E002607) (7E002688)	84.048	168,726
Special Projects:		
Drug Free Schools and Communities (7E003333)	84.186	34,366
Twenty First Century Grant *	84.287	691,884
IDEA 619 Flow-Through *	84.027	1,652,625
Pre-School Special Education *	84.173	36,655
Title VI - Rural and Low-Income Schools	84.358	152,137
Title VI Innovative Education	84.298	5,014
Homeless	84.196	10,228
Peace Project	94.004	18,296
AFROTC	N/A	50,085
Hammer Program	N/A	140,260
DEPARTMENT OF CRIMINAL JUSTICE SERVICES:		
Violence Against Women	16.588	29,051
Juvenile Justice & Delq Prevention-Title II***	16.540	48,750
NASA LANGLEY RESEARCH CENTER:		
Research Cooperation Agreement-Wise Development Funds	N/A	196,040
DEPARTMENT OF MOTOR VEHICLES:		
Ground Transportation Open Container/Alcohol Impaired Driving	20.607	18,232
DEPARTMENT OF MILITARY AFFAIRS		
Defense Preparedness	N/A	1,117
DEPARTMENT OF ENVIRONMENTAL QUALITY		
Rents & Royalties	N/A	5,365
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:		
Community Development Grant-Napoleon Hill Project	14.228	122,600
Economic Development - Lower Birchfield Project	14.228	57,969
TOTAL FEDERAL ASSISTANCE		<u>\$ 12,843,716</u>

* 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, 2009

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
 Significant Deficiencies identified not considered
 to be material weaknesses? No

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
 Significant Deficiencies 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:		Name of Federal Program or Cluster	Risk Type
CFDA#	Type		
84.173	A	IDEA-619 Flow-Through	High
82.287	A	Twenty First Century	High
93.558	A	TANF (Cluster)	High
93.658	A	Foster Care-Title IV-E (Cluster)	High
93.667	A	Social Service Block Grant	High
93.659	A	Adoption Assistance	High
10.561	A	Food Stamp Program (Cluster)	High

Dollar threshold used to distinguish between Type A
 and Type B programs \$385,311

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.



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INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION
OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

February 15, 2010

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

Board Members:

I have reviewed the prior year report during the course of this audit to determine if the County of Wise, Virginia has implemented adequate corrective action with respect to previously reported audit findings. Corrective actions have been address during the current fiscal year ended June 30, 2009.

Respectfully



Larry D. Sturgill
Certified Public Accountant
Wise, Virginia

Wise County Board of Supervisors

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