



Photograph by: Cameron Dean

**“Nestled Progress”**

**COUNTY OF WISE, VIRGINIA**  
**AUDIT REPORT**  
**JUNE 30, 2010**

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JUNE 30, 2010

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# Wise County Board of Supervisors



## Office of County Administrator

TELEPHONE 276-328-2321  
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COURTHOUSE

WISE, VIRGINIA 24293

P.O. BOX 570  
206 E. MAIN STREET

### CAFR- LETTER OF TRANSMITTAL

November 30, 2010

To The Honorable Members of the Board of Supervisors and  
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, 2010. 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, 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's 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 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, 2010 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 effects of the global economic downturn.

## MAJOR INITIATIVES

### **For Fiscal Year 2010**

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, Wise County saw construction completed on the turning lane off US Route 23 into the entrance of J.W. Adams Middle School near Pound, Virginia.
- Discussion continues between Wise County and VDOT officials regarding development of Innovation Highway between US Route 58 and State Route 646 to service access to the Lonesome Pine Business and Technology Park, the Lonesome Pine Airport, UVA-Wise, and the Wise County Fair Grounds.
- After completing acquisition of approximately 17 acres of land just off State Route 646 near the current Wise County Christian School, the Wise County IDA is now working to complete necessary infrastructure (roads, water,

sewer, electricity, TV cable and communication cable network) to allow for future industrial and technological development.

- The Wise County IDA, working with a local engineering firm, is moving forward with design of a two-lane VDOT approved entrance into the 17-acre development behind the current Wise County Christian School. It is anticipated that coal severance funds will be used to cover the cost of construction of this road.
- After being selected as one of five (5) sites in Southwest Virginia and Southside Virginia by the Virginia Tobacco Commission, the Wise County IDA has completed construction of the Appalachian American Energy Research Center with a ribbon cutting ceremony held in the Fall of 2010.
- Wise County continues to work using coal severance funds to secure expansion of State Route 757 into a 3 lane road to facilitate development in that area. Necessary funds have been identified from unused funds on another project to be combined with VDOT Revenue Sharing Funds to fund the design of Rt. 757 improvements and possibly facilitate the beginning of construction.
- The Wise County PSA anticipates completion of the Stephens/Guest River Sewer Interceptor Sewer Lines in December 2010 or January 2011, which will service the wastewater needs of the Guest River Watershed areas from the Glamorgan community to the Esserville community.
- The Wise County PSA and the Wise County IDA worked in a collaborative effort to see the Fairgrounds Sewer Project completed with wastewater now flowing in the area in and around the Wise County Fairgrounds, the Hurricane community, and parts of the Coeburn Mountain Community. Final inspection has been held and project closeout has begun.
- The Wise County PSA, working with the City of Norton, anticipates completion of the long awaited Josephine Sewer Project in December 2010 with between 45 to 50 homes already hooked up to public sewer. Prior to the completion of these improvements, much of the wastewater in this community was entering failing septic systems or direct straight piping into the Powell River.
- Exterior renovations to the Wise County Courthouse were completed and final inspection held.
- The Spearhead Trails Program consisting of Wise County, the City of Norton, and neighboring counties continues to move forward to secure funding. After a successful regional symposium was held in Norton, interest has piqued and work continues to secure a director, design trails, and secure funding.
- The Wise County IDA and the Dickenson County IDA, after entering into an agreement to develop the Coalfield Agricultural Center located on the line between Wise and Dickenson County has seen completion of the Agricultural Center Building, a roof placed over the live stock pens, and the completion of the new education center building. There are held at the Center, monthly horse shows, periodic stock sales where local veterinarians can check cattle and such events as Family Safety Day. Meeting there are the Bee Keepers Association, the Beef Cattle Association, and the Cumberland Horse Riders.
- 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 located at the Pound Gap and on the lawn of the Wise County Courthouse.
- The Wise County PSA completed work on the Raw Water System to serve the new Dominion Energy Plant from the Clinch River.
- The Wise County PSA has secured grant funding for updating the filtering system and the telemetry system at the Wise County Carfax Water Treatment Plant.

- After securing a deed to the property currently known as the Wise County Christian School, Wise County is moving forward toward completion of that portion of the building which will house the Wise County Central Dispatch, the Magistrate's Office, Sheriff's Office Processing, and the GIS Office. After completion of all parts of the building, the building will be called the Wise County Justice Center which will also house the Sheriff's Office and EOC.
- The County of Wise and the City of Norton nears completion of the agreement between the two parties to allow for wastewater flow from the new Stephens/Guest River Sewer Interceptor Sewer Lines into and through the City of Norton.
- Work on the Dominion Energy-Virginia City Coal Fired Plant continues toward completion with an anticipated completion date of Summer/Fall 2012.
- After securing grant funding from VCEDA, the VA Tobacco Commission, and the Virginia Department of Housing and Community Development, the Wise County IDA has made much progress toward completion of the restoration of the exterior of the Wise Inn. Work moves forward in such a way as to ensure future financial assistance from the Department of Historical Resources and investment tax credits.
- Wise County, while working with the Town of Big Stone Gap and Appalachia, and working through the LENOWISCO Planning District Office has advertised for RFP for removal of the existing rail and shoring up of bridge structures associated with the new Powell River Trail -- a walking and biking trail between the Town of Appalachia and Big Stone Gap. Total First Phase Funding is approximately \$380,000.00.
- For the Upper Exeter Sewer System, grant funds have been secured as follows: \$1,000,000.00-Southern River/DHCD; \$109,000.00-LENOWISCO and \$665,000.00- DEQ. The estimated cost of the project is \$1,774,000.00 with an advertisement date of January 11, 2011 and an anticipated completion date of October 2011.
- Wise County, working in conjunction with "Hands Across the Mountain," moves forward with the Black Mountain Overlook Project with an estimated cost of \$105,000.00 and estimated completion date of August 2011.
- Wise County PSA has begun design work on a sewer project for the area around State Route 757 and necessary application for funding has been filed. Estimated construction cost of \$1,800,000.00 and estimated date of August 2011.
- The long awaited expansion of the Wise County Landfill at Blackwood nears completion. The completion of this 4.5 acre cell will allow the County the option of shipping or landfilling solid waste.
- Wise County IDA conveyed five acres of land in Lonesome Pine Business and Technology Park for construction of new facility for Wise County Christian School. Construction is ongoing with anticipated completion late Spring 2011.
- Wise County IDA has secured tenant for the Appalachia America Energy Research Center and has, accordingly, successfully negotiated a termination agreement with AVRC for the management of the facility.
- Wise County IDA has acquired title, as a place holder, to the abandoned Norfolk-Southern Railway right-of-way between Appalachia and Big Stone Gap to develop a bicycle/pedestrian trail between the two towns.
- Wise County IDA also purchased the former Bandag building on West Main Street, Appalachia to be used as a trail head as the trails project evolves.

## Prospects for the Future

- The Wise County IDA continues negotiations with a proposed tenant for the new AAERC Research Center located in the Lonesome Pine Business and Technology Park.
- After securing the necessary land and hosting a successful groundbreaking, the Wise County IDA is moving forward toward construction for the new dental clinic building and related structures.
- The Wise County IDA is working with the Wise County Coal Severance Tax Committee to secure funding for completion of the road into the area of the new Appalachian America Energy Research Center, the entrance road for development of a new 17 acre parcel off Coeburn Mountain Road State Route 646, and the extension of the 4-lane road running through the Technology Park to Pole Bridge Road near the entrance to the Lonesome Pine Airport Terminal Building.
- The Wise County IDA continues to move forward to secure a developer, operator or developer/operator for the Wise Inn to bring to Wise County and the Southwest Virginia region a first-class historical hotel and restaurant. Development of tourism and the basic economy, demand that an area have four (4) areas covered: 1. Strong branding-- The Crooked Road, the Artisan Trail and Country Music Highway; 2. Something to sell: mountain culture, mountain music, mountain crafts and rich cultural history; 3. A place or places to sleep and 4. A place or places for people to eat. The restoration of the Wise Inn will move us closer to that goal.
- Boundary adjustments for Enterprise Zone completed and approved by Department of Housing and Community Development
- 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.
- 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.
- Wise County has made applications for a VDOT Enhancement Grant in the amount of \$425,000.00 - \$450,000.00 which will extend the Powell River Trails Project from Bee Rock Tunnel to the Powell River. Estimated Construction Cost is \$450,000.00
- The Wise County PSA has filed applications for funding and completed necessary community canvassing to secure sewer improvements for the Roda Community.
- Working with the Wise County Coal Severance Committee, Wise County has identified possible funds to complete the new service road and second entrance and exit for Mountain Empire Community College.

- The Wise County PSA continues to evaluate the opportunities provided to Wise County by possibly participating in the expansion of the CNW Treatment Plant from 4 mgd to 6 mgd. Estimated cost of the CNW Plant expansion is \$10 million to \$12 million. Wise County could possibly use fifty (50) percent of the expanded capacity.
- The Wise County PSA has applied for funding in the amount of \$4,500,000.00 to improve water flow from the Club Scotty area through Dunbar and into Appalachia. This project would complete a loop from the Wise County PSA to the Town of Appalachia.
- The Wise County PSA is seeking funding for improvements related to a Pump Station and water tank at Bull Run which will allow for an alternate system to pump from the water treatment plant at Carbo to enter the entire Wise County PSA Water system.
- The Wise County PSA has applied for funding for improvements in water flow in the area of Pole Bridge Road and Coeburn Mountain by installation of a water tank at the Fairgrounds area.
- The Wise County PSA has applied for funding for emergency generators at the Carfax Water Treatment Plant and pump stations located throughout the Wise County PSA water system.
- Wise County continues efforts associated with the County's participation in all new equipment for the Wise County Dispatch.
- Wise County PSA is participating with the Town of St. Paul and the Castlewood Industrial Development Authority to expand the St. Paul Wastewater Treatment Plant by .999 million gallons. The cost of the expansion is \$6.548 million, with funding from Rural Development. Should this project be financed and become reality, Wise County PSA will participate twenty (20) percent, Castlewood thirty (30) percent and the Town of St. Paul fifty (50) percent. This would allow Wise County to serve the areas of Bull Run and Carfax with sewer service.
- Wise County IDA conveyed approximately two acres of land in the Bear Creek Business Park to the Health Wagon for construction of building to centralize medical services to citizens of Wise and Dickenson Counties.
- Wise County IDA is negotiating with prospect for acquisition of five acres in Bear Creek Business Park on which to locate service facility.
- Wise County IDA has secured VCEDA funds to match Tobacco Commission funding to conduct feasibility study for location of a School of Dentistry in Wise County.
- Wise County IDA has secured \$1.5 million grant from the Tobacco Commission for development of a project at former Pace Carbon Fuel site in Blackwood.
- Wise County IDA continues to work with Dominion Energy personnel, as needed, in the completion of the coal-fired power plant at Virginia City. Also, IDA is deeply involved with a natural gas-fired electric generating plant and continuing in efforts to establish a wind turbine facility for generation of electricity with Dominion.
- Wise County IDA is working with an independent company to secure approvals and funding for a solar power electric generating plant.

For the 2010-2011 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$52,385,903.

### **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 \$429,080. This is a significant decrease from interest and dividends earned on

temporary investments in Fiscal Year 2008-2009 when the interest on investments totaled \$1,028,585.00. This decrease is due to significantly lower interest rates and a non-recurring item that occurred in FY 2008-2009.

## **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**

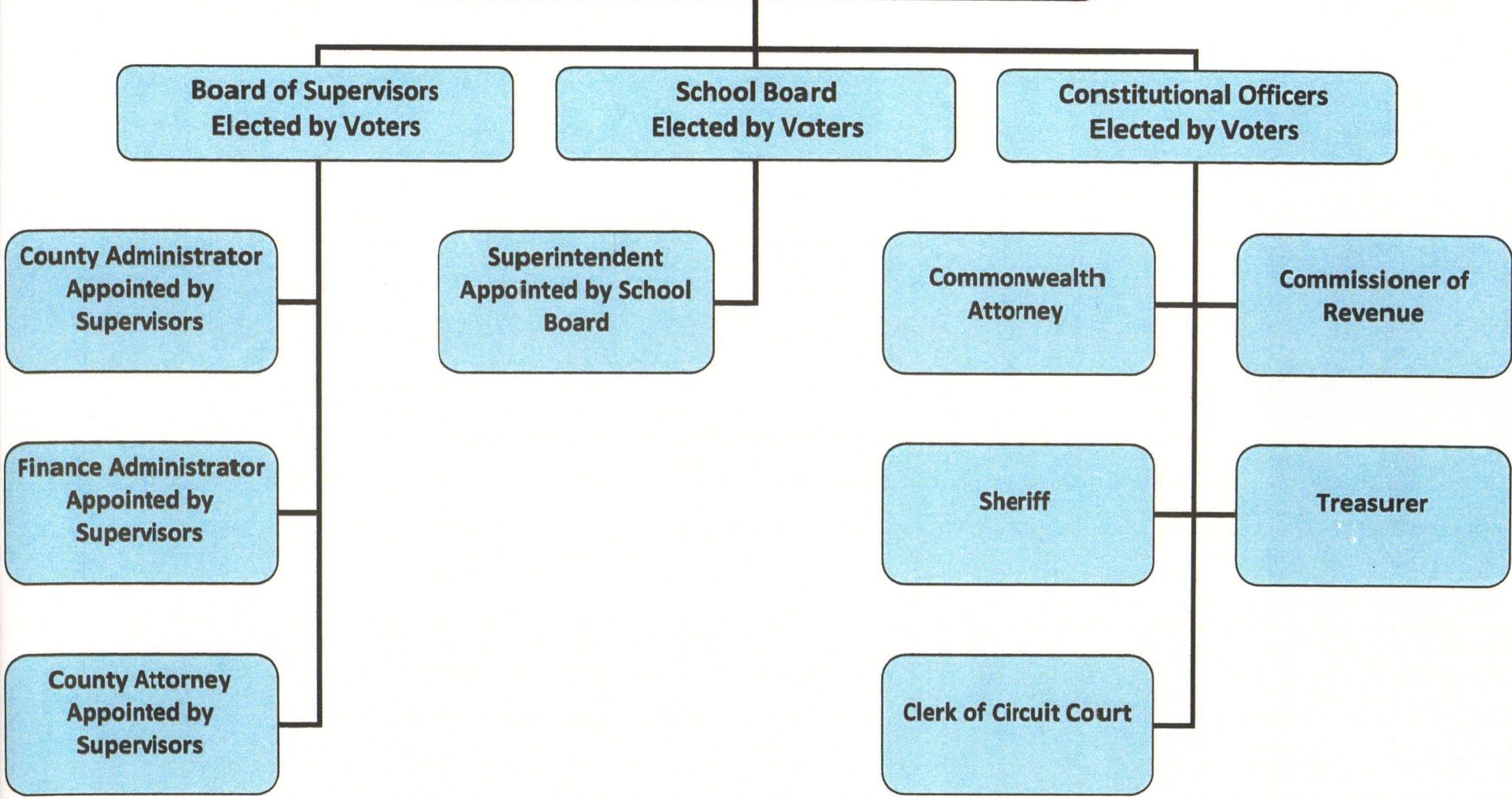
I would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



David L. Cox, CPA  
County Financial Administrator

**COUNTY OF WISE, VIRGINIA  
ORGANIZATIONAL CHART  
JUNE 30, 2010**



COUNTY OF WISE, VIRGINIA  
DIRECTORY OF PRINCIPAL OFFICIALS

BOARD OF SUPERVISORS

J.H. Rivers, Chairman  
Dana G. Kilgore, Vice-Chairperson

Robbie E. Robbins  
Steve Bates  
Robert R. Adkins

Ronald L. Shortt  
Fred Luntsford  
Virginia Meador

COUNTY SCHOOL BOARD

Ted Thompson, Chairman  
Nolan Kilgore, Vice-Chairman

Mike Mullins  
Rocky Cantrell  
Betty Cornett

Vanessa Perry  
Phillip Bates  
Mark Hutchinson

Judy Clawson, Clerk of the School Board

WISE COUNTY PUBLIC SERVICE AUTHORITY

Dana Kilgore, Chairperson  
Bob Adkins, Vice-Chairman  
J.H. Rivers, Treasurer

Danny Mullins  
Ralph Gilley  
Jim Flanary

Fred Luntsford  
Albert Elkins

COUNTY SOCIAL SERVICES BOARD

Charles Bennett, Chairman  
John Graham, Vice-Chairman

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  
County Financial Administrator  
County Attorney

Shannon C. Scott  
David L. Cox  
Karen T. Mullins

**Constitutional Officers**

Clerk of the Circuit Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff

Jack Kennedy  
Ronald K. Elkins  
Douglas Mullins, Jr.  
Delores W. Smith  
Ronnie D. Oakes

**Courts**

Chief Judge of the Circuit Court  
Judge of the Circuit Court  
Judge of the Circuit Court  
Chief Judge of the District Court  
Judge of the District Court  
Judge of Juvenile & Domestic Relations Court  
Judge of Juvenile & Domestic Relations Court

John C. Kilgore  
Joseph R. Carico  
Tammy McElyea  
Larry Lewis  
Chadwick S. Dotson  
Elizabeth Wills  
Jeff Hamilton

**Component Units**

Superintendent of Schools  
Director of Public Service Authority

Jeff Perry  
Danny Buchanan

**Other**

Director of Social Services

Thomas Stanley

# LARRY D. STURGILL, P. C.

LARRY D. STURGILL

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANT

MEMBER  
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## 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, 2010, 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 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, 2010, 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.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 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 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 - 10 and 79 - 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 on 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 nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.



Larry D. Sturgill  
Certified Public Accountant  
Wise, Virginia  
November 30, 2010

# Wise County Board of Supervisors



## Office of County Administrator

COURTHOUSE

WISE, VIRGINIA 24293

TELEPHONE 276-328-2321  
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P.O. BOX 570  
206 E. MAIN STREET

November 30, 2010

### MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors  
And 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, 2010. 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-vii of this report. All accounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **Financial Highlights**

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$34,894,071 (net assets). Of this amount, \$ 7,399,196 (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 \$27,631,941, an increase of \$2,822,140 in comparison with the prior year. Approximately 31 percent of this total amount, \$8,788,539 is available for spending at the County's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$8,788,539, or 19.43% percent of total general fund expenditures.

The County of Wise, Virginia's total debt increased by \$1,809,259 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
- 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 inter-governmental 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 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 \$34,894,071 at the close of the most recent fiscal year.

A portion of the County’s net assets (18.36 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)**

<b><u>County of Wise, Virginia's Net Assets</u></b>		
	<b><u>Primary Governmental Activities and Business-Type Activities</u></b>	
	<b><u>2009</u></b>	<b><u>2010</u></b>
Current and other assets	\$ 31,928,324	\$ 36,911,877
Capital assets	<u>27,383,018</u>	<u>27,202,416</u>
 Total assets	 <u>\$ 59,311,342</u>	 <u>\$ 64,114,293</u>
Long-term liabilities outstanding	\$ 20,716,765	\$ 21,917,171
Current liabilities	<u>5,362,899</u>	<u>7,303,051</u>
Total liabilities	<u>\$ 26,079,664</u>	<u>\$ 29,220,222</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 13,516,059	\$ 13,283,086
Restricted	20,514,450	24,697,110
Unrestricted	<u>(798,831)</u>	<u>(3,086,125)</u>
Total net assets	<u>\$33,231,678</u>	<u>\$ 34,894,071</u>

At the end of the current fiscal year, the County is able to report positive balances in 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 \$1,662,393  
Key elements of this increase are as follows:

	<b>Primary Governmental Activities and Business-Type Activities</b>	
	<b><u>2009</u></b>	<b><u>2010</u></b>
Revenues:		
Program revenues:		
Charges for services	\$ 972,339	\$ 1,147,645
Operating grants and contributions	13,557,097	15,426,236
General Revenues:		
Property taxes	\$ 18,084,629	\$ 19,130,788
Other Local taxes	24,462,819	22,173,040
Other	1,673,471	949,832
Total revenues	<u>\$ 58,750,355</u>	<u>\$ 58,827,541</u>
Expenses		
General government	\$ 3,173,985	\$ 2,960,325
Judicial administration	2,633,756	2,721,904
Public safety	7,408,890	7,782,248
Public works	1,063,159	1,120,083
Health and welfare	13,845,186	13,776,969
Education	15,078,593	14,945,799
Parks, recreation and culture	921,759	936,592
Community development	7,246,421	7,418,010
Nondepartmental	5,785,819	5,444,394
Interest	62,256	58,824
Total expenses	<u>\$ 57,219,824</u>	<u>\$ 57,165,148</u>
Increase (decrease) in net assets	\$ 1,530,531	\$ 1,662,393
Net assets – beginning	<u>31,701,147</u>	<u>33,231,678</u>
Net assets – ending	<u>\$ 33,231,678</u>	<u>\$ 34,894,071</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 \$27,631,941 an increase of \$2,822,140 in comparison with the prior year. Approximately 31 percent of this total amount (\$8,788,539) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved, as to indicate it 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 \$8,788,539, while the total fund balance was \$17,989,669. 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 19.43 percent of total general fund expenditures, while total fund balance represents 39.8 percent of that same amount.

The general fund balance increased \$2,004,145 during the current fiscal year.

The special revenue funds has a total fund balance of \$9,642,272, all of which is reserved for future projects. The fund balance increased \$817,995 during the current year.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$1,952,785 increase in appropriations) and can be briefly summarized as follows:

- \$54,704 increase in general government administration
- \$85,987 increase in judicial administration
- \$67,650 increase in public safety expenditures
- \$129,000 increase in public work expenditures
- \$827,788 increase in health and welfare expenditures
- \$0 increase in education expenditures
- \$0 increase in Parks, Recreation & Cultural

- \$686,600 increase in community development
- \$101,056 increase in non-departmental

This increase was primarily funded by higher than anticipated revenues from various sources.. During the year, however, primary government revenues exceeded budgetary estimates by \$1,134,500 and primary government expenditures were less than budgetary estimates by \$2,165,668.

Capital Asset and Debt Administration

Capital assets – The county’s investment in capital assets for its governmental activities as of June 30, 2010 amounts to \$ 20,359,697 (net of accumulated depreciation). This investment in capital assets land, buildings and improvements, and machinery and equipment. The total decrease in the County’s investment in capital assets for the current fiscal year was \$263,576.

<u>County of Wise, Virginia’s Change in Net Capital Assets</u>		
	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2010</u>
Land	\$ 1,560,000	\$ 1,560,000
Buildings	28,848,701	28,921,108
Equipment	<u>3,847,998</u>	<u>4,310,331</u>
Total	34,256,699	34,791,439
Less: Accumulated Depreciation	<u>(13,633,426)</u>	<u>(14,431,742)</u>
Net capital assets	<u>\$ 20,623,273</u>	<u>\$20,359,697</u>

Additional information on the County’s capital assets can be found in Note 17.

Long-term debt - At the end of the current fiscal year, the County had total primary government debt outstanding of \$17,963,099, including claims, judgments, OPEB GASB 45 liability and compensated absences of \$1,047,845. Of this amount \$16,915,254 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County’s total primary government debt increased by \$1,809,259.

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 2011 fiscal year. The September 2010 unemployment rate for the County is 7.0 percent, which is unchanged from the rate of 7.0 percent in 2009. This exceeds the state's unemployment rate of 6.8 percent and is below the national average rate of 9.6 percent as of September 2010.

All of these factors were considered in preparing the County's budget for the 2011 fiscal year.

### **Budget and Rates**

The approved budget is \$ 52,385,903 for fiscal year 2010-2011. The appropriate tax rates for the 2010-2011 year are as follows: 57 cents 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.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

COUNTY OF WISE, VIRGINIA  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

EXHIBIT 1

ASSETS	GOVERNMENTAL FUNDS		TOTAL GOVERNMENTAL ACTIVITIES
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUE	
<b>CURRENT ASSETS</b>			
Cash	\$ 10,695	647,117	657,812
Petty Cash	6,000	-	6,000
Investments	15,718,543	8,689,258	24,407,801
Reserved Deposits	-	-	-
Bond Insurance Costs	-	-	-
Receivable (Net Of Allowances For Uncollectibles):			
Taxes	2,625,286	-	2,625,286
Accounts	93,785	-	93,785
Mineral Taxes	501,052	478,348	979,400
Due From Other Governmental Units	843,809	456,042	1,299,851
Due From Other Funds	255,719	520,658	776,377
<b>TOTAL CURRENT ASSETS</b>	<b>20,054,889</b>	<b>10,791,423</b>	<b>30,846,312</b>
<b>NONCURRENT ASSETS</b>			
Capital Assets:			
Land	1,560,000	-	1,560,000
Buildings and equipment, net of depreciation	18,439,493	360,204	18,799,697
<b>TOTAL NONCURRENT ASSETS</b>	<b>19,999,493</b>	<b>360,204</b>	<b>20,359,697</b>
<b>TOTAL ASSETS</b>	<b>\$ 40,054,382</b>	<b>\$ 11,151,627</b>	<b>51,206,009</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 980,845	\$ 606,559	\$ 1,587,404
Due To Other Funds	520,658	42,821	563,479
Due To Other Governmental Units	-	499,771	499,771
Premium on Bonds Payable	-	-	-
Due To Customers - Deposits	-	-	-
Deferred Revenues - Taxes	1,089,022	-	1,089,022
OPEB GASB 45 Liability	122,771	5,826	128,597
Claims, Judgments & Compensated Absences	763,794	-	763,794
Current Portion of Long-Term Obligations	1,706,307	-	1,706,307
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,183,397</b>	<b>1,154,977</b>	<b>6,338,374</b>
<b>NONCURRENT LIABILITIES</b>			
Landfill Closure Cost Liability	-	-	-
Noncurrent Portion of Long-Term Obligations	11,663,466	-	11,663,466
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>11,663,466</b>	<b>-</b>	<b>11,663,466</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 16,846,863</b>	<b>\$ 1,154,977</b>	<b>18,001,840</b>
<b>NET ASSETS</b>			
Investment In Capital Assets, net of related debt	\$ 6,607,193	\$ 360,204	6,967,397
Restricted Assets	9,201,130	9,636,446	18,837,576
Unrestricted Assets	7,399,196	-	7,399,196
<b>TOTAL NET ASSETS</b>	<b>\$ 23,207,519</b>	<b>\$ 9,996,650</b>	<b>33,204,169</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 40,054,382</b>	<b>\$ 11,151,627</b>	<b>51,206,009</b>

BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS	
		SCHOOL BOARD	PUBLIC SERVICE AUTHORITY
\$ 73,394	\$ 731,206	\$ 623,805	\$ 493,642
-	6,000	200	1,000
3,169,599	27,577,400	3,771,944	1,508,900
2,707,912	2,707,912	-	2,703,039
-	-	-	11,431
-	2,625,286	-	-
114,660	208,445	188,303	193,483
-	979,400	-	-
-	1,299,851	3,127,583	-
-	776,377	-	-
6,065,565	36,911,877	7,711,835	4,911,495
207,500	1,767,500	1,358,879	165,000
6,635,219	25,434,916	27,674,355	24,243,931
6,842,719	27,202,416	29,033,234	24,408,931
<u>\$ 12,908,284</u>	<u>\$ 64,114,293</u>	<u>\$ 36,745,069</u>	<u>\$ 29,320,426</u>
\$ 346,788	\$ 1,934,192	\$ 1,066,403	\$ 124,130
212,898	776,377	-	-
-	499,771	-	-
-	-	-	10,264
-	-	-	366,780
-	1,089,022	-	-
22,666	151,263	676,479	-
132,788	896,582	262,283	56,956
249,537	1,955,844	176,395	243,232
964,677	7,303,051	2,181,560	801,362
6,957,761	6,957,761	-	-
3,295,944	14,959,410	1,360,312	4,775,024
10,253,705	21,917,171	1,360,312	4,775,024
<u>\$ 11,218,382</u>	<u>\$ 29,220,222</u>	<u>\$ 3,541,872</u>	<u>\$ 5,576,386</u>
6,315,689	\$ 13,283,086	\$ 27,557,559	\$ 23,498,792
5,859,534	24,697,110	-	2,558,777
(10,485,321)	(3,086,125)	5,645,638	(2,313,529)
<u>\$ 1,689,902</u>	<u>\$ 34,894,071</u>	<u>\$ 33,203,197</u>	<u>\$ 23,744,040</u>
<u>\$ 12,908,284</u>	<u>\$ 64,114,293</u>	<u>\$ 36,745,069</u>	<u>\$ 29,320,426</u>

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS and CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities				
General Government Administration	\$ 2,960,325	\$ 24,669	\$ -	\$ (2,935,656)
Judicial Administration	2,721,904	51,081	139,685	(2,531,138)
Public Safety	7,782,248	-	1,282,155	(6,500,093)
Public Works	1,120,083	-	-	(1,120,083)
Health & Welfare	13,776,969	310,945	11,569,126	(1,896,898)
Education	14,945,799	-	-	(14,945,799)
Parks, Recreation & Cultural	936,592	-	5,000	(931,592)
Community Development	7,418,010	-	2,417,407	(5,000,603)
Non-Departmental	268,434	-	-	(268,434)
Interest & Fiscal Charges	58,824	-	-	(58,824)
Total Governmental Activities	\$ 51,989,188	\$ 386,695	\$ 15,413,373	\$ (36,189,120)
<b>Business-Type Activities</b>				
Landfill	4,823,735	677,068	12,863	
Sewer	352,225	83,882	-	
Total Business-Type Activities	5,175,960	760,950	12,863	
Total Primary Government	\$ 57,165,148	\$ 1,147,645	\$ 15,426,236	
<b>COMPONENT UNITS:</b>				
School Board	70,302,697	1,242,402	69,330,593	
Public Service Authority	3,043,363	1,641,333	1,376,368	
Total Component Units	\$ 73,346,060	\$ 2,883,735	\$ 70,706,961	
<b>General Revenues</b>				
Taxes:				
Property Taxes, levied for general purposes			\$	19,130,788
Utility Taxes				471,856
Mineral Taxes				10,178,049
Franchise Taxes				202,646
Local Sales & Use Taxes				4,793,226
Other Local Taxes				280,121
Grants and Contributions, not restricted to specific programs				6,247,142
Investment Income				429,080
Miscellaneous				451,750
Operating Transfers				(2,713,509)
Total General Revenue			\$	39,471,149
Change in Net Assets			\$	3,282,029
Net Assets, July 01, 2009				29,922,140
Net Assets, June 30, 2010			\$	33,204,169

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
	\$ (2,935,656)		
	(2,531,138)		
	(6,500,093)		
	(1,120,083)		
	(1,896,898)		
	(14,945,799)		
	(931,592)		
	(5,000,603)		
	(268,434)		
	(58,824)		
	\$ (36,189,120)		
\$ (4,133,804)	\$ (4,133,804)		
\$ (268,343)	(268,343)		
(4,402,147)	(4,402,147)		
	\$ (40,591,267)		
		270,298	
			(25,662)
\$ -	19,130,788	\$ -	\$ -
-	471,856	-	-
-	10,178,049	-	-
-	202,646	-	-
-	4,793,226	-	-
-	280,121	-	-
-	6,247,142	-	-
69,002	498,082	43,895	83,157
-	451,750	1,299,418	70,056
2,713,509	-	-	-
\$ 2,782,511	\$ 42,253,660	\$ 1,343,313	\$ 153,213
\$ (1,619,636)	\$ 1,662,393	\$ 1,613,611	\$ 127,551
3,309,538	33,231,678	31,589,586	23,616,489
\$ 1,689,902	\$ 34,894,071	\$ 33,203,197	\$ 23,744,040



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**FUND FINANCIAL STATEMENTS**

	PRIMARY GOVERNMENT		
	GENERAL FUND	OTHER GOVERNMENTAL FUNDS SPECIAL REVENUES	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 15,735,238	\$ 9,336,375	\$ 25,071,613
Receivables (Net of allowances for uncollectibles):			
Taxes, including penalties	2,824,494	478,348	3,302,842
Accounts	93,785	-	93,785
Due from Component Unit	2,260,315	-	2,260,315
Due from Other Funds	255,719	520,658	776,377
Due from Other Governmental Units	843,809	456,042	1,299,851
<b>TOTAL ASSETS</b>	<b>\$ 22,013,360</b>	<b>\$ 10,791,423</b>	<b>\$ 32,804,783</b>
<u>LIABILITIES</u>			
Accounts Payable	\$ 980,845	\$ 606,559	\$ 1,587,404
Due to Other Funds	520,658	42,821	563,479
Due to Other Governmental Units	-	499,771	499,771
Deferred Revenue	2,522,188	-	2,522,188
<b>TOTAL LIABILITIES</b>	<b>\$ 4,023,691</b>	<b>\$ 1,149,151</b>	<b>\$ 5,172,842</b>
<u>FUND BALANCES</u>			
Reserved	9,201,130	9,642,272	18,843,402
Unreserved	8,788,539	-	8,788,539
<b>TOTAL FUND BALANCES</b>	<b>\$ 17,989,669</b>	<b>\$ 9,642,272</b>	<b>\$ 27,631,941</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,013,360</b>	<b>\$ 10,791,423</b>	<b>\$ 32,804,783</b>

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

Total Fund Balance June 30, 2010 \$ 27,631,941

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. 20,359,697

Adjustment for amounts due to/due from primary government (2,260,315)

Because 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. 1,735,010

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. (14,262,164)

Net assets of General Government Activities \$ 33,204,169

COUNTY OF WISE, VIRGINIA  
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 4

<u>PRIMARY GOVERNMENT</u>	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES:</b>			
General Property Taxes	18,726,850	-	\$ 18,726,850
Other Local Taxes	10,924,159	4,982,222	15,906,381
Permits, Privilege Fees & Regulatory Licenses	50,992	-	50,992
Fines & Forfeitures	15,741	19,611	35,352
Revenues From Use Of Money & Property	315,302	113,778	429,080
Charges For Services	376,865	9,830	386,695
Miscellaneous	33,165	101,980	135,145
Recovered Costs	230,261	-	230,261
Intergovernmental	19,624,493	2,036,022	21,660,515
TOTAL REVENUES	<u>\$ 50,297,828</u>	<u>\$ 7,263,443</u>	<u>\$ 57,561,271</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government Administration	\$ 2,991,622	195	\$ 2,991,817
Judicial Administration	2,650,602	18,470	2,669,072
Public Safety	7,120,451	410,268	7,530,719
Public Works	1,660,371	180,914	1,841,285
Health & Welfare	13,879,772	-	13,879,772
Education	14,031,412	-	14,031,412
Parks, Recreation & Cultural	894,648	-	894,648
Community Development	1,259,407	6,179,922	7,439,329
Non-Departmental	268,434	-	268,434
<b>Debt Service:</b>			
Principal Retirement	420,310	-	420,310
Interest & Fiscal Charges	58,824	-	58,824
TOTAL EXPENDITURES	<u>\$ 45,235,853</u>	<u>\$ 6,789,769</u>	<u>\$ 52,025,622</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 5,061,975</u>	<u>\$ 473,674</u>	<u>\$ 5,535,649</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	\$ 449,849	\$ 794,170	\$ 1,244,019
Operating Transfers Out	(3,507,679)	(449,849)	(3,957,528)
Proceeds from Issuance of Debt	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (3,057,830)</u>	<u>\$ 344,321</u>	<u>\$ (2,713,509)</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	<u>\$ 2,004,145</u>	<u>\$ 817,995</u>	<u>\$ 2,822,140</u>
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	<u>15,985,524</u>	<u>8,824,277</u>	<u>24,809,801</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,989,669</u>	<u>\$ 9,642,272</u>	<u>\$ 27,631,941</u>

County of Wise, Virginia  
 Reconciliation of Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended June 30, 2010

	<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	\$ 2,822,140
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.	718,355
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	423,455
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.	(121,977)
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.	(65,867)
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>(494,077)</u>
Change in net assets of governmental activities	<u>\$ 3,282,029</u>

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN NET ASSETS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 6

OPERATING REVENUES:		
Landfill Usable Fees	\$ 665,782	
Sewer Rents	14,879	
Other Revenues	<u>80,289</u>	
TOTAL OPERATING REVENUES		\$ 760,950
OPERATING EXPENSES:		
Other Operating Charges	4,089,820	
Landfill Closure Expense	547,678	
Depreciation	<u>514,103</u>	
TOTAL OPERATING EXPENSES		<u>5,151,601</u>
NET OPERATING INCOME (LOSS)		\$ (4,390,651)
NON-OPERATING REVENUE AND EXPENSE		
Grant Receipts	\$ 12,863	
Interest Revenue	69,002	
Interest Expense	<u>(24,359)</u>	
TOTAL NON-OPERATING REVENUE AND EXPENSE		<u>57,506</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS		\$ (4,333,145)
NET OPERATING TRANSFERS		<u>2,713,509</u>
NET INCOME (LOSS)		\$ (1,619,636)
NET ASSETS AT BEGINNING OF YEAR		<u>3,309,538</u>
NET ASSETS AT END OF YEAR		<u>\$ 1,689,902</u>

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 7

Cash Flow From Operating Activities:

Cash Received from Customers	\$ 721,069	
Cash Payments to Suppliers for Goods & Services	<u>(3,906,956)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (3,185,887)

Cash Flow from Noncapital Financing Activities:

Operating Transfers From Other Funds	\$ 2,713,509	
Decrease in Due From Other Funds	<u>9,442</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		2,722,951

Cash Flows from Capital & Related Financing Activities:

Principal Paid on Revenue Bond Maturities	\$ (82,803)	
Interest Paid on Debt Obligations	(24,359)	
Proceeds from General Obligation Loans	3,225,951	
Principal Paid on General Obligation Loans	<u>(137,548)</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		2,981,241

Cash Flows form Investing Activities:

Sinking Fund Deposits	(149,850)	
Interest Earned on Investments	69,002	
State Grant Receipts	12,863	
Decrease in Investments	(1,968,466)	
Purchase of Equipment	<u>(671,424)</u>	
NET CASH PROVIDED FORM INVESTING ACTIVITIES		<u>(2,707,875)</u>

NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS \$ (189,570)

CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR 262,965

CASH & CASH EQUIVALENTS AT END OF YEAR \$ 73,395

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

Operating Income \$ (4,390,651)

Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:

Depreciation	\$ 514,103	
Decrease in Accounts Receivable	(39,881)	
Increase in Closure Cost Liability	547,678	
Increase (Decrease) in Accrued Compensation	18,205	
Increase (Decrease) in OPEB GASB 45 Liability	11,635	
Increase in Accounts Payable	<u>153,024</u>	
TOTAL ADJUSTMENTS		<u>1,204,764</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES \$ (3,185,887)

COUNTY OF WISE, VIRGINIA  
COMBINED STATEMENT OF FIDUCIARY NET ASSETS  
AT JUNE 30, 2010

EXHIBIT 8

	<u>ASSETS</u>	<u>AGENCY FUNDS</u>
ASSETS		
Cash		\$ 186,817
Due From Other Governmental Units		569,524
TOTAL ASSETS		<u>\$ 756,341</u>

	<u>LIABILITIES</u>	
LIABILITIES:		
Due To:		
Social Service Clients		\$ 85,718
Governmental Units		207,833
Due To Other Funds		462,790
TOTAL LIABILITIES		<u>\$ 756,341</u>



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COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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, County Finance Administrator, and the County Attorney. 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, and 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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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

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

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

**A. The Financial Reporting Entity**

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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**B. Individual Component Unit Disclosures**

Discretely Presented Component Units:

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

(2) Wise County Public Service Authority - The County has a financial accountability for the authority, including the appointment of the Authority's governing body, the contribution of a material amount of funds to the Authority and the county serves as the 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 reflects 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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The government reports the following major governmental funds.

(1) Governmental Funds account for the expendable financial resources, other than those accounted for in Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income 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.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**Enterprise Funds**

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

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

(4) 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 Finance 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.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

- (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 Finance Administrator is authorized to transfer budgeted amounts within the school system's categories.
- (5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Fund), and the General Capital Projects Fund.
- (6) All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (7) Appropriations lapse on June 30, for all County units.
- (8) All budget data presented in the accompanying financial statements is the revised budget for the year.

**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 \$623,978 at June 30, 2010.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**G. Cash and Cash Equivalents**

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

**H. Investments**

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

**NOTE 2: 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.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 23,310,972	\$ -	\$ -	\$ 23,310,972	\$ 23,310,972
Investment in Virginia State Non-Arbitrage Program				3,152,028	\$ 3,152,028
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 312,090	\$ 312,090
Total Investments				\$ 26,775,090	\$ 26,775,090
Total Deposits				4,428,245	
Total Deposits and Investments				\$ 31,203,335	

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 3,397,548	\$ -	\$ -	\$ 3,397,548	\$ 3,397,548
Total				\$ 3,397,548	\$ 3,397,548
Investment in State Treasurer's Local Government Investment Pool (LGIP)				\$ 339,248	\$ 339,248
Total Investments				\$ 3,736,796	\$ 3,736,796
Total Deposits				\$ 658,953	
Total Deposits and Investments				\$ 4,395,749	

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

	Category			Carrying Amount	Market Value
	1	2	3		
Certificates of Deposit	\$ 1,508,900	\$ -	\$ -	\$ 1,508,900	\$ 1,508,900
Total Investments				\$ 1,508,900	\$ 1,508,900
Total Deposits				\$ 3,196,681	
Total Deposits and Investments				\$ 4,705,581	

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 3: TAXES RECEIVABLE**

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

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

**NOTE 4: INTERFUND OBLIGATIONS**

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 2,978,824	\$ 520,658
Enterprise Funds	-	212,898
School Fund	-	2,260,315
Local Sales Tax Fund	-	462,790
Community Development Fund	-	42,821
Emergency Numbers Fund	-	-
Coal Road Improvement	520,658	-
	<hr/>	<hr/>
TOTALS	<u>\$ 3,499,482</u>	<u>\$ 3,499,482</u>

**NOTE 5: DUE TO OTHER GOVERNMENTAL UNITS**

	<u>PRIMARY GOVERNMENT</u>	
	<u>SPECIAL REVENUE</u>	<u>FIDUCIARY</u>
Appalachia	\$ 36,697	\$ 13,530
Big Stone Gap	46,836	38,426
Coeburn	37,697	18,273
Pound	34,413	7,849
St. Paul	33,699	7,276
Wise	47,550	21,380
Norton	48,691	-
Public Service Authority	214,188	-
Others	-	58
	<hr/>	<hr/>
TOTALS	<u>\$ 499,771</u>	<u>\$ 106,792</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GENERAL FUND	SPECIAL REVENUE FUND	FIDUCIARY FUND	SCHOOL BOARD
<b>Local Governmental Units:</b>				
Towns	\$ 230,261	\$ -	\$ -	\$ -
School Boards	90,873	-	-	-
<b>TOTAL LOCAL</b>	<b>\$ 321,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Commonwealth of Virginia:</b>				
Tax on Wills	\$ 1,549	\$ -	\$ -	\$ -
Shared Expenses	341,529	-	-	-
Local Sales Taxes	-	-	462,790	-
State Sales Taxes	-	-	-	436,800
Grant Funds	172,814	-	-	518,000
School Funds	-	-	-	-
<b>TOTAL STATE</b>	<b>\$ 515,892</b>	<b>\$ -</b>	<b>\$ 462,790</b>	<b>\$ 954,800</b>
<b>Federal Government:</b>				
Grant Funds	\$ 6,783	\$ 456,042	\$ -	\$ -
School Funds	-	-	-	2,172,783
<b>TOTAL FEDERAL</b>	<b>\$ 6,783</b>	<b>\$ 456,042</b>	<b>\$ -</b>	<b>\$ 2,172,783</b>
<b>TOTAL DUE</b>	<b>\$ 843,809</b>	<b>\$ 456,042</b>	<b>\$ 462,790</b>	<b>\$ 3,127,583</b>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 7: LONG-TERM DEBT**

**PRIMARY GOVERNMENT**

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

**GENERAL LONG-TERM DEBT**

YEAR ENDING JUNE 30,	GENERAL LONG-TERM FINANCING		ENTERPRISE FUNDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	534,945	31,991	249,537	60,891
2012	273,209	20,743	256,633	114,128
2013	284,225	9,728	262,894	107,651
2014	93,417	1,182	240,704	102,074
2015			240,079	96,934
2016			250,079	88,984
2017			255,079	79,550
2018			265,079	68,926
2019			280,079	56,546
2020			295,079	43,811
2021		-	305,079	31,745
2022			315,079	20,371
2023		-	330,079	7,169
TOTALS	<u>\$ 1,185,796</u>	<u>\$ 63,644</u>	<u>\$ 3,545,481</u>	<u>\$ 878,780</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**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
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	2,373,003	425,449	-	-
<b>TOTALS</b>	<b>\$ 5,570,750</b>	<b>\$ 2,876,910</b>	<b>\$ 6,613,227</b>	<b>\$ 773,410</b>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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, 2010, as categorized below:

	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
<b><u>General Long-Term Debt:</u></b>				
General Long-Term Financing	\$ 1,606,106	\$ -	\$ 420,310	\$ 1,185,796
Debt Acquired for School Purposes:				
General Obligations Bonds	45,000	-	45,000	-
VPSA Bond	5,834,463	-	263,713	5,570,750
State Literary Loans	<u>7,298,227</u>	<u>-</u>	<u>685,000</u>	<u>6,613,227</u>
<b>TOTAL LOANS AND BONDS</b>	<b>\$ 14,783,796</b>	<b>\$ -</b>	<b>\$ 1,414,023</b>	<b>\$ 13,369,773</b>
OPEB GASB 45 Liability	62,731	65,866	-	128,597
Claims, Judgments and Compensated Absences	<u>641,817</u>	<u>121,977</u>	<u>-</u>	<u>763,794</u>
<b>TOTAL GENERAL LONG-TERM DEBT</b>	<b>\$ 15,488,344</b>	<b>\$ 187,843</b>	<b>\$ 1,414,023</b>	<b>\$ 14,262,164</b>
<b><u>Enterprise Fund:</u></b>				
VRA Revenue Bonds	\$ 82,803	\$ -	\$ 82,803	\$ -
VRA General Obligation Bonds		\$ 3,225,951		\$ 3,225,951
General Long-Term Financing Loans	<u>457,078</u>	<u>-</u>	<u>137,548</u>	<u>319,530</u>
<b>TOTAL LOANS AND BONDS</b>	<b>\$ 539,881</b>	<b>\$ 3,225,951</b>	<b>\$ 220,351</b>	<b>\$ 3,545,481</b>
OPEB GASB 45 Liability	11,032	11,634	-	22,666
Claims, Judgements and Compensated Absences	<u>114,583</u>	<u>18,205</u>	<u>-</u>	<u>132,787</u>
<b>TOTAL ENTERPRISE FUND</b>	<b>\$ 665,496</b>	<b>\$ 3,255,790</b>	<b>\$ 220,351</b>	<b>\$ 3,700,935</b>
<b>TOTAL PRIMARY GOVERNMENT DEBT</b>	<b><u>\$ 16,153,840</u></b>	<b><u>\$ 3,443,633</u></b>	<b><u>\$ 1,634,374</u></b>	<b><u>\$ 17,963,099</u></b>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

NOTE 7: LONG-TERM DEBT (Continued)

AMOUNT  
OUTSTANDING

DETAILS OF LONG-TERM INDEBTEDNESS

General Long-Term Debt:

**General Long-Term Financing:**

\$472,000 Loan payable to BB&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.	53,618
\$475,000 Loan payable to BB&T Bank issued November 13, 2003, due in 120 monthly installments of \$4,849.88; interest payable at 4.18% annually.	180,794
\$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.	191,765
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	540,960
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.	<u>218,659</u>
<b>TOTAL GENERAL LONG-TERM FINANCING</b>	<b><u>\$ 1,185,796</u></b>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**DETAILS OF LONG-TERM INDEBTEDNESS**

**General Long-Term Debt:**

**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%.

\$ 5,570,750

**TOTAL VPSA BONDS**

**\$ 5,570,750**

**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%.

200,000

\$3,700,000 State Literary Fund loan issued March 01, 2001, due in annual installments of \$185,000 through 2021; interest payable at 2%.

2,035,000

\$2,978,227 State Literary Fund loan issued December 15, 2000, due in annual installments of \$150,000 through 2021; interest payable at 2%.

1,628,227

\$5,000,000 State Literary Fund loan issued March 15, 2001, due in annual installments of \$250,000 through 2021; interest payable at 2%.

2,750,000

**TOTAL STATE LITERARY LOANS**

**\$ 6,613,227**

**TOTAL LONG-TERM DEBT ACQUIRED  
FOR SCHOOL PURPOSES**

**\$ 12,183,977**

TOTAL OPEB GASB 45 LIABILITY

128,597

TOTAL COMPENSATED ABSENCES

763,794

**TOTAL GENERAL LONG-TERM DEBT**

**\$ 14,262,164**

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**ENTERPRISE FUND LOANS**

**Enterprise Fund:**

**VRA General Obligation Bonds:**

\$3,225,951 Virginia Resources Authority, Virginia Revolving Loan Fund issued May 25, 2010, due in annual installments through October 1, 2022, interest payable annually at 3.275%.

Par Value, Bonds	2,985,000	
Bond Premium	<u>240,951</u>	<u>\$3,225,951</u>

**TOTAL VRA GENERAL OBLIGATION BONDS \$3,225,951**

**General Long-Term Financing:**

\$472,000 Loan payable to BB&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. \$ 6,351

\$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. 0

\$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. 100,340

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. 212,839

**TOTAL GENERAL LONG-TERM FINANCING \$ 319,530**

TOTAL OPEB GASB 45 LIABILITY 22,666

TOTAL COMPENSATED ABSENCES 132,788

**TOTAL ENTERPRISE FUND LONG-TERM DEBT \$ 3,700,935**

**TOTAL PRIMARY GOVERNMENT DEBT \$17,963,099**

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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, 2016; interest payable at an annual rate of 3.454%.	\$ 701,433
\$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>\$ 835,274</u>
Total Loans Payable	<u>\$ 1,536,707</u>
Total OPEB GASB 45 Liability	676,479
Total Compensated Absences Payable	<u>262,283</u>
<b>TOTAL LONG-TERM DEBT – SCHOOL BOARD</b>	<b><u>\$ 2,475,469</u></b>

**Changes in Long-Term Debt:**

The following is a summary of School Board long-term debt transactions for the year ended June 30, 2010:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
<b>Long-Term Debt:</b>				
Long-Term Financing Loans	\$ 1,706,759	-	\$ 170,052	\$ 1,536,707
OPEB GASB 45 Liability	338,328	338,151	-	676,479
Claims, Judgments and Compensated Absences Payable	300,055	-	37,772	<u>262,283</u>
<b>Total Long-Term Debt</b>	<u>\$ 2,345,142</u>	<u>\$ 338,151</u>	<u>\$ 207,824</u>	<u>\$ 2,475,469</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

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

<b><u>LONG-TERM FINANCING LOANS</u></b>			
<b><u>YEAR ENDING JUNE 30,</u></b>	<b><u>PRINCIPAL</u></b>	<b><u>INTEREST</u></b>	<b><u>TOTAL</u></b>
2011	176,395	54,689	231,084
2012	182,977	48,107	231,084
2013	189,804	41,280	231,084
2014	196,990	34,195	231,185
2015	204,239	26,846	231,085
2016	211,764	19,219	230,983
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
<b>TOTALS</b>	<b><u>\$ 1,536,707</u></b>	<b><u>\$ 255,721</u></b>	<b><u>\$ 1,792,428</u></b>

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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 <u>JUNE 30,</u>	<u>LONG-TERM OBLIGATIONS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2011	238,965	132,697
2012	249,931	127,361
2013	225,105	121,654
2014	213,109	115,920
2015	221,674	110,333
2016	225,406	104,520
2017	229,314	98,338
2018	233,405	91,799
2019	237,691	85,010
2020	227,180	78,354
2021	236,883	71,739
2022	246,810	64,643
2023	251,974	57,184
2024	247,386	49,732
2025	253,059	42,275
2026	269,006	34,279
2027	275,241	25,730
2028	271,779	17,136
2029	263,635	8,867
2030	172,391	1,502
2031	65,799	-
2032	54,344	-
2033	31,079	-
2034	31,078	-
2035	12,711	-
2036	12,711	-
2037	12,711	-
2038	7,878	-
<i>SUB-TOTALS</i>	<u>\$ 5,018,256</u>	<u>\$ 1,439,073</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**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, 2010:

<b>Beginning Balance</b>	\$3,224,074
<b>Additions:</b>	
Virginia Resources Authority Bond	1,972,271
<b>Retirements:</b>	
Virginia Resources Authority Bonds	<u>(178,089)</u>
<b>TOTAL BOND AND LOANS PAYABLE</b>	<b><u>\$ 5,018,256</u></b>

**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%.	\$ 75,993
\$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%.	258,717
\$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%.	440,820
\$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%.	860,000
\$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%.	859,697
\$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%.	353,129
\$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%.	64,537
\$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%.	162,585

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

\$950,320 Stephens/Guest River Sewer, Water and Sewer Revenue Bond, Virginia Resources Authority issued 06/04/2010, due in semi-annual installments ending on December 1, 2030, interest payable at 0%	51,105
\$206,333 Lower Birchfield/Rt. 72 Water and Sewer Revenue Bond, Virginia Resources Authority issued 06/17/2010, due in semi-annual installments ending On June 1, 2040, interest payable at 0%	188,491
\$1,720,000 Dominion Project. Water Revenue Bond, BB&T Bank Issued, 12/15/2009, due in monthly installments beginning on January 15, 2010 and ending On 12/15/2029, interest payable monthly at the nominal annual rate of 5.05%	1,690,507
\$184,090 Disinfection By-Product Abatement. ARRA, VRA issued 02/16/2010, Installments ending on October 1, 2040, interest payable at 0%	12,675

<b>TOTAL LONG-TERM OBLIGATIONS</b>	<b><u>\$ 5,018,256</u></b>
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**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, 2010, the value of accrued vacation pay for the primary government was \$896,582.

The amount of accrued vacation pay for the professional School Board employees was \$171,249 and non-professional employees was \$91,034. The total value of these liabilities for the Component Unit - School Board was \$262,283.

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, 2010, the School Board held an investment account with SunTrust Bank with a market value of \$1,913,280. This account exceeds the total obligation under this plan of \$1,500,261 by \$413,019.

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, 2010, the amount of accrual recorded is \$21,804, which equals one-half (1/2) of the value. Vacation is earned on a calendar year and expires at the end of the period earned. At June 30, 2010 the value of accrued vacation pay was \$35,152. The accrual for vacation and sick leave totals \$56,956.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**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.

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 <http://www.varetire.org/Pdf/Publications/2009AnnuRept.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 2010 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 2010, 2009 and 2008 amounted to \$4,364,164, \$5,352,105, and \$4,831,697, respectively, and represented, 15.64%, 15.71% and 15.30%, respectively.

**C. Annual Pension Cost**

For 2010, County of Wise and the School Board's Non-Professional Employees annual pension cost of \$1,080,978 and \$355,279, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2009 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.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

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

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<b>Wise County</b>	June 30, 2010	\$1,080,978	100%	\$0
	June 30, 2009	\$1,063,143	100%	\$0
	June 30, 2008	\$992,899	100%	\$0
<b>Wise County Schools</b>	June 30, 2010	\$355,279	100%	\$0
	June 30, 2009	\$366,663	100%	\$0
	June 30, 2008	\$339,570	100%	\$0

**NOTE 10: DEFERRED REVENUE**

**General Fund:**

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$2,522,188 is comprised of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures in the amount of \$1,433,166 and collection of 2010 taxes not due until October 15, 2010 in the amount of \$1,089,022.

**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>
Constitutional Officer Risk Management Plan - Surety	
Jack Kennedy, Clerk of the Circuit Court	\$ 500,000
Delores W. Smith, Treasurer	500,000
Douglas Mullins, Jr., Commissioner of the Revenue	3,000
Ronnie D. Oakes, Sheriff	30,000

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 12: SURETY BOND (Continued)**

Travelers Casualty & Surety Co: Public Officials Bond- Board of Supervisors	3,000
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 Clerk of the School Board	10,000 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

**NOTE 13: LITIGATION**

In regard to litigation involving the County of Wise, Virginia at June 30, 2010, 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 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, 2010 amounted to \$24,359.

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, 2010 amounted to \$100,568.

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

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 16: PROPRIETARY CAPITAL ASSETS**

A summary of proprietary fund capital assets is as follows:

	<u>VRA Landfill Enterprise</u>	<u>Riverview Sewer Project Fund</u>	<u>Total</u>
Land	\$ 207,500	\$ -	\$ 207,500
Buildings & Improvements	9,131,399	549,300	9,680,699
Equipment	<u>4,209,526</u>	<u>-</u>	<u>4,209,526</u>
 TOTAL CAPITAL ASSETS	 13,548,424	 549,300	 14,097,724
 Less: Accumulated Depreciation	 <u>(7,007,821)</u>	 <u>(247,185)</u>	 <u>(7,255,006)</u>
 NET CAPITAL ASSETS	 <u>\$ 6,540,604</u>	 <u>\$ 302,115</u>	 <u>\$ 6,842,719</u>

**NOTE 17: CAPITAL ASSETS**

**Primary Government:**

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

	<u>Total</u>
Land	\$ 1,560,000
Buildings	28,921,108
Equipment & Vehicles	<u>4,310,331</u>
 TOTAL CAPITAL ASSETS	 \$ 34,791,439
 Less: Accumulated Depreciation	 <u>(14,431,742)</u>
 NET CAPITAL ASSETS	 <u>\$ 20,359,697</u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 17: CAPITAL ASSETS (Continued)**

**Component Unit - School Board:**

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

	<b>Total</b>
Land	\$ 1,358,879
Buildings & Improvements	51,306,320
Equipment & Vehicles	7,956,364
Construction In Progress	3,317,697
<b>TOTAL CAPITAL ASSETS</b>	<b>63,939,260</b>
Less: Accumulated Depreciation	(34,906,026)
<b>NET CAPITAL ASSETS</b>	<b>\$ 29,033,234</b>

A summary of changes in capital assets is as follows:

**Primary Government:**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Land	\$ 1,560,000	\$ -	\$ -	\$ 1,560,000
Buildings and IOTB	28,848,701	1,066,121	993,714	28,921,108
Equipment & Vehicles	3,847,998	482,283	19,950	4,310,331
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 34,256,699</b>	<b>\$ 1,548,404</b>	<b>\$ 1,013,664</b>	<b>\$ 34,791,439</b>

**Component Unit School Board:**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Land	\$ 1,358,879	\$ -	\$ -	\$ 1,358,879
Buildings & Improvements	46,190,811	5,115,509	-	51,306,320
Equipment & Vehicles	7,852,248	402,754	298,638	7,956,364
Construction in Progress	7,024,616	-	3,706,919	3,317,697
<b>TOTAL</b>	<b>\$ 62,426,554</b>	<b>\$ 5,518,263</b>	<b>\$ 4,005,557</b>	<b>\$ 63,939,260</b>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 17: CAPITAL ASSETS (Continued)**

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

UTILITY PLANT AND EQUIPMENT IN SERVICE

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

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

Water/Sewer System	50 Years
Equipment	5 - 10 Years

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

	<u>Total</u>
Land and Easements	\$ 145,000
Easements	\$ 20,000
Construction in Progress	2,538,049
Utility Plant	29,562,490
Equipment	340,222
Automobiles	362,924
Office Furniture & Equipment	118,058
Plant Building	54,041
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<b>\$ 33,140,784</b>
Less: Accumulated Depreciation	(8,731,853)
<b>NET CAPITAL ASSETS</b>	<b>\$ 24,408,931</b>

A summary of changes in capital assets is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Land	\$ 165,000	\$ -	\$ -	\$ 165,000
Construction in Progress	3,301,986	2,209,838	2,973,775	2,538,049
Utility Plant	26,568,933	3,008,436	14,880	29,562,489
Equipment	334,302	12,540	6,620	340,222
Automobiles	284,762	103,734	25,572	362,925
Office Furniture and Equipment	137,822	-	19,764	118,058
Plant Building	28,041	26,000	-	54,041
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 30,820,846</b>	<b>\$ 5,360,549</b>	<b>\$ 3,040,611</b>	<b>\$ 33,140,784</b>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

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

As of June 30, 2010, 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, 2010 is as follows:

	Balance
Capital Improvement Fund	\$ 1,650,159
Operating Reserve	8,981
Emergency Reserve	181,353
Replacement Reserve	30,597
Total Reserve Accounts	1,871,090
Customer Deposit Account	366,780
Debt Service Accounts	320,907
TOTAL RESTRICTED CASH	\$ 2,558,777

**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 its facility in a manner that minimizes the need for further maintenance and controls, minimizes or eliminates the post-closure escape of uncontrolled leachate, surface runoff, decomposition gas, migration or waste decomposition products to the groundwater, surface water or to the atmosphere. The regulations also require that the County conduct post-closure 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 post-closure care costs for the County's landfill operation is \$16,002,851. The accrued liability for these costs reported as of June 30, 2010 is based on the capacity of the landfill used to date. The landfill capacity used at year end is approximately 43% and the remaining life of the landfill is approximately 26 years. The remaining costs to be accrued in the future is as follows:

Total Estimated Liability	\$ 16,002,851
Accrued Liability as of June 30, 2010	6,957,761
Total Closure and Postclosure Care Costs Remaining to be Recognized	\$ 9,045,090

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, 2010

**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, 2010, the County has deposited \$2,707,912 into this fund.

**NOTE 20: ACCOUNTS RECEIVABLE**

**Proprietary Fund:**

	<b><u>Balance</u></b>
Accounts Receivable	
Landfill Fees	\$ <u>114,660</u>
NET ACCOUNTS RECEIVABLE	\$ <u>114,660</u>

**Component Unit - Wise County Public Service Authority:**

	<b><u>Balance</u></b>
Accounts Receivable	\$ 252,386
Less: Allowance for Doubtful Accounts	<u>(63,446)</u>
NET ACCOUNTS RECEIVABLE	\$ <u>188,940</u>

**NOTE 21: CONTRIBUTED CAPITAL**

**INVESTMENT IN CAPITAL ASSETS - COMPONENT UNIT:**  
**WISE COUNTY PUBLIC SERVICE AUTHORITY**

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, 2010 include non-refundable donations or contributions in cash, services, or property from corporations, individuals, and others for the construction and extension of water and sewer facilities as follows:

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**NOTE 21: CONTRIBUTED CAPITAL (Continued)**

SOURCE	<u>AMOUNT</u>
Wise County Industrial Development Authority	\$ 105,850
County of Wise	16,756,398
State Department of Health	1,925,848
Federal Government	10,547,697
Others	<u>2,221,746</u>
SUB-TOTAL	\$ 31,557,539
Less: Accumulated Amortization	8,058,747
TOTAL CONTRIBUTED CAPITAL, NET OF AMORTIZATION	<u>\$ 23,498,792</u>

**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 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.

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: 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).

<b>Required Supplementary Information</b>	<u>2009/2010</u>
Actuarial Accrued Liability as of the beginning of the year	\$ 9,376,370
Actuarial Value of Assets as of the beginning of the year	<u>0</u>
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<u><b>\$ 9,376,370</b></u>

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 23: GASB STATEMENT 45 ACTUARIAL VALUATION FOR WISE COUNTY (Continued)**

**Schedule of Employer Contributions**

FYE	Employer Contributions A	Annual Required Contribution B	% of ARC Contributed C= A/B
6/30/2010	\$518,563	\$933,235	55.6%

**Historical Annual OPEB Cost**

FYE	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$934,215	55.5%	\$827,743

	AAL As of July 1, 2008	ARC For 2009/10	NOO As of June 30, 2010
Wise County	\$ 1,033,794	\$ 112,177	\$ 151,263
Wise County Schools	\$ 8,342,576	\$ 821,058	\$ 676,479
Total	\$ 9,376,370	\$ 933,235	\$ 827,743

**NOTE 24: RESTATEMENT OF BEGINNING NET ASSETS**

PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	
Net Assets at June 30, 2009 as previously reported	\$48,122,999
Net Asset Adjustment- Decrease of Industrial Development Authority Assets	(18,065,750)
Net Asset Adjustment- Assets and Depreciation Omitted in Prior Years	( 135,109)
Net Assets at June 30, 2009, as restated	<u>\$29,922,140</u>

PRIMARY GOVERNMENT: BUSINESS TYPE ACTIVITIES	
Net Assets at June 30, 2009 as previously reported	\$3,372,454
Net Asset Adjustment- Assets and Depreciation Omitted in Prior Years	( 62,916)
Net Assets at June 30, 2009, as restated	<u>\$3,309,538</u>



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**PRIMARY GOVERNMENT  
GOVERNMENTAL FUNDS**

COUNTY OF WISE, VIRGINIA  
 STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 9

GENERAL FUND

	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE WITH AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
General Property Taxes	\$ 20,199,489	\$ 20,204,109	\$ 18,726,850	\$ (1,477,259)
Other Local Taxes	9,539,000	9,539,000	10,924,159	1,385,159
Permits, Privilege Fees & Regulatory Licenses	57,000	57,000	50,992	(6,008)
Fines & Forfeitures	20,000	20,000	15,741	(4,259)
Revenues From Use Of Money & Property	365,000	365,000	315,302	(49,698)
Charges For Services	185,000	249,587	376,865	127,278
Miscellaneous	90,000	90,500	33,165	(57,335)
Recovered Costs	715,000	715,000	230,261	(484,739)
Intergovernmental	16,671,399	18,255,262	19,624,493	1,369,231
TOTAL REVENUES	\$ 47,841,888	\$ 49,495,458	\$ 50,297,828	\$ 802,370
EXPENDITURES:				
Current:				
General Government Administration	\$ 3,201,765	\$ 3,256,469	\$ 2,991,622	\$ 264,847
Judicial Administration	2,755,482	2,841,469	2,650,602	190,867
Public Safety	7,179,954	7,247,604	7,120,451	127,153
Public Works	1,067,915	1,196,915	1,660,371	(463,456)
Health & Welfare	12,457,114	13,284,902	13,879,772	(594,870)
Education	15,609,750	15,609,750	14,031,412	1,578,338
Parks, Recreation & Cultural	882,648	882,648	894,648	(12,000)
Community Development	1,277,701	1,964,301	1,259,407	704,894
Non-Departmental	220,948	322,003	268,434	53,569
Debt Service:				
Principal Retirement	359,765	359,765	420,310	(60,545)
Interest & Fiscal Charges	50,000	50,000	58,824	(8,824)
TOTAL EXPENDITURES	\$ 45,063,040	\$ 47,015,825	\$ 45,235,853	\$ 1,779,972
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,778,848	\$ 2,479,633	\$ 5,061,975	\$ 2,582,342
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ -	\$ 150,000	\$ 449,849	\$ 299,849
Operating Transfers Out	(7,506,848)	(7,546,848)	(3,507,679)	4,039,169
Proceeds From Issuance Of Debt	4,728,000	4,728,000	-	(4,728,000)
Prior Year Appropriations	-	189,215	-	(189,215)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (2,778,848)	(2,479,633)	\$ (3,057,830)	\$ (578,197)
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & (USES)	\$ -	(0)	\$ 2,004,145	\$ 2,004,145
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	-	-	15,985,524	15,985,524
FUND BALANCE AT END OF YEAR	\$ -	(0)	\$ 17,989,669	\$ 17,989,669

COUNTY OF WISE, VIRGINIA  
SCHEDULE OF CAPITAL ASSETS BY SOURCE  
FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 10

	<u>TOTAL</u>
CAPITAL ASSETS:	
Land	\$ 1,560,000
Building and Building Improvements	28,611,556
Equipment	<u>4,619,883</u>
Total Capital Assets	<u>\$ 34,791,439</u>
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Proceeds from Indebtedness	\$ 13,369,773
General Fund Revenues	<u>21,421,666</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 34,791,439</u>

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION  
 FOR THE YEAR ENDED JUNE 30, 2010

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	-	1,214,393.00	1,864,393.00
Judicial Administration	-	24,500.00	82,629.00	107,129.00
Public Safety	250,000.00	2,519,012.00	2,049,122.00	4,818,134.00
Public Works	160,000.00	9,570,325.00	74,050.00	9,804,375.00
Health & Welfare	275,000.00	3,014,830.00	554,641.00	3,844,471.00
Education	-	11,383,790.00	-	11,383,790.00
Parks, Recreation & Cultural	225,000.00	2,074,100.00	-	2,299,100.00
TOTAL GENERAL FUND CAPITAL ASSETS BY FUNCTION	1,560,000.00	28,586,557.00	3,974,835.00	34,121,392.00
<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>				
Community Development	-	-	52,652.00	52,652.00
TOTAL SPECIAL REVENUE FUND CAPITAL ASSETS BY FUNCTION	-	25,000.00	645,047.00	670,047.00
TOTAL PRIMARY GOVERNMENT CAPITAL ASSETS BY FUNCTION	<u>1,560,000.00</u>	<u>28,611,557.00</u>	<u>4,619,882.00</u>	<u>34,791,439.00</u>

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 12

	<u>CAPITAL ASSETS JULY 1, 2009</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS JUNE 30, 2010</u>
<b>PRIMARY GOVERNMENT:</b>				
<u>GENERAL FUND:</u>				
General Government Administration	\$ 1,672,935	\$ 191,458	\$ -	\$ 1,864,393
Judicial Administration	102,129	5,000	-	107,129
Public Safety	4,644,484	193,600	19,950	4,818,134
Public Works	8,748,253	1,056,121	-	9,804,374
Health & Welfare	3,844,471	-	-	3,844,471
Education	12,377,504	-	993,714	11,383,790
Parks, Recreation & Cultural	2,289,100	10,000	-	2,299,100
TOTAL GENERAL FUND	33,678,876	1,456,180	1,013,664	34,121,392
<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	17,876	-	52,652
TOTAL SPECIAL REVENUE FUND	652,171	17,876	-	670,047
TOTAL PRIMARY GOVERNMENT	<u>\$ 34,331,047</u>	<u>\$ 1,474,056</u>	<u>\$ 1,013,664</u>	<u>\$ 34,791,439</u>



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## **FIDUCIARY FUNDS**

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

COUNTY OF WISE, VIRGINIA  
 COMBINING SCHEDULE OF FIDUCIARY  
 NET ASSETS - AGENCY FUNDS  
 AT JUNE 30, 2010

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	\$ 85,718	\$ 101,041	\$ 58	\$ 186,817
Due From Other Governmental Units	-	569,524	-	569,524
TOTAL ASSETS	<u>\$ 85,718</u>	<u>\$ 670,565</u>	<u>\$ 58</u>	<u>\$ 756,341</u>
<u>LIABILITIES</u>				
LIABILITIES:				
Due To:				
Social Service Clients	\$ 85,718	\$ -	\$ -	\$ 85,718
Governmental Units	-	207,775	58	207,833
Due To Other Funds	-	462,790	-	462,790
TOTAL LIABILITIES	<u>\$ 85,718</u>	<u>\$ 670,565</u>	<u>\$ 58</u>	<u>\$ 756,341</u>

## **SPECIAL REVENUE FUNDS**

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

COUNTY OF WISE, VIRGINIA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 AT JUNE 30, 2010

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	\$ 29,764	\$ 58,943	\$ 1,261	\$ 43,854
Investments	-	-	-	8,443,369
Mineral Taxes Receivable	-	-	-	478,348
Accounts Receivable	-	-	-	-
Due From Other Funds	-	-	-	520,658
Governmental Units	-	-	-	-
TOTAL ASSETS	<u>\$ 29,764</u>	<u>\$ 58,943</u>	<u>\$ 1,261</u>	<u>\$ 9,486,229</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$ 9,037	\$ 1,247	\$ 106	\$ 111,191
Due to Other Funds	-	-	-	-
Governmental Units	-	-	-	499,771
TOTAL LIABILITIES	<u>\$ 9,037</u>	<u>\$ 1,247</u>	<u>\$ 106</u>	<u>\$ 610,962</u>
FUND BALANCES:				
Restricted	<u>\$ 20,727</u>	<u>\$ 57,696</u>	<u>\$ 1,155</u>	<u>\$ 8,875,267</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,764</u>	<u>\$ 58,943</u>	<u>\$ 1,261</u>	<u>\$ 9,486,229</u>

COMMUNITY DEVELOPMENT FUND	WISE DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENT FUND	SOFTWARE ENGINEERING INITIATIVE FUND	TRANSIENT OCCUPANCY TAX FUND	SHERIFF DRUG SEIZURE & FORFEITURE AND SPECIAL FUNDS	TOTALS
\$ 90,228	\$ 154,444	\$ 56,623	\$ 123,677	\$ -	\$ 88,323	\$ 647,117
-	-	-	-	245,889	-	8,689,258
-	-	-	-	-	-	478,348
-	-	-	-	-	-	-
-	-	-	-	-	-	520,658
456,042	-	-	-	-	-	456,042
<u>\$ 546,270</u>	<u>\$ 154,444</u>	<u>\$ 56,623</u>	<u>\$ 123,677</u>	<u>\$ 245,889</u>	<u>\$ 88,323</u>	<u>\$ 10,791,423</u>
\$ 456,042	\$ 21,986	\$ -	\$ -	\$ 6,950	\$ -	\$ 606,559
42,821	-	-	-	-	-	42,821
-	-	-	-	-	-	499,771
<u>\$ 498,863</u>	<u>\$ 21,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,950</u>	<u>\$ -</u>	<u>\$ 1,149,151</u>
\$ 47,407	\$ 132,458	\$ 56,623	\$ 123,677	\$ 238,939	\$ 88,323	\$ 9,642,272
<u>\$ 546,270</u>	<u>\$ 154,444</u>	<u>\$ 56,623</u>	<u>\$ 123,677</u>	<u>\$ 245,889</u>	<u>\$ 88,323</u>	<u>\$ 10,791,423</u>

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 15

	EMERGENCY NUMBERS FUND	LAW LIBRARY FUND	DOG AND CAT STERILIZATION FUND	COAL ROAD IMPROVEMENT FUND
REVENUES:				
Other Local Taxes	\$ -	\$ -	\$ -	\$ 4,947,223
Revenues From Use of Money & Property	100	-	-	113,663
Charges for Services	-	9,830	-	-
Fines & Forfeitures	-	-	-	-
Miscellaneous	-	-	2,488	-
Intergovernmental	\$ 111,349	-	-	-
TOTAL REVENUES	\$ 111,449	\$ 9,830	\$ 2,488	\$ 5,060,886
EXPENDITURES:				
General Government Administration	\$ -	\$ -	\$ -	\$ 195
Judicial Administration	-	18,470	-	-
Public Safety	341,737	-	1,922	-
Public Works	-	-	-	180,914
Community Development	-	-	-	4,336,059
Debt Service:				
Principal Retirement	-	-	-	-
Interest & Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	\$ 341,737	\$ 18,470	\$ 1,922	\$ 4,517,168
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (230,288)	\$ (8,640)	\$ 566	\$ 543,718
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	228,000	-	300	\$ -
Operating Transfers Out	(587)	-	-	-
Debt Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 227,413	\$ -	\$ 300	\$ -
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ (2,875)	\$ (8,640)	\$ 866	\$ 543,718
FUND BALANCE AT THE BEGINNING OF YEAR	23,602	66,336	289	8,331,549
FUND BALANCE AT THE END OF YEAR	\$ 20,727	\$ 57,696	\$ 1,155	\$ 8,875,267

COMMUNITY DEVELOPMENT FUND	WISE DEVELOPMENT FUND	INFORMATION TECHNOLOGY IMPROVEMENTF UND	SOFTWARE ENGINEERING INITIATIVE FUND	TRANSIENT OCCUPANCY TAX FUND	DRUG SEIZURE & FORFEITURE AND SPECIAL FUNDS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 34,999	\$ -	\$ 4,982,222
-	-	-	-	15	-	113,778
-	-	-	-	-	-	9,830
-	-	-	-	-	19,611	19,611
14,575	12,219	-	-	-	72,698	101,980
1,288,764	635,909	\$ -	\$ -	-	-	2,036,022
<u>\$ 1,303,339</u>	<u>\$ 648,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,014</u>	<u>\$ 92,309</u>	<u>7,263,443</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195
-	-	-	-	-	-	18,470
-	-	-	-	-	66,609	410,268
-	-	-	-	-	-	180,914
1,288,764	510,475	825	33,323	10,476	-	6,179,922
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,288,764</u>	<u>\$ 510,475</u>	<u>\$ 825</u>	<u>\$ 33,323</u>	<u>\$ 10,476</u>	<u>\$ 66,609</u>	<u>\$ 6,789,769</u>
\$ 14,575	\$ 137,653	\$ (825)	\$ (33,323)	\$ 24,538	\$ 25,700	\$ 473,674
524,615	-	-	40,000	-	1,255	794,170
(449,262)	-	-	-	-	-	(449,849)
-	-	-	-	-	-	-
<u>\$ 75,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 1,255</u>	<u>\$ 344,321</u>
\$ 89,928	\$ 137,653	\$ (825)	\$ 6,677	\$ 24,538	\$ 26,955	\$ 817,995
(42,521)	(5,195)	57,448	117,000	214,401	61,368	8,824,277
<u>\$ 47,407</u>	<u>\$ 132,458</u>	<u>\$ 56,623</u>	<u>\$ 123,677</u>	<u>\$ 238,939</u>	<u>\$ 88,323</u>	<u>\$ 9,642,272</u>



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## **ENTERPRISE FUNDS**

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

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
<u>ASSETS</u>			
CURRENT ASSETS			
Cash	\$ 29,895	\$ 43,499	\$ 73,394
Investments	-	3,169,599	3,169,599
Sinking Fund Deposits	-	2,707,912	2,707,912
Due From Other Funds	-	-	-
Due from Other Gov't Units	-	-	-
Receivables:			
Accounts (Net Allowance For Uncollectibles)	-	114,660	114,660
<b>TOTAL CURRENT ASSETS</b>	<b>29,895</b>	<b>6,035,670</b>	<b>6,065,565</b>
NONCURRENT ASSETS			
Land	-	207,500	207,500
Equipment (Net of Depreciation)	-	621,260	621,260
Construction in Progress	-	535,224	535,224
Improvements Other Than Buildings (Net of Depreciation)	302,115	5,176,620	5,478,735
<b>TOTAL NONCURRENT ASSETS</b>	<b>302,115</b>	<b>6,540,604</b>	<b>6,842,719</b>
<b>TOTAL ASSETS</b>	<b>\$ 332,010</b>	<b>\$ 12,576,274</b>	<b>\$ 12,908,284</b>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Accounts Payable	\$ 29,583	\$ 317,205	\$ 346,788
Due to Other Funds	212,898	-	212,898
Accrued Compensated Absences	-	132,788	132,788
OPEB GASB 45 Liability	-	22,666	22,666
Current Portion of Long-Term Obligations	-	249,537	249,537
<b>TOTAL CURRENT LIABILITIES</b>	<b>242,481</b>	<b>722,196</b>	<b>964,677</b>
NONCURRENT LIABILITIES			
Noncurrent Portion of Long-Term Obligations	-	3,295,944	3,295,944
Accrued Landfill Closure Costs	-	6,957,761	6,957,761
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>10,253,705</b>	<b>10,253,705</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 242,481</b>	<b>\$ 10,975,901</b>	<b>\$ 11,218,382</b>
<u>NET ASSETS</u>			
Investment in Capital Assets, net of related debt	\$ -	\$ 6,157,860	\$ 6,157,860
Restricted Assets			
Restricted for:			
Cash from Debt Issuance	\$ -	\$ 3,151,622	\$ 3,151,622
Cash for Landfill Closing	-	2,707,912	2,707,912
Unrestricted Assets	\$ 89,529	\$ (10,417,021)	\$ (10,327,492)
<b>TOTAL NET ASSETS</b>	<b>\$ 89,529</b>	<b>\$ 1,600,373</b>	<b>\$ 1,689,902</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 332,010</b>	<b>\$ 12,576,274</b>	<b>\$ 12,908,284</b>

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 17

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
OPERATING REVENUES:			
Landfill Usage Fees	\$ -	\$ 665,782	\$ 665,782
Sewer Rents	14,879	-	14,879
Other Revenue	69,003	11,286	80,289
<b>TOTAL REVENUE</b>	<b>\$ 83,882</b>	<b>\$ 677,068</b>	<b>\$ 760,950</b>
OPERATING EXPENSES:			
Operation Expense	\$ 338,493	\$ 3,751,327	\$ 4,089,820
Landfill Closure Expense	-	547,678	547,678
Depreciation & Amortization	13,732	500,371	514,103
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 352,225</b>	<b>\$ 4,799,376</b>	<b>\$ 5,151,601</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (268,343)</b>	<b>\$ (4,122,308)</b>	<b>\$ (4,390,651)</b>
NON-OPERATING REVENUE (EXPENSE)			
Grants	\$ 1,266	\$ 11,597	12,863
Interest Revenue	306	68,696	69,002
Interest Expense	-	(24,359)	(24,359)
<b>TOTAL NON-OPERATING REVENUE AND EXPENSE</b>	<b>1,572</b>	<b>55,934</b>	<b>57,506</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>\$ (266,771)</b>	<b>\$ (4,066,374)</b>	<b>\$ (4,333,145)</b>
OPERATING TRANSFERS IN	275,000	2,438,509	\$ 2,713,509
OPERATING TRANSFERS OUT	-	-	\$ -
<b>NET OPERATING TRANSFERS</b>	<b>275,000</b>	<b>2,438,509</b>	<b>2,713,509</b>
<b>NET INCOME (LOSS)</b>	<b>8,229</b>	<b>(1,627,865)</b>	<b>(1,619,636)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>81,300</b>	<b>3,228,238</b>	<b>3,309,538</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 89,529</b>	<b>\$ 1,600,373</b>	<b>\$ 1,689,902</b>

	BUSINESS-TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 89,100	\$ 631,969	\$ 721,069
Cash Payments to Suppliers for Goods & Services	(320,336)	(3,586,620)	(3,906,956)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (231,236)	\$ (2,954,651)	\$ (3,185,887)
Cash Flow From Noncapital Financing Activities:			
Operating Transfers From Other Funds	\$ 275,000	\$ 2,438,509	\$ 2,713,509
Decrease in Due To Other Gov't Units	9,442	-	9,442
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	\$ 284,442	\$ 2,438,509	\$ 2,722,951
Cash Flows From Capital & Related Financing Activities:			
Principal Paid on Bond Maturities	\$ (82,803)	\$ -	\$ (82,803)
Interest Paid on Debt Obligations	-	(24,359)	(24,359)
Principal Paid on General Obligation Loans	-	(137,548)	(137,548)
Proceeds on VRA Loans	-	3,225,951	3,225,951
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$ (82,803)	\$ 3,064,044	\$ 2,981,241
Cash Flows From Investing Activities:			
Interest Revenue Earned on Investments	\$ 306	\$ 68,696	\$ 69,002
Grant Receipts	1,266	11,597	12,863
Sinking Fund Deposits	13,500	(163,350)	(149,850)
Increase in Investments	-	(1,968,466)	(1,968,466)
Purchase of Equipment and IOTB	-	(671,424)	(671,424)
NET CASH PROVIDED FROM INVESTING ACTIVITIES	\$ 15,072	\$ (2,722,947)	\$ (2,707,875)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (14,525)	\$ (175,045)	\$ (189,570)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	44,420	218,545	262,965
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 29,895	\$ 43,500	\$ 73,395

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	RIVERVIEW SEWER PROJECT FUND	VRA LANDFILL ENTERPRISE FUND	TOTAL
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Net Operating Income	\$ (268,343)	\$ (4,122,308)	\$ (4,390,651)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	\$ 13,732	\$ 500,371	\$ 514,103
(Increase) Decrease in Accounts Receivable	5,218	(45,099)	(39,881)
Increase (Decrease) in Closure Cost Liability	-	547,678	547,678
Increase (Decrease) in Accrued Compensation	-	18,205	18,205
Increase (Decrease) in OPEB GASB 45 Liability	-	11,635	11,635
Increase (Decrease) in Accounts Payable	18,157	134,867	153,024
TOTAL ADJUSTMENTS	\$ 37,107	\$ 1,167,657	\$ 1,204,764
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (231,236)	\$ (2,954,651)	\$ (3,185,887)



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

COUNTY OF WISE, VIRGINIA  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
DISCRETELY PRESENTED COMPONENT UNIT  
WISE COUNTY PUBLIC SERVICE AUTHORITY  
JUNE 30, 2010

EXHIBIT 19

<u>ASSETS</u>	<u>PUBLIC SERVICE</u>	
<b>CURRENT ASSETS</b>		
Cash	\$ 493,642	
Petty Cash	1,000	
Investments	1,508,900	
Reserved Deposits	-	
Due From Others	4,543	
Due From Other Governmental Units	-	
Bond Issuance Costs	11,431	
Receivable (Net Of Allowances For Uncollectibles):		
Accounts	<u>188,940</u>	
<b>TOTAL CURRENT ASSETS</b>		<b>\$ 2,208,456</b>
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Cash on Deposit	\$ 2,703,039	
Land and Easements	165,000	
Buildings and Equipment, Net of Depreciation	<u>24,243,931</u>	
<b>TOTAL NONCURRENT ASSETS</b>		<u><b>27,111,970</b></u>
<b>TOTAL ASSETS</b>		<u><b>\$ 29,320,426</b></u>
 <b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 124,130	
Due To Customers - Deposits	366,780	
Premium on Bonds Payable	10,264	
Claims, Judgments & Compensated Absences	56,956	
Current Portion of Long-Term Obligations	<u>243,232</u>	
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$ 801,362</b>
<b>NONCURRENT LIABILITIES</b>		
Noncurrent Portion of Long-Term Obligations	<u>\$ 4,775,024</u>	
<b>TOTAL NONCURRENT LIABILITIES</b>		<u><b>\$ 4,775,024</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>\$ 5,576,386</b></u>
 <b>NET ASSETS</b>		
Investment in Capital Assets, net of related debt	23,498,792	
Restricted Assets (Debt Service)	320,907	
Restricted Assets (Reserve Accounts)	1,871,090	
Restricted Assets (Customer Deposits)	366,780	
Unrestricted Assets	<u>(2,313,529)</u>	
<b>TOTAL NET ASSETS</b>		<u><b>\$ 23,744,040</b></u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<u><b>\$ 29,320,426</b></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, 2010

EXHIBIT 20

OPERATING REVENUES:

Water Charges	\$ 1,569,547	
Sewer Charges	43,940	
Miscellaneous	<u>27,846</u>	
TOTAL OPERATING INCOME		\$ 1,641,333

OPERATING EXPENSES:

Salaries	\$ 859,185	
Payroll Taxes	67,366	
VRA Retirement & Life	75,829	
Hospitalization Insurance	195,459	
Dental Insurance	13,791	
Workers Compensation Insurance	25,568	
Uniform Rental	8,017	
Water Purchased	175,063	
Utilities	250,754	
Line Crew Supplies & Plant Expenses	155,588	
Chemicals	79,082	
Sampling	20,080	
Repairs & Maintenance	43,814	
Telephone & Telemetry	35,811	
Professional Services	88,159	
Office Expense/Postage	52,724	
Office Utilities & Telephone	13,126	
Office Rent	9,000	
Conferences & Continuing Education	1,319	
Licenses, Fees & Tags	2,445	
Insurance	21,667	
Vehicle Expense	74,662	
State Waterworks Fee	9,811	
Travel	11,227	
Miscellaneous	3,221	
Compensation - Board Members	8,625	
Depreciation	<u>641,920</u>	
TOTAL OPERATING EXPENSES		<u>2,943,313</u>

Net Operating Income (Loss) \$ (1,301,980)

NON-OPERATING REVENUES & (EXPENSES):

Interest Income	\$ 83,157	
Penalties and Finance Charges	42,617	
Connection Fees	22,100	
Interest Expense	<u>(100,050)</u>	
NET NON-OPERATING REVENUES (EXPENSES)		<u>47,824</u>

Income (Loss) Before Other Revenues, Gains, Losses, and Transfers \$ (1,254,156)

Federal Grants	41,429
County of Wise, Virginia	735,320
State Department of Health	591,790
Other	7,829
Gain/Loss on Asset Disposal	<u>5,339</u>

Increase in Net Assets	127,551
Net Assets, Beginning Of Year	<u>23,616,489</u>
Net Assets, End Of Year	<u>\$ 23,744,040</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, 2010

Cash Flow from Operating Activities:		
Cash Received from Customers	\$ 1,612,411	
Cash Payments to Suppliers for Goods & Services	(1,444,328)	
Cash Payments to Employees for Services	(850,980)	
Other Operating Revenues	<u>27,846</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ (655,051)
Cash Flow from Noncapital Financing Activities:		
Increase in Customer Deposits	\$ 4,620	
Connection Fees	22,100	
Penalties and Finance Charges	<u>42,618</u>	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		69,338
Cash Flows from Investing Activities:		
Interest on Investments	<u>\$ 83,157</u>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		83,157
Cash Flows from Capital & Related Financing Activities:		
Increase in Due to Other Governmental Units	\$ (9,442)	
Increase in Due From Others	515	
Purchase of Buildings & Other Structures	(26,000)	
Purchase of Equipment	(116,274)	
Purchase of Utility Plant Items	(34,661)	
Construction of Capital Assets	(2,209,489)	
Contributions & Grants	1,376,368	
Gain/Loss from Asset Disposal	5,339	
Provision for Bond Premium and Issuance Costs	59	
Proceeds from Issuance of Debt	1,972,271	
Principal Paid on Note Payables	(178,089)	
Interest Paid on Revenue Bonds & Equipment Contracts	<u>(100,568)</u>	
NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES		<u>680,029</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		\$ 177,473
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>4,529,108</u>
CASH & CASH EQUIVALENTS AT END OF YEAR		<u>\$ 4,706,581</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, 2010

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:		
Operating Income (Loss)		\$ (1,301,980)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	\$ 641,920	
Provision for Uncollectible Accounts	11,273	
Provision for Compensated Absences	3,623	
Change in Assets & Liabilities:		
(Increase) Decrease in Accounts Receivable	(12,349)	
Increase (Decrease) in Accounts Payable	(2,120)	
Increase (Decrease) in Wages Payable	4,582	
TOTAL ADJUSTMENTS		<u>646,929</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>\$ (655,051)</u>



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**DISCRETE COMPONENT UNIT  
SCHOOL BOARD**

COUNTY OF WISE, VIRGINIA  
 COMBINED BALANCE SHEET  
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 AT JUNE 30, 2010

EXHIBIT 22

COMPONENT UNIT  
 SCHOOL BOARD

ASSETS

ASSETS:

Cash and Cash Equivalents	\$ 4,395,949
Accounts Receivable	188,303
Due From Other Governmental Units	<u>3,127,583</u>
TOTAL ASSETS	<u>\$ 7,711,835</u>

LIABILITIES

LIABILITIES:

Accounts Payable	\$ 1,066,403
Due to Primary Government	<u>2,260,315</u>
TOTAL LIABILITIES	\$ 3,326,718

FUND EQUITY

FUND BALANCES:

Undesignated	<u>\$ 4,385,117</u>
TOTAL FUND EQUITY	<u>\$ 7,711,835</u>

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

FUND BALANCE JUNE 30, 2010	\$ 4,385,117
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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.

\$ 29,033,234

Adjustment for amounts due to / due from primary government.

\$ 2,260,315

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.

\$ (2,475,469)

Net Assets of General Government Activities

\$ 33,203,197

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, 2010

EXHIBIT 23

COMPONENT UNIT  
 SCHOOL FUND

	<u>TOTALS</u>
REVENUES:	
Revenues From Use Of Money & Property	\$ 43,895
Charges For Services	1,242,402
Miscellaneous	1,139,544
Recovered Costs	159,874
Intergovernmental	<u>69,330,593</u>
TOTAL REVENUES	<u>\$ 71,916,308</u>
EXPENDITURES:	
Education	70,441,368
Capital Outlay	<u>432,242</u>
TOTAL EXPENDITURES	<u>\$ 70,873,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,042,698</u>
OTHER FINANCING SOURCES (USES):	
Operating Transfers In	\$ 13,594
Operating Transfers Out	(13,594)
Proceeds From Debt	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)	\$ 1,042,698
FUND BALANCE AT BEGINNING OF YEAR	<u>3,342,419</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 4,385,117</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, 2010

EXHIBIT 24

	BUDGET		ACTUAL	VARIANCE FROM AMENDED
	ORIGINAL BUDGET	AS AMENDED		POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Revenues From Use Of Money & Property	\$ 47,500	\$ 47,500	\$ 43,895	\$ (3,605)
Charges For Services	1,553,300	1,553,300	1,242,402	(310,898)
Miscellaneous	4,126,100	4,126,100	1,139,544	(2,986,556)
Recovered Costs	300,400	300,400	159,874	(140,526)
Intergovernmental	74,663,700	74,663,700	69,330,593	(5,333,107)
<b>TOTAL REVENUES</b>	<b>\$ 80,691,000</b>	<b>\$ 80,691,000</b>	<b>\$ 71,916,308</b>	<b>\$ (8,774,692)</b>
<b>EXPENDITURES:</b>				
General Government Administration	\$ -	\$ -	\$ -	\$ -
Judicial Administration	-	-	-	-
Public Works	-	-	-	-
Education	79,391,000	79,391,000	70,441,368	8,949,632
Community Development	-	-	-	-
Non-Departmental	-	-	-	-
Capital Outlay	1,300,000	1,300,000	432,242	867,758
<b>TOTAL EXPENDITURES</b>	<b>\$ 80,691,000</b>	<b>\$ 80,691,000</b>	<b>\$ 70,873,610</b>	<b>\$ 9,817,390</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,042,698</b>	<b>\$ 1,042,698</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	\$ 180,700	\$ 180,700	13,594	\$ (167,106)
Operating Transfers Out	(180,700)	(180,700)	(13,594)	167,106
Proceeds From Debt	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES &amp; OTHER SOURCES OVER EXPENDITURES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,042,698</b>	<b>\$ 1,042,698</b>
<b>FUND BALANCE AT BEGINNING OF YEAR (As Restated)</b>	<b>-</b>	<b>-</b>	<b>3,342,419</b>	<b>3,342,419</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,385,117</b>	<b>\$ 4,385,117</b>

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, 2010

COMPONENT  
 UNIT  
 SCHOOL  
 BOARD

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances -- total governmental funds

\$ 1,042,698

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.

\$ (300,379)

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.

\$ 170,052

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.

701,240

Change in net assets of governmental activities

\$ 1,613,611

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF CAPITAL ASSETS BY SOURCE  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2010

EXHIBIT 26

	<u>COMPONENT UNIT- SCHOOL BOARD</u>
CAPITAL ASSETS:	
Land	\$ 1,358,879
Building and Building Improvements	51,306,320
Equipment	7,956,364
Construction in Progress	<u>3,317,697</u>
TOTAL CAPITAL ASSETS	<u>\$ 63,939,260</u>
INVESTMENT IN CAPITAL ASSETS BY SOURCE:	
Primary Government Revenues	<u>63,939,260</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 63,939,260</u>

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 2010

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>51,306,320</u>	\$ <u>7,956,364</u>	\$ <u>3,317,697</u>	\$ <u>63,939,260</u>
TOTAL	\$ <u><u>1,358,879</u></u>	\$ <u><u>51,306,320</u></u>	\$ <u><u>7,956,364</u></u>	\$ <u><u>3,317,697</u></u>	\$ <u><u>63,939,260</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, 2010

EXHIBIT 28

	<u>CAPITAL ASSETS JULY 1, 2009</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>CAPITAL ASSETS JUNE 30, 2010</u>
EDUCATION	<u>\$ 62,426,555</u>	<u>\$ 4,502,021</u>	<u>\$ 2,989,316</u>	<u>\$ 63,939,260</u>
TOTAL	<u>\$ 62,426,555</u>	<u>\$ 4,502,021</u>	<u>\$ 2,989,316</u>	<u>\$ 63,939,260</u>

COUNTY OF WISE, VIRGINIA  
 COMBINING BALANCE SHEET  
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 AT JUNE 30, 2010

EXHIBIT 29

	GOVERNMENTAL FUNDS				
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	TOTALS
<u>ASSETS</u>					
Cash	\$ 2,405	\$ 559,887	\$ 38,918	\$ 22,595	\$ 623,805
Petty Cash	200	-	-	-	200
Investments	-	505,179	1,273,714	1,993,051	3,771,944
Accounts Receivable	188,303	-	-	-	188,303
Due From Other Governmental Units	3,116,287	11,296	-	-	3,127,583
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>\$ 3,307,195</u>	<u>\$ 1,076,362</u>	<u>\$ 1,312,632</u>	<u>\$ 2,015,646</u>	<u>7,711,835</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 1,046,680	\$ 12,043	\$ -	\$ 7,680	1,066,403
Due To Other Funds	2,260,315	-	-	-	2,260,315
Claims, Judgments & Compensated Absences	-	-	-	-	-
State Literary Fund Loans	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 3,306,995</u>	<u>\$ 12,043</u>	<u>\$ -</u>	<u>\$ 7,680</u>	<u>3,326,718</u>
<u>FUND EQUITY</u>					
Investment in General Fixed Assets	\$ -	\$ -	\$ -	\$ -	-
FUND BALANCES:					
Undesignated	200	1,064,319	1,312,632	2,007,966	4,385,117
TOTAL FUND EQUITY	<u>\$ 200</u>	<u>\$ 1,064,319</u>	<u>\$ 1,312,632</u>	<u>\$ 2,007,966</u>	<u>4,385,117</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 3,307,195</u>	<u>\$ 1,076,362</u>	<u>\$ 1,312,632</u>	<u>\$ 2,015,646</u>	<u>7,711,835</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, 2010

EXHIBIT 30

	GOVERNMENTAL FUNDS				TOTALS
	SCHOOL OPERATING FUND	SCHOOL CAFETERIA FUND	TEXTBOOK RENTAL FUND	CAPITAL PROJECTS FUND	
REVENUES:					
Revenues From Use Of Money & Property	\$ 15,500	\$ 4,904	\$ 23,491	\$ -	\$ 43,895
Charges For Services	84,930	1,157,472	-	-	1,242,402
Miscellaneous	1,139,097	-	447	-	1,139,544
Recovered Costs	159,874	-	-	-	159,874
Intergovernmental	66,146,326	1,825,972	-	1,358,295	69,330,593
<b>TOTAL REVENUES</b>	<b>\$ 67,545,727</b>	<b>\$ 2,988,348</b>	<b>\$ 23,938</b>	<b>\$ 1,358,295</b>	<b>\$ 71,916,308</b>
EXPENDITURES:					
Education	67,532,133	2,742,412	166,823	-	70,441,368
Capital Outlay	-	-	-	432,242	432,242
<b>TOTAL EXPENDITURES</b>	<b>\$ 67,532,133</b>	<b>\$ 2,742,412</b>	<b>\$ 166,823</b>	<b>\$ 432,242</b>	<b>\$ 70,873,610</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	\$ 13,594	\$ 245,936	\$ (142,885)	\$ 926,053	\$ 1,042,698
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ -	\$ 13,594	\$ -	\$ -	\$ 13,594
Operating Transfers Out	(13,594)	-	-	-	(13,594)
Proceeds From Debt	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (13,594)</b>	<b>\$ 13,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
EXCESS OF REVENUES & OTHER SOURCES OVER EXPENDITURES (USES)					
	\$ -	\$ 259,530	\$ (142,885)	\$ 926,053	\$ 1,042,698
FUND BALANCE AT BEGINNING OF YEAR	200	804,789	1,455,517	1,081,913	3,342,419
FUND BALANCE AT END OF YEAR	\$ 200	\$ 1,064,319	\$ 1,312,632	\$ 2,007,966	4,385,117

**SUPPLEMENTARY SCHEDULE**

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>PRIMARY GOVERNMENT:</b>				
General Fund:				
Revenue From Local Sources:				
General Property Taxes:				
Real Property Taxes	\$ 9,375,000	\$ 9,375,000	\$ 9,708,952	\$ 333,952
Service Corporation Taxes	1,334,489	1,334,489	637,349	(697,140)
Personal Property Taxes	5,000,000	5,000,000	3,944,334	(1,055,666)
Machinery & Tool Taxes	3,100,000	3,100,000	2,949,358	(150,642)
Merchants Capital Taxes	810,000	810,000	911,662	101,662
Mobile Home Taxes	220,000	220,000	207,155	(12,845)
Penalties & Interest	360,000	364,620	368,040	3,420
<b>TOTAL GENERAL PROPERTY TAXES</b>	<b>\$ 20,199,489</b>	<b>\$ 20,204,109</b>	<b>\$ 18,726,850</b>	<b>\$ (1,477,259)</b>
Other Local Taxes:				
Local Sales & Use Tax	\$ 2,875,000	\$ 2,875,000	\$ 4,773,709	\$ 1,898,709
Coal Severance Tax	5,750,000	5,750,000	5,230,826	(519,174)
Consumer's Utility Tax	485,000	485,000	471,856	(13,144)
Bank Stock Tax	-	-	10,464	10,464
Consumption Tax	120,000	120,000	192,182	72,182
Taxes on Recordation & Wills	175,000	175,000	117,286	(57,714)
County Decal Licenses	110,000	110,000	104,629	(5,371)
Transient Occupancy Tax	24,000	24,000	23,207	(793)
<b>TOTAL OTHER LOCAL TAXES</b>	<b>\$ 9,539,000</b>	<b>\$ 9,539,000</b>	<b>\$ 10,924,159</b>	<b>\$ 1,385,159</b>
Permits, Privilege Fees & Regulatory				
Licenses:				
Animal Licenses	\$ 3,000	\$ 3,000	\$ 7,132	\$ 4,132
Permits & Other Licenses	54,000	54,000	43,860	(10,140)
<b>TOTAL PERMITS, PRIVILEGE FEES &amp; REGULATORY LICENSES</b>	<b>\$ 57,000</b>	<b>\$ 57,000</b>	<b>\$ 50,992</b>	<b>\$ (6,008)</b>
<b>Fines &amp; Forfeitures:</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 15,741</b>	<b>\$ (4,259)</b>
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ 300,000	\$ 300,000	\$ 230,371	\$ (69,629)
Revenue From The Use of Property	65,000	65,000	84,931	19,931
<b>TOTAL REVENUE FROM THE USE OF MONEY &amp; PROPERTY</b>	<b>\$ 365,000</b>	<b>\$ 365,000</b>	<b>\$ 315,302</b>	<b>\$ (49,698)</b>
Charges For Services:				
Charges For Commonwealth's Attorney	\$ 2,000	\$ 2,000	\$ 2,550	\$ 550
Charges For County Offices	-	-	24,669	24,669
Charges For Court	33,000	33,000	38,701	5,701
Charges For Health	35,000	99,587	100,355	768
Charges For Social Services	115,000	115,000	210,590	95,590
<b>TOTAL CHARGES FOR SERVICES</b>	<b>\$ 185,000</b>	<b>\$ 249,587</b>	<b>\$ 376,865</b>	<b>\$ 127,278</b>
Miscellaneous:				
Miscellaneous	\$ 90,000	\$ 90,500	\$ 33,165	\$ (57,335)
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>\$ 90,000</b>	<b>\$ 90,500</b>	<b>\$ 33,165</b>	<b>\$ (57,335)</b>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES-BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 215,000	\$ 215,000	\$ 230,261	\$ 15,261
Miscellaneous	500,000	500,000	-	(500,000)
TOTAL RECOVERED COSTS	<u>\$ 715,000</u>	<u>\$ 715,000</u>	<u>\$ 230,261</u>	<u>\$ (484,739)</u>
 TOTAL REVENUE FROM LOCAL SOURCES	 <u>\$ 31,170,489</u>	 <u>\$ 31,240,196</u>	 <u>\$ 30,673,335</u>	 <u>\$ (566,861)</u>
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Payments in Lieu of Taxes	\$ 165,000	\$ 165,000	\$ 220,230	\$ 55,230
ABC Profits	16,000	16,000	-	(16,000)
Wine Taxes	16,800	16,800	-	(16,800)
Rolling Stock Tax	110,000	110,000	129,065	19,065
Mobile Home Titling Taxes	190,000	190,000	172,273	(17,727)
Recordation Tax	20,000	20,000	61,272	41,272
Personal Property Tax Reimbursement	-	-	1,380,233	1,380,233
Reduction in Aide to Localities	(200,535)	(200,535)	(200,535)	-
Miscellaneous	122,000	183,646	-	(183,646)
Communication Taxes	1,200,000	1,200,000	960,163	(239,837)
Motor Vehicle Rental Tax	3,500	3,500	3,666	166
TOTAL NON-CATEGORICAL AID	<u>\$ 1,642,765</u>	<u>\$ 1,704,411</u>	<u>\$ 2,726,367</u>	<u>\$ 1,021,957</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 702,267	\$ 702,267	\$ 633,195	\$ (69,072)
Sheriff	2,073,767	2,073,767	1,864,632	(209,135)
Commissioner of Revenue	209,265	209,265	182,429	(26,836)
Treasurer	180,076	180,076	158,028	(22,048)
Medical Examiner	900	900	-	(900)
Jail	-	-	-	-
Registrar/Electoral Board	65,000	65,000	104,061	39,061
Clerk of Circuit Court	432,421	445,021	372,216	(72,805)
TOTAL SHARED EXPENSES	<u>\$ 3,663,696</u>	<u>\$ 3,676,296</u>	<u>\$ 3,314,561</u>	<u>\$ (361,735)</u>
Other Categorical Aid:				
Public Assistance & Welfare Administration	\$ 2,422,742	\$ 2,901,435	\$ 3,645,352	\$ 743,917
M H & R Service Board	3,710,836	4,091,681	3,380,468	(711,213)
Community Development-Southern River	-	-	436,279	436,279
Dept of Emergency Services-Emergency	-	-	2,921	2,921
Circuit Court Clerk State Grant	-	8,673	18,643	9,970
Miscellaneous Grant	-	-	3,260	3,260
Domestic Violence Grant	150,000	150,000	20,000	(130,000)
Dept of Emergency Services-Emergency	50,000	50,000	-	(50,000)
Haz-Mat - Emergency Services	-	-	34,044	34,044
Haz-Mat - Emergency Services	-	-	15,000	15,000
SWVA Corrections - Justice	592,096	592,096	587,824	(4,272)
GIS Wireless	-	-	97,565	97,565
DMV Grant-Equipment	-	-	13,378	13,378
Victim Witness Grant - Justice	55,392	55,844	33,280	(22,564)
Cultural Arts Grant	-	5,000	5,000	-
Fire Program Funds	75,000	75,000	75,428	428
Four-For-Life Rescue	36,307	36,307	33,671	(2,636)
School Resource Officer Grant	166,671	179,071	272,619	93,548
TOTAL OTHER CATEGORICAL AID	<u>\$ 7,259,044</u>	<u>\$ 8,145,107</u>	<u>\$ 8,674,732</u>	<u>\$ 529,625</u>
TOTAL CATEGORICAL AID	<u>\$ 10,922,740</u>	<u>\$ 11,821,403</u>	<u>\$ 11,989,293</u>	<u>\$ 167,890</u>

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>PRIMARY GOVERNMENT:</b>				
<b>General Fund:</b>				
Revenue From The Commonwealth:				
TOTAL REVENUE FROM THE COMMONWEALTH	\$ 12,565,505	\$ 13,525,813	\$ 14,715,660	\$ 1,189,847
Revenue From The Federal Government:				
Payments in Lieu of Taxes	\$ 38,000	\$ 38,000	\$ 12,027	\$ (25,973)
Categorical Aid:				
Public Assistance & Welfare Administration	\$ 3,952,894	\$ 3,952,894	\$ 3,363,803	\$ (589,091)
Public Assistance & Welfare-ARRA	-	-	103,003	103,003
M H & R Service Board	-	-	1,076,500	1,076,500
Emergency Services-Preparedness	-	-	47,450	47,450
Emergency Services-Preparedness	-	-	529	529
Emergency Services-Preparedness-Equipment	-	-	50,614	50,614
Violence Against Women - Justice	-	-	36,162	36,162
Victim Witness	-	-	31,600	31,600
Ground Transportation	-	-	13,284	13,284
Sheriff Stabilization Funds-ARRA	115,000	115,000	117,406	2,406
Community Development Grant-Napoleon Hill	-	623,555	33,955	(589,600)
Community Development Grant-Feasibility	-	-	22,500	22,500
TOTAL CATEGORICAL AID	<u>\$ 4,067,894</u>	<u>\$ 4,691,449</u>	<u>\$ 4,896,806</u>	<u>\$ 205,357</u>
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	<u>\$ 4,105,894</u>	<u>\$ 4,729,449</u>	<u>\$ 4,908,833</u>	<u>\$ 179,384</u>
TOTAL GENERAL FUND	<u><u>\$ 47,841,888</u></u>	<u><u>\$ 49,495,458</u></u>	<u><u>\$ 50,297,828</u></u>	<u><u>\$ 802,370</u></u>
<b>Special Revenue Funds:</b>				
Emergency Numbers Funds:				
Revenue From Local Sources:				
Revenue From the Use of Money & Property:				
Revenue From the Use of Money	\$ -	\$ -	\$ 100	\$ 100
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 100</u>
Revenue From The Commonwealth:				
Non-Categorical Aid:				
Communication Taxes	\$ 78,363	\$ 78,363	\$ 76,781	\$ (1,582)
TOTAL NON-CATEGORICAL AID	<u>\$ 78,363</u>	<u>\$ 78,363</u>	<u>\$ 76,781</u>	<u>\$ (1,582)</u>
Categorical Aid:				
Department of Technology Planning	67,300	67,300	34,568	(32,732)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 145,663</u>	<u>\$ 145,663</u>	<u>\$ 111,349</u>	<u>\$ (34,314)</u>
TOTAL EMERGENCY NUMBERS FUND	<u>\$ 145,663</u>	<u>\$ 145,663</u>	<u>\$ 111,449</u>	<u>\$ (34,214)</u>
Law Library Fund:				
Revenue From Local Sources:				
Charges For Services:				
Charges For Law Library	\$ 12,500	\$ 12,500	\$ 9,830	\$ (2,670)
TOTAL LAW LIBRARY FUND	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 9,830</u>	<u>\$ (2,670)</u>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES-BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 6,000,000	\$ 6,000,000	\$ 4,947,223	\$ (1,052,777)
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 113,663	\$ 113,663
TOTAL COAL ROAD IMPROVEMENT FUND	\$ 6,000,000	\$ 6,000,000	\$ 5,060,886	\$ (939,114)
Drug Seizure & Forfeiture and Special Funds:				
Sheriff Department:				
Revenue From Local Sources:				
Fines & Forfeitures:				
Fines & Forfeitures	\$ -	\$ -	\$ 19,611	\$ 19,611
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 72,698	\$ 72,698
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 92,309	\$ 92,309
TOTAL DRUG SEIZURE & FORFEITURE AND SPECIAL FUNDS	\$ -	\$ -	\$ 92,309	\$ 92,309
Transient Occupancy Tax Fund:				
Revenue From Local Sources:				
Other Local Taxes:				
Transient Occupancy Tax	\$ -	\$ -	\$ 34,999	\$ 34,999
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 15	\$ 15
TOTAL TRANSIENT OCCUPANCY TAX FUND	\$ -	\$ -	\$ 35,014	\$ 35,014
Dog & Cat Sterilization Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ 2,900	\$ 2,900	\$ 2,488	\$ (412)
TOTAL REVENUE FROM LOCAL	\$ 2,900	\$ 2,900	\$ 2,488	\$ (412)
TOTAL DOG & CAT STERILIZATION FUND	\$ 2,900	\$ 2,900	\$ 2,488	\$ (412)
Wise Development Fund:				
Revenue From Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 12,219	\$ 12,219
TOTAL REVENUE FROM LOCAL	\$ -	\$ -	\$ 12,219	\$ 12,219
Revenue From The Federal Government:				
Categorical Aid:				
Research Cooperative Agreement-NASA	\$ 770,250	\$ 770,250	\$ 635,909	\$ (134,341)
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ 770,250	\$ 770,250	\$ 635,909	\$ (134,341)
TOTAL WISE DEVELOPMENT FUND	\$ 770,250	\$ 770,250	\$ 648,128	\$ (122,122)

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 Local Sources:				
Miscellaneous	\$ -	\$ -	\$ 14,575	\$ 14,575
TOTAL REVENUE FROM LOCAL SOURCES	\$ -	\$ -	\$ 14,575	\$ 14,575
Revenue From The Federal Government:				
Categorical Aid:				
Stephens Guest River Project	\$ -	\$ -	\$ 1,288,764	\$ 1,288,764
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$ -	\$ -	\$ 1,288,764	\$ 1,288,764
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 1,303,339	\$ 1,303,339
TOTAL SPECIAL REVENUE FUNDS	\$ 6,931,313	\$ 6,931,313	\$ 7,263,443	\$ 332,130
GRAND TOTAL REVENUES - PRIMARY GOVERNMENT	<u>\$ 54,773,201</u>	<u>\$ 56,426,771</u>	<u>\$ 57,561,271</u>	<u>\$ 1,134,500</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	\$ 15,500	\$ (32,000)
Charges For Services:				
Charges For Education	\$ 12,500	\$ 12,500	\$ 85,808	\$ 73,308
Miscellaneous Revenue:				
Miscellaneous	\$ 3,876,100	\$ 3,876,100	\$ 1,138,215	\$ (2,737,885)
Recovered Costs:				
Payments From Other Localities	\$ 300,400	\$ 300,400	\$ 159,874	\$ (140,526)
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ 4,236,500</u>	<u>\$ 4,236,500</u>	<u>\$ 1,399,397</u>	<u>\$ (2,837,103)</u>
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ 15,558,400	\$ 15,558,400	\$ 13,980,062	\$ (1,578,338)
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	<u>\$ 15,558,400</u>	<u>\$ 15,558,400</u>	<u>\$ 13,980,062</u>	<u>\$ (1,578,338)</u>

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGNAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>				
School Operating Fund:				
Revenue From The Commonwealth:				
Categorical Aid:				
Share of State Sales & Use Taxes	\$ 5,897,200	\$ 5,897,200	\$ 5,581,456	\$ (315,744)
Basic School Aid	24,013,400	24,013,400	22,178,331	(1,835,069)
Remedial Education SOQ	835,900	835,900	836,825	925
Remedial Education - Summer	142,900	142,900	99,758	(43,142)
Gifted SOQ	239,600	239,600	239,854	254
Special Education	2,268,100	2,268,100	2,132,039	(136,061)
Vocational Education	1,217,300	1,217,300	1,092,670	(124,630)
Vocational Education-Adult	-	-	44,193	44,193
Share of Fringe Benefits	3,263,500	3,263,500	2,803,632	(459,868)
Reading Intervention	135,900	135,900	128,339	(7,561)
Governors/Magnet Schools	74,800	74,800	74,810	10
Electronic Classroom	453,300	453,300	-	(453,300)
SOL Algebra Readiness	105,400	105,400	107,955	2,555
Alternative Education	284,100	284,100	276,025	(8,075)
Primary Class Size/K-3 Initiative	1,096,600	1,096,600	1,069,318	(27,282)
Foster Care Children - Regular	-	-	21,352	21,352
Foster Care Children - Special Ed	-	-	10,759	10,759
Support For Schools	333,800	333,800	465,360	131,560
Adult Literacy	479,200	479,200	296,990	(182,210)
Adult Occupational Prep & Equipment	-	-	82,070	82,070
Adult Secondary	-	-	26,747	26,747
GED Prep Program - ISAEP	23,600	23,600	23,576	(24)
GED	-	-	52,824	52,824
GED Testing	-	-	6,298	6,298
Enrollment Loss	97,500	97,500	79,211	(18,289)
At Risk	967,800	967,800	950,949	(16,851)
At Risk - Four-Year Olds	447,800	447,800	447,829	29
Technology Initiative	518,000	518,000	492,000	(26,000)
Homebound	-	-	71,655	71,655
Virtual Advanced Placement	-	-	-	-
Leadership Development Grants	-	-	-	-
English As A Second Language (ESL)	-	-	19,213	19,213
VPI Start Up Expansion	-	-	-	-
Project Graduation	-	-	-	-
Mentor Teacher HTS	4,700	4,700	-	(4,700)
Industry Certification	-	-	25,457	25,457
Teacher Incentive-Mentor	-	-	-	-
<b>TOTAL REVENUE FROM THE COMMONWEALTH</b>	<b>\$ 42,900,400</b>	<b>\$ 42,900,400</b>	<b>\$ 39,737,494</b>	<b>\$ (3,162,906)</b>
Revenue From The Federal Government:				
Categorical Aid:				
Adult Literacy	\$ 243,000	\$ 243,000	\$ 216,744	\$ (26,256)
Title I	3,078,400	3,078,400	2,208,232	(870,168)
Title II - Part A	23,200	23,200	566,186	542,986
Title II - Ed Technology / Part D	260,600	260,600	485,074	224,474
Forest Reserve	20,000	20,000	66,806	46,806
AFROTC	-	-	57,238	57,238
Homeless	515,300	515,300	30,682	(484,618)
National Community Service	-	-	44,609	44,609
Drug Free Schools	-	-	36,752	36,752
Title VI - B - Flow Through	1,422,500	1,422,500	1,566,351	143,851
Vocational Education	170,700	170,700	155,381	(15,319)
Title IV Part A, Subpart 1 / Drug Free	34,500	34,500	-	(34,500)
Title V-A Innovative Programs	-	-	10,842	10,842
Federal Stimulus (Titles I, VI, Voc Ed)	6,172,100	6,172,100	6,080,007	(92,093)
Title X Grant - 21st Century	585,000	585,000	466,157	(118,843)

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>COMPONENT UNIT - SCHOOL BOARD:</b>				
School Operating Fund:				
Revenue From The Federal Government:				
Categorical Aid: (Continued)				
Title VI - Rural/Low Income Schools	-	-	204,529	204,529
Crude Oil Overbill (Department of Energy)	-	-	-	-
Pre-School Special Education	-	-	38,250	38,250
Peace Project	-	-	-	-
Hammer	-	-	44,929	44,929
TOTAL CATEGORICAL AID	<u>\$ 12,525,300</u>	<u>\$ 12,525,300</u>	<u>\$ 12,278,770</u>	<u>\$ (246,530)</u>
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	<u>\$ 12,525,300</u>	<u>\$ 12,525,300</u>	<u>\$ 12,278,770</u>	<u>\$ (246,530)</u>
Debt Service:				
Revenue from Commonwealth:				
Categorical Aid:				
Lottery Funds	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
TOTAL CATEGORICAL AID	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>
TOTAL SCHOOL OPERATING FUND	<u>\$ 75,370,600</u>	<u>\$ 75,370,600</u>	<u>\$ 67,545,723</u>	<u>\$ (7,824,877)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Revenue From The Use of Money	\$ -	\$ -	\$ 4,904	\$ 4,904
TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,904</u>	<u>\$ 4,904</u>
Charges For Services:				
Cafeteria Sales	\$ 1,540,800	\$ 1,540,800	\$ 1,157,472	\$ (383,328)
TOTAL REVENUE FROM LOCAL SOURCES	<u>\$ 1,540,800</u>	<u>\$ 1,540,800</u>	<u>\$ 1,162,376</u>	<u>\$ (378,424)</u>
Revenue From The Commonwealth:				
Categorical Aid:				
School Food	\$ 48,600	\$ 48,600	\$ 48,458	\$ (142)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 48,600</u>	<u>\$ 48,600</u>	<u>\$ 48,458</u>	<u>\$ (142)</u>
Revenue From The Federal Government:				
Categorical Aid:				
School Food Program Grant	\$ 1,550,000	\$ 1,550,000	\$ 1,777,514	\$ 227,514
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	<u>\$ 1,550,000</u>	<u>\$ 1,550,000</u>	<u>\$ 1,777,514</u>	<u>\$ 227,514</u>
TOTAL SCHOOL CAFETERIA FUND	<u>\$ 3,139,400</u>	<u>\$ 3,139,400</u>	<u>\$ 2,988,348</u>	<u>\$ (151,052)</u>

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	\$ -	\$ -	\$ 23,491	\$ 23,491
Miscellaneous	\$ 250,000	\$ 250,000	\$ 447	\$ (249,553)
TOTAL FROM LOCAL SOURCES	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 23,938</u>	<u>\$ (226,062)</u>
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ -	\$ -	\$ -	\$ -
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue From The Commonwealth:				
Categorical Aid:				
Total Rental Payments	\$ 631,000	\$ 631,000	\$ -	\$ (631,000)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 631,000</u>	<u>\$ 631,000</u>	<u>\$ -</u>	<u>\$ (631,000)</u>
TOTAL TEXTBOOK RENTAL FUND	<u>\$ 881,000</u>	<u>\$ 881,000</u>	<u>\$ 23,938</u>	<u>\$ (857,062)</u>
TOTAL SPECIAL REVENUE FUNDS	<u><u>\$ 79,391,000</u></u>	<u><u>\$ 79,391,000</u></u>	<u><u>\$ 70,558,009</u></u>	<u><u>\$ (8,832,991)</u></u>
School Capital Project Fund:				
Revenue From Local Sources:				
Revenue From The Use of Money & Property:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
TOTAL FROM LOCAL SOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Intergovernmental:				
Revenue From Local Governments:				
Local Appropriations	\$ -	\$ -	\$ -	\$ -
TOTAL INTERGOVERNMENTAL REVENUE FROM LOCAL APPROPRIATIONS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenue From The Commonwealth:				
Categorical Aid:				
Subsidy Grant Funds	\$ -	\$ -	\$ 1,358,295	\$ 1,358,295
Public School Construction	333,800	333,800	-	(333,800)
TOTAL REVENUE FROM THE COMMONWEALTH	<u>\$ 333,800</u>	<u>\$ 333,800</u>	<u>\$ 1,358,295</u>	<u>\$ 1,024,495</u>
TOTAL CAPITAL OUTLAY FUND	<u>\$ 333,800</u>	<u>\$ 333,800</u>	<u>\$ 1,358,295</u>	<u>\$ 1,024,495</u>
GRAND TOTAL REVENUES - COMPONENT UNIT - SCHOOL BOARD	<u><u>\$ 79,724,800</u></u>	<u><u>\$ 79,724,800</u></u>	<u><u>\$ 71,916,304</u></u>	<u><u>\$ (7,808,496)</u></u>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>PRIMARY GOVERNMENT:</b>				
General Fund:				
General Government Administration:				
Legislative:				
Board Of Supervisors	\$ 357,725	\$ 364,725	335,244	\$ 29,481
General & Financial Administration:				
County Administrator	\$ 494,160	\$ 494,160	\$ 480,157	\$ 14,003
Legal Services	238,365	238,365	221,301	17,064
Commissioner Of Revenue	537,436	565,520	566,748	(1,228)
Assessor	189,305	189,305	190,492	(1,187)
Data Processing	190,373	205,373	199,726	5,647
Treasurer	560,977	565,597	536,701	28,896
Geographic Information	461,663	461,663	312,691	148,972
<b>TOTAL GENERAL &amp; FINANCIAL ADMINISTRATION</b>	<b>\$ 2,672,279</b>	<b>\$ 2,719,983</b>	<b>\$ 2,507,816</b>	<b>\$ 212,167</b>
Board Of Elections:				
Electoral Board & Officials	\$ 61,310	\$ 61,310	\$ 35,964	\$ 25,346
Registrar	110,451	110,451	112,598	(2,147)
<b>TOTAL BOARD OF ELECTIONS</b>	<b>\$ 171,761</b>	<b>\$ 171,761</b>	<b>\$ 148,562</b>	<b>\$ 23,199</b>
<b>TOTAL GENERAL GOVERNMENT ADMINISTRATION</b>	<b>\$ 3,201,765</b>	<b>\$ 3,256,469</b>	<b>\$ 2,991,622</b>	<b>\$ 264,847</b>
Judicial Administration:				
Courts:				
Clerk Of The Circuit Court	\$ 823,321	\$ 893,505	\$ 883,544	\$ 9,961
District Court	8,568	8,568	7,119	1,449
Magistrate	4,186	5,368	4,883	485
Juvenile & Domestic Relations Court	437,220	437,970	436,477	1,493
Sheriff	402,480	415,900	304,914	110,986
<b>TOTAL COURTS</b>	<b>\$ 1,675,775</b>	<b>\$ 1,761,310</b>	<b>\$ 1,636,937</b>	<b>\$ 124,373</b>
Commonwealth Attorney	\$ 1,024,315	\$ 1,024,315	\$ 958,439	\$ 65,876
Victim Witness Protection	55,392	55,844	55,226	618
<b>TOTAL JUDICIAL ADMINISTRATION</b>	<b>\$ 2,755,482</b>	<b>\$ 2,841,469</b>	<b>\$ 2,650,602</b>	<b>\$ 190,867</b>
Public Safety:				
Law Enforcement & Traffic Control:				
Sheriff	\$ 3,123,015	\$ 3,141,715	\$ 3,184,010	\$ (42,295)
Dispatcher/E911	280,735	280,735	265,340	15,395
<b>TOTAL LAW ENFORCEMENT &amp; TRAFFIC CONTROL</b>	<b>\$ 3,403,750</b>	<b>\$ 3,422,450</b>	<b>\$ 3,449,350</b>	<b>\$ (26,900)</b>
Fire & Rescue Services:				
Fire & Rescue Departments	\$ 567,370	\$ 567,370	\$ 542,480	\$ 24,890
<b>TOTAL FIRE &amp; RESCUE SERVICES</b>	<b>\$ 567,370</b>	<b>\$ 567,370</b>	<b>\$ 542,480</b>	<b>\$ 24,890</b>
Correction & Detention:				
SWVA Community Corrections Center	\$ 592,096	\$ 592,096	\$ 587,265	\$ 4,831
SW Regional Jail Authority	2,003,910	2,003,910	1,907,712	96,198

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>PRIMARY GOVERNMENT:</b>				
General Fund:				
Public Safety:				
Correction & Detention:				
TOTAL CORRECTION & DETENTION	\$ 2,596,006	\$ 2,596,006	\$ 2,494,977	\$ 101,029
Inspections:				
Building Inspector	\$ 256,177	\$ 256,177	\$ 240,400	\$ 15,777
TOTAL INSPECTIONS	\$ 256,177	\$ 256,177	\$ 240,400	\$ 15,777
Other Protection:				
Emergency Services	\$ 93,915	\$ 141,365	\$ 139,933	\$ 1,432
Animal Control	262,735	264,235	253,311	10,924
TOTAL OTHER PROTECTION	\$ 356,650	\$ 405,600	\$ 393,244	\$ 12,356
TOTAL PUBLIC SAFETY	\$ 7,179,954	\$ 7,247,604	\$ 7,120,451	\$ 127,153
Public Works:				
Maintenance Of Buildings & Grounds:				
General Properties	\$ 1,067,915	\$ 1,196,915	\$ 1,660,371	\$ (463,456)
TOTAL PUBLIC WORKS	\$ 1,067,915	\$ 1,196,915	\$ 1,660,371	\$ (463,456)
Welfare/Social Services:				
Health & Welfare:				
Health:				
Supplement To Local Health Department	\$ 542,840	\$ 511,090	\$ 419,968	\$ 91,122
TOTAL HEALTH	\$ 542,840	\$ 511,090	\$ 419,968	\$ 91,122
Mental Health & Mental Retardation:				
Mental Health	3,845,691	4,226,536	4,591,823	(365,287)
TOTAL MENTAL HEALTH & MENTAL RETARDATION	\$ 3,845,691	\$ 4,226,536	\$ 4,591,823	\$ (365,287)
Welfare/Social Services:				
Welfare Administration	\$ 7,963,283	\$ 8,441,976	\$ 8,435,832	\$ 6,144
Property Tax Relief for Elderly	-	-	329,049	(329,049)
MEOC	-	-	-	-
Youth Service Board	25,000	25,000	25,000	-
Agency On Aging	80,300	80,300	78,100	2,200
Group Home	-	-	-	-
TOTAL WELFARE/SOCIAL SERVICES	\$ 8,068,583	\$ 8,547,276	\$ 8,867,981	\$ (320,705)
TOTAL HEALTH & WELFARE	\$ 12,457,114	\$ 13,284,902	\$ 13,879,772	\$ (594,870)
Education:				
Local Public Schools	\$ 15,558,400	\$ 15,558,400	\$ 13,980,062	\$ 1,578,338
UVA-Engineering Project	-	-	-	-
Community Colleges	51,350	51,350	51,350	-
TOTAL EDUCATION	\$ 15,609,750	\$ 15,609,750	\$ 14,031,412	\$ 1,578,338

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DESCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
TOTAL PARKS & RECREATION	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>
Library:				
Contributions To Local Libraries	\$ 822,648	\$ 822,648	\$ 822,648	\$ -
TOTAL LIBRARY	<u>\$ 822,648</u>	<u>\$ 822,648</u>	<u>\$ 822,648</u>	<u>\$ -</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>\$ 882,648</u>	<u>\$ 882,648</u>	<u>\$ 894,648</u>	<u>\$ (12,000)</u>
Planning & Community Development:				
Economic Development	\$ 251,195	\$ 251,695	\$ 447,919	\$ (196,224)
Economic & Community Development	-	-	316,850	(316,850)
Housing Authority	25,000	25,000	25,000	-
Cumberland Airport Commission	123,000	123,000	123,075	(75)
Lenowisco	66,684	66,684	66,684	-
Planning Commission	8,800	8,800	9,400	(600)
Industrial Development Authority	589,745	589,745	181,037	408,708
Music Trail-Crooked Road	-	-	-	-
CEDA - Tourism	114,610	797,110	-	797,110
TOTAL PLANNING & COMMUNITY DEVELOPMENT	<u>\$ 1,179,034</u>	<u>\$ 1,862,034</u>	<u>\$ 1,169,965</u>	<u>\$ 692,069</u>
Community Development:				
Cooperative Extension Program:				
VPI & SU Extension Office	\$ 98,667	\$ 102,267	\$ 89,442	\$ 12,825
TOTAL COOPERATIVE EXTENSION PROGRAM	<u>\$ 98,667</u>	<u>\$ 102,267</u>	<u>\$ 89,442</u>	<u>\$ 12,825</u>
TOTAL COMMUNITY DEVELOPMENT	<u>\$ 1,277,701</u>	<u>\$ 1,964,301</u>	<u>\$ 1,259,407</u>	<u>\$ 704,894</u>
Non-Departmental:				
Non-Departmental	\$ 220,948	\$ 322,003	\$ 268,434	\$ 53,569
TOTAL NON-DEPARTMENTAL	<u>\$ 220,948</u>	<u>\$ 322,003</u>	<u>\$ 268,434</u>	<u>\$ 53,569</u>
Debt Service:				
Principal Retirement	\$ 359,765	\$ 359,765	\$ 420,310	\$ (60,545)
Interest & Fiscal Charges	50,000	50,000	58,824	(8,824)
TOTAL DEBT SERVICE	<u>\$ 409,765</u>	<u>\$ 409,765</u>	<u>\$ 479,134</u>	<u>\$ (69,369)</u>
TOTAL GENERAL FUND	<u>\$ 45,063,040</u>	<u>\$ 47,015,825</u>	<u>\$ 45,235,853</u>	<u>\$ 1,779,972</u>

FUND, MAJOR & MINOR REVENUE SOURCE	ORIGINAL BUDGET	BUDGET AS AMENDED	ACTUAL	VARIANCE FROM AMENDED POSITIVE (NEGATIVE)
<b>PRIMARY GOVERNMENT</b>				
Special Revenue Funds:				
Law Library Fund:				
Judicial Administration:				
Courts:				
Law Library	\$ 12,500	\$ 12,500	\$ 18,470	\$ (5,970)
TOTAL LAW LIBRARY FUND	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 18,470</u>	<u>\$ (5,970)</u>
Coal Road Improvement Fund:				
General Government Administration	\$ -	\$ -	\$ 195	\$ (195)
Public Works:				
Maintenance Of Highways, Streets, Bridges & Sidewalks:				
Coal Road Projects	\$ 160,000	\$ 160,000	\$ 180,914	\$ (20,914)
TOTAL PUBLIC WORKS	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 180,914</u>	<u>\$ (20,914)</u>
Community Development:				
Distribution to Towns	\$ 1,200,000	\$ 1,200,000	\$ 1,457,364	\$ (257,364)
Community Development	4,640,000	4,640,000	2,878,695	1,761,305
TOTAL COMMUNITY DEVELOPMENT	<u>\$ 5,840,000</u>	<u>\$ 5,840,000</u>	<u>\$ 4,336,059</u>	<u>\$ 1,503,941</u>
TOTAL COAL ROAD IMPROVEMENT FUND	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 4,517,168</u>	<u>\$ 1,482,832</u>
Emergency Numbers Fund:				
Public Safety:				
Law Enforcement & Traffic Control:				
911 System	\$ 382,965	\$ 382,965	\$ 341,737	\$ 41,228
TOTAL PUBLIC SAFETY	<u>\$ 382,965</u>	<u>\$ 382,965</u>	<u>\$ 341,737</u>	<u>\$ 41,228</u>
TOTAL EMERGENCY NUMBERS FUND	<u>\$ 382,965</u>	<u>\$ 382,965</u>	<u>\$ 341,737</u>	<u>\$ 41,228</u>
Drug Seizure & Forfeiture and Special Funds:				
Sheriff Department:				
Public Safety:				
Sheriff	\$ -	\$ -	\$ 66,609	\$ (66,609)
TOTAL PUBLIC SAFETY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,609</u>	<u>\$ (66,609)</u>
TOTAL DRUG SEIZURE & FORFEITURE AND SPECIAL FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,609</u>	<u>\$ (66,609)</u>
Dog & Cat Sterilization Fund:				
Public Safety				
Other Protection:				
Animal Control	\$ 2,500	\$ 2,500	\$ 1,922	\$ (578)
TOTAL PUBLIC SAFETY	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 1,922</u>	<u>\$ (578)</u>

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 1,922	\$ 578
Information Technology Improvement Fund:				
Community Development:				
Technology	\$ -	\$ 1,600	\$ 825	\$ 775
TOTAL INFORMATION TECHNOLOGY IMPROVEMENT FUND	\$ -	\$ 1,600	\$ 825	\$ 775
TOTAL INFORMATION TECHNOLOGY FUND	\$ -	\$ 1,600	\$ 825	\$ 775
Wise Development Fund:				
Community Development:				
Community Project	\$ 770,035	\$ 770,250	\$ 510,475	\$ 259,775
TOTAL COMMUNITY DEVELOPMENT	\$ 770,035	\$ 770,250	\$ 510,475	\$ 259,775
TOTAL WISE DEVELOPMENT FUND	\$ 770,035	\$ 770,250	\$ 510,475	\$ 259,775
Transient Occupancy Fund				
Community Development:				
Community Project	\$ -	\$ 1,600	\$ 10,476	\$ (8,876)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ 1,600	\$ 10,476	\$ (8,876)
TOTAL TRANSIENT OCCUPANCY FUND	\$ -	\$ 1,600	\$ 10,476	\$ (8,876)
Software Engineering Initiative Fund				
Community Development:				
Community Project	\$ -	\$ 1,600	\$ 33,323	\$ (31,723)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ 1,600	\$ 33,323	\$ (31,723)
TOTAL SOFTWARE ENGINEERING INITIATIVE FUND	\$ -	\$ 1,600	\$ 33,323	\$ (31,723)
Community Development Fund:				
Community Development:				
Lower Birchfield Project	\$ -	\$ -	\$ -	\$ -
Bold Camp Sewer Project	-	-	-	-
Stephens Guest River Project	-	-	1,288,764	(1,288,764)
TOTAL COMMUNITY DEVELOPMENT	\$ -	\$ -	\$ 1,288,764	\$ (1,288,764)
TOTAL COMMUNITY DEVELOPMENT FUND	\$ -	\$ -	\$ 1,288,764	\$ (1,288,764)
TOTAL SPECIAL REVENUE FUNDS	\$ 7,168,000	\$ 7,173,015	\$ 6,789,769	\$ 383,246
GRAND TOTAL EXPENDITURES - PRIMARY GOVERNMENT	\$ 52,231,040	\$ 54,188,840	\$ 52,025,622	\$ 2,163,218

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:				
Education:				
Administration Of Schools	\$ 957,000	\$ 957,000	\$ 836,145	\$ 120,855
Instruction Costs				
Classroom	\$ 48,130,000	\$ 48,130,000	\$ 42,320,555	\$ 5,809,445
Instructional Support:				
Student	1,724,000	1,724,000	2,029,966	(305,966)
Staff	3,470,900	3,470,900	4,231,372	(760,472)
Administration	2,183,400	2,183,400	4,178,772	(1,995,372)
TOTAL INSTRUCTION COSTS	<u>\$ 55,508,300</u>	<u>\$ 55,508,300</u>	<u>\$ 52,760,665</u>	<u>\$ 2,747,635</u>
COMPONENT UNIT - SCHOOL BOARD:				
Special Revenue Funds:				
School Operating Fund:				
Operating Costs:				
Attendance & Health Services	\$ 1,160,500	\$ 1,160,500	\$ 1,131,521	\$ 28,979
Pupil Transportation	4,165,900	4,165,900	2,749,726	1,416,174
Operation & Maintenance Of School Plant	5,599,800	5,599,800	5,577,388	22,412
Technology	2,530,900	2,530,900	2,162,072	368,828
Non-Instructional	4,312,100	4,312,100	998,478	3,313,622
TOTAL OPERATING COSTS	<u>\$ 17,769,200</u>	<u>\$ 17,769,200</u>	<u>\$ 12,619,184</u>	<u>\$ 5,150,016</u>
TOTAL EDUCATION	<u>\$ 74,234,500</u>	<u>\$ 74,234,500</u>	<u>\$ 66,215,995</u>	<u>\$ 8,018,505</u>
Debt Service:				
Principal Retirement	\$ 884,100	\$ 884,100	\$ 884,073	\$ 27
Interest & Fiscal Charges	432,700	432,700	432,065	635
TOTAL DEBT SERVICE	<u>\$ 1,316,800</u>	<u>\$ 1,316,800</u>	<u>\$ 1,316,138</u>	<u>\$ 662</u>
				735,000
TOTAL SCHOOL OPERATING FUND	<u>\$ 75,551,300</u>	<u>\$ 75,551,300</u>	<u>\$ 67,532,133</u>	<u>\$ 8,019,167</u>
School Cafeteria Fund:				
Education:				
Operating Costs	\$ 3,139,400	\$ 3,139,400	\$ 2,742,412	\$ 396,988
TOTAL SCHOOL CAFETERIA FUND	<u>\$ 3,139,400</u>	<u>\$ 3,139,400</u>	<u>\$ 2,742,412</u>	<u>\$ 396,988</u>
Textbook Rental Fund:				
Education:				
Operating Costs	\$ 700,300	\$ 700,300	\$ 166,823	\$ 533,477
TOTAL TEXTBOOK RENTAL FUND	<u>\$ 700,300</u>	<u>\$ 700,300</u>	<u>\$ 166,823</u>	<u>\$ 533,477</u>
Capital Project Fund:				
School Construction:				
Capital Outlays	\$ 1,300,000	\$ 1,300,000	\$ 432,242	\$ 867,758
TOTAL SCHOOL CONSTRUCTION	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 432,242</u>	<u>\$ 867,758</u>
TOTAL CAPITAL PROJECT FUND	<u>\$ 1,300,000</u>	<u>\$ 1,300,000</u>	<u>\$ 432,242</u>	<u>\$ 867,758</u>
GRAND TOTAL EXPENDITURES, COMPONENT UNIT - SCHOOL BOARD	<u>\$ 80,691,000</u>	<u>\$ 80,691,000</u>	<u>\$ 70,873,610</u>	<u>\$ 9,817,390</u>

COUNTY OF WISE, VIRGINIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY  
 JUNE 30, 2010

SCHEDULE 3

WISE COUNTY (INCLUDING THE WISE COUNTY PUBLIC SERVICE AUTHORITY)

Actuarial Valuation Date	( a ) Actuarial Value of Assets	( b ) Actuarial Accrued Liability (AAL)	( b - a ) Unfunded Actuarial Accrued Liability (UAAL)	( a / b ) Funded Ratio	( c ) Covered Payroll	((b - a) / c) UAAL as % of Covered Payroll
June 30, 2009	\$35,787,336	\$40,263,087	\$4,475,751	88.88%	\$9,572,846	46.75%
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, 2009	\$8,299,143	\$10,945,237	\$2,646,094	75.82%	\$2,090,400	126.58%
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%

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
2009-10	\$ 18,726,850	\$ 15,906,381	\$ 50,992	\$ 35,352	\$ 472,975
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

FISCAL YEAR	CHARGES FOR SERVICES	MISCELLANEOUS	RECOVERED COSTS	INTER- GOVERNMENTAL	TOTAL
2009-10	\$ 1,629,097	\$ 1,274,689	\$ 390,135	\$ 89,632,813	\$ 128,119,284
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

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

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

SCHEDULE 5

FISCAL YEAR	GENERAL ADMINISTRATION	JUDICIAL ADMINISTRATION	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND WELFARE	EDUCATION
2009-10	\$ 2,991,817	\$ 2,669,072	\$ 7,530,719	\$ 1,841,285	\$ 13,879,772	\$ 84,472,780
2008-09	2,974,848	2,598,386	7,246,622	1,628,213	13,999,745	93,285,331
2007-08	2,792,431	2,465,396	6,994,029	958,550	13,081,322	83,279,425
2006-07	2,609,378	2,460,677	6,768,362	920,170	18,156,152	79,244,980
2005-06	2,435,632	2,033,252	6,352,758	831,729	17,571,446	76,859,946
2004-05	2,065,348	1,781,370	6,159,167	690,916	17,378,741	73,499,591
2003-04	1,904,298	1,550,521	6,768,214	1,155,160	10,921,015	69,950,542
2002-03	2,036,832	1,634,549	5,747,227	1,060,934	10,121,069	52,588,652
2001-02	2,339,164	1,734,967	5,409,891	877,534	7,119,945	51,907,805
2000-01	1,782,680	1,727,460	5,159,893	3,256,712	10,068,943	49,637,501

FISCAL YEAR	PARKS, RECREATION & CULTURAL	COMMUNITY DEVELOPMENT	CAPITAL PROJECT	DEBT SERVICE	TOTALS
2009-10	\$ 894,648	\$ 7,439,329	\$ 268,434	\$ 479,134	\$ 122,466,990
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

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

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

SCHEDULE 6

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	MACHINERY AND TOOLS	MERCHANT'S CAPITAL	MOBILE HOMES
2009-10	\$ 1,741,463,965	\$ 370,590,217	\$ 257,961,483	\$ 32,586,054	\$ 39,163,119
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

PUBLIC UTILITIES

FISCAL YEAR	PERSONAL PROPERTY	REAL ESTATE	MERCHANT'S CAPITAL	TOTAL
2009-10	\$ 277,470	\$ 111,625,698	\$ 190,000	\$ 2,553,858,006
2008-09	325,916	81,297,579	118,000	2,388,306,137
2007-08	395,768	77,052,759	130,000	2,353,437,955
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

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

SCHEDULE 7

FISCAL YEARS	REAL ESTATE	PERSONAL PROPERTY	MACHINERY & TOOLS	MERCHANT'S CAPITAL	MOBILE HOMES	PUBLIC UTILITIES		
						PERSONAL PROPERTY	REAL ESTATE	MERCHANT'S CAPITAL
2009-10	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2008-09	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2007-08	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2006-07	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2005-06	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2004-05	0.57	1.49	1.15	2.85	0.57	1.49	0.57	0.57
2003-04	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.48
2002-03	0.48	1.15	1.15	2.85	0.48	1.15	0.48	0.48
2001-02	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52
2000-01	0.52	1.15	1.15	2.85	0.52	1.15	0.52	0.52

- (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
2009-10	\$ 20,208,112	\$ 18,684,554	92.46%	\$ 1,054,489	\$ 19,739,043	97.68%	\$ 2,504,313	12.39%
2008-09	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%

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.

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

SCHEDULE 9

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
2009-10	40,123	\$ 2,553,858,006	\$ 16,915,254	0	\$ 319,530	\$ 16,595,724	0.65%	\$ 413.62
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

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, 2010

LEGAL DEBT LIMIT	
10% OF ASSESSED VALUE OF TAXABLE REAL ESTATE (INCLUDING PUBLIC UTILITY REAL ESTATE) (1,853,089,663 x .10)	\$ 185,308,966
DEDUCT	
GROSS BONDED DEBT	<u>16,915,254</u>
LEGAL MARGIN FOR CREATION OF ADDITIONAL DEBT	<u><u>\$ 168,393,712</u></u>



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**COMPLIANCE SECTION**



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

LARRY D. STURGILL

MEMBER  
AMERICAN INSTITUTE OF  
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CERTIFIED PUBLIC ACCOUNTANT  
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MEMBER  
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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, 2010, and have issued my report thereon dated November 30, 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.

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

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 consider the deficiency described in the accompanying schedule of findings, responses, and questioned costs (reference 2010-1) to be a material weakness in internal control over financial reporting.

### **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  
November 30, 2010

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

LARRY D. STURGILL

MEMBER  
AMERICAN INSTITUTE OF  
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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, 2010. 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 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.

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

My audit does not provide a legal determination on the County of Wise, Virginia's compliance with those requirements.

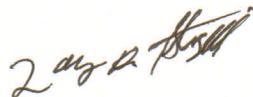
In my opinion, Wise County, Virginia, complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

**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  
November 30, 2010

COUNTY OF WISE, VIRGINIA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2010

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	\$ 172,211
Department Of Social Services:		
General Administration - Food Stamp Program (Cluster) *	10.561	621,743
Department Of Education:		
National School Lunch Program (SL-4) (SL-11)	10.555	1,350,903
National School Breakfast	10.553	423,517
National Summer Feeding Program	10.555	3,094
Total National School Food (Cluster)		1,777,514
Federal Land Use - Forest Reserve	10.665	66,806
DEPARTMENT OF HEALTH & HUMAN SERVICES:		
Department of Social Services:		
Pass Through Payments:		
Department of Social Services:		
Admin Energy Assist - LIHEAP	93.568	\$ 37,756
Administration Refuge Other/Eligibility	93.566	1,566
TANF (Cluster) *	93.558	822,497
Foster Care - Title IV-E (Cluster) *	93.658	514,196
Adoption Assistance *	93.659	414,872
Child Welfare State Grant	93.645	2,457
Administration FAMIS Allocation	93.767	30,453
Medicaid Cluster:		
Administration \ TXIX Allocation-Medical Asst Program	93.778	288,193
Administration \ Administration LSCA-TXIX	93.778	32,527
Central Service Cost Allocation	93.778	30,000
Administration - Medicaid	93.778	7,638
Total Medicaid (Cluster)		358,359
Child Day Care (Cluster)		
Child Care Dev. Fund - Head Start	93.575	59,002
Child Care Dev. Fund - Head Start- ARRA	93.575	19,855
Subtotal Child Care Dev. Fund		78,858
Tanf Ed / Trng.: Non Jobs	93.575	1,146
Tanf Ed / Trng.: Non Jobs ARRA	93.575	139
Subtotal Tanf Ed/ Trng.: Non Jobs		1,285
Child Care- CCDF	93.596	153,492
Child Care- CCDF- ARRA	93.596	5,511
Subtotal Child Care- CCDF		159,003
Total Child Day Care (CCDF) (Cluster)		239,146
Chafee Foster Care Independence Program	93.674	16,763
Chafee Education & Training Vouchers Program	93.599	6,521
Social Service Block Grant *	93.667	363,801
Protective Services Promoting Safe and Stable Families	93.556	36,678
Department Of Mental Health and Mental Retardation		
Mental Health Planning **	93.959	835,275
Alcohol Abuse Services (50847-49) **	93.958	114,359
Education Funds**	84.181	84,125
Education Funds** ARRA	84.181	42,741
Subtotal Education Funds **		126,866
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	12,027
FEDERAL EMERGENCY MANAGEMENT AGENCY:		
Direct Payments:		
State Homeland Security Grant	97.042	98,064
DEPARTMENT OF EDUCATION:		
Pass Through Payments:		



COUNTY OF WISE, VIRGINIA  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2010

**Section I - Summary of Auditor's Results**  
**Financial Statements**

Type of Auditor's reports issued: Unqualified

Internal Control over financial reporting:  
 Material weaknesses identified? Yes  
 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 programs:  
 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: CFDA#	Type	Name of Federal Program or Cluster	Risk Type
Unknown	B	Financial Asst. Sheriffs Office AARA	High
84.010	A	Title I	High
84.369	A	AARA Title I Grants	High
84.394	A	AARA ST Fiscal Stabilization	High
84.027/84.391			
84.392/84.173	A	Special Education Cluster (IDEA)	High
Unknown	A	Wise Co. VCWSTM-ARRA	High
93.575/93.596	B	CCDF Cluster	High
93.959	A	Block Grant-Substance Abuse	High
84.181	B	Part C Funds AARA	High

Dollar threshold used to distinguish between Type A  
 and Type B programs \$632,835

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

2010-1

Condition: The County's financial statements as presented to the auditors required significant adjustments.

Criteria: Per Statement on Auditing Standards 115, an auditee should have sufficient expertise in the selection and application of accounting principles used in the preparation of the annual financial report. In addition, the auditee should have sufficient internal controls over the preparation of financial statements in accordance with generally accepted accounting principles. Furthermore, reliance on the year end closure procedures to detect and correct errors in financial reporting hampers the County's ability to comply with the criteria that internal controls should be in place that would prevent or timely detect and correct errors in financial reporting.

Effect: There is more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal controls over financial reporting.

Management's Response: Management is dedicated to complying with the concepts set forth in Statement on Auditing Standards 115 and will make diligent efforts in the future to eliminate material errors from its financial statement.

**Section III - Federal Award Findings and Questioned Costs**

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

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