

COUNTY OF WISE, VIRGINIA

AUDIT REPORT

JUNE 30, 1999

COUNTY OF WISE, VIRGINIA

BOARD OF SUPERVISORS

Jack Kiser, Chairman  
Betty Cornett, Vice-Chairperson  
.. Doug Stallard  
Donnie Dowell  
Robert Adkins  
Virginia Meador  
Edgar Mullins  
Doug Mullins

COUNTY SCHOOL BOARD

Robert Mullins, Chairperson  
Anne Y. Gregory, Vice-Chairperson  
Wendell Caldwell  
Margaret Craft  
Milas D. Franks  
Terry Collier  
Charles Mutter  
Cecilia Robinette  
Roberta P. Smallwood, Clerk

COUNTY WELFARE BOARD

Edgar Mullins, Chairperson  
Jean Kennedy  
Jessee Gardner  
Elizabeth Stuart  
Sam Gilbert  
Danny Buchanan  
John Markham  
Sarah Collier  
Demos Cantrell

OTHER OFFICIALS

|  |           |                    |
|--|-----------|--------------------|
| Judge of the Circuit Court                   | . . . . . | J. Robert Stump    |
| Judge of the Circuit Court                   | . . . . . | James Roberson     |
| Clerk of the Circuit Court                   | . . . . . | Jack Kennedy       |
| Judge of the District Court                  | . . . . . | Suzanne Fulton     |
| Judge of Juvenile & Domestic Relations Court | . . . . . | Elizabeth Sturgill |
| Judge of Juvenile & Domestic Relations Court | . . . . . | David Summerfield  |
| Commonwealth's Attorney . . . . .            | . . . . . | Greg Kallen        |
| Commissioner of the Revenue                  | . . . . . | Delmar Wilson      |
| Treasurer . . . . .                          | . . . . . | Rita Holbrook      |
| Sheriff . . . . .                            | . . . . . | Ronnie D. Oakes    |
| Superintendent of Schools . . . . .          | . . . . . | Michael G. Basham  |
| Director of Social Services                  | . . . . . | Thomas Stanley     |
| County Administrator . . . . .               | . . . . . | Scott Davis        |
| Assistant County Administrator               | . . . . . | Shannon Scott      |

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JUNE 30, 1999

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

LARRY D. STURGILL

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

November 05, 1999

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

Supervisors:

I have audited the accompanying general purpose financial statements of the County of Wise, Virginia, as of and for the year ended June 30, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Wise, Virginia as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 05, 1999  
Page 2

In accordance with Government Auditing Standards, I have also issued my report dated November 05, 1999 on my consideration of the County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

Respectfully submitted,

*Larry D. Sturgill*

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Certified Public Accountant

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

November 05, 1999

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

Supervisors:

I have audited the financial statements of the County of Wise, Virginia as of and for the year ended June 30, 1999, and have issued my report thereon dated November 05, 1999. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the County of Wise, Virginia's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 1-4.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County of Wise, Virginia's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the County of Wise, Virginia's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 05, 1999  
Page 2

Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses.

However, of the reportable conditions described above I consider items 1-4 to be a material weakness.

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

Respectfully submitted,



Larry D. Sturgill  
Certified Public Accountant

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

November 05, 1999

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, 1999. 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 generally accepted auditing standards; 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 Town's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 1-4 in the accompanying schedule of findings and questioned costs, the County of Wise, Virginia did not comply with requirements regarding the compliance requirement of allowable costs/cost principles. Compliance with such requirements is necessary in our opinion for the County of Wise, Virginia to comply with requirements applicable to that program.

The Honorable Members of the  
Board of Supervisors  
County of Wise  
Wise, Virginia 24293  
November 05, 1999  
Page 2

In my opinion, except for the noncompliance described in the preceding paragraph the County of Wise, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

#### Internal Control Over Compliance

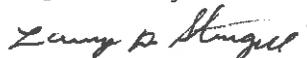
The management of the County of Wise, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal 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.

I noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgement, could adversely affect the County of Wise, Virginia's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 1-4 to be a material weakness.

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

Respectfully submitted,



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INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION

OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 1999

November 05, 1999

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

Supervisors:

I have reviewed the prior year report during the course of this audit to determine if the County of Wise, has implemented adequate corrective action with respect to previously reported audit findings. Corrective actions were not necessary because no prior period audit findings existed.

Respectfully submitted,

*Larry D. Sturgill*

Larry D. Sturgill  
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SUMMARY OF COMPLIANCE MATTERS

November 05, 1999

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

Supervisors:

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

STATE COMPLIANCE MATTERS

Code of Virginia:

Budget and Appropriation Laws  
Cash and Investments Laws  
Conflicts of Interest Act  
Local Retirement Systems  
Debt Provisions  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Education  
Social Services

FEDERAL COMPLIANCE MATTERS

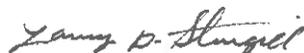
Compliance Supplement for Single Audits of State and Local Governments

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

LOCAL COMPLIANCE MATTERS

None

Respectfully submitted,



Larry D. Sturgill  
Certified Public Accountant

COUNTY OF WISE, VIRGINIA  
 COMBINED BALANCE SHEET - ALL FUNDS, ACCOUNT GROUPS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 AT JUNE 30, 1999

| <u>A S S E T S</u>   | GOVERNMENTAL<br>FUNDS |                            | PROPRIETARY<br>FUND |
|--|-----------------------|----------------------------|---------------------|
|  | <u>GENERAL</u>        | <u>SPECIAL<br/>REVENUE</u> | <u>ENTERPRISE</u>   |
|  |                       | \$                         | \$                  |
| Cash   | 781,583               | 165,098                    | 14,059              |
| Petty Cash   | 7,300                 | 0-                         | 0-                  |
| Investments  | 3,141,607             | 2,790,662                  | 0-                  |
| Reserved Deposits  | 0-                    | 0-                         | 359,100             |
| Receivables (Net Of Allowances For<br>Uncollectibles):                       |                       |                            |                     |
| Taxes Including Penalties  | 980,463               | 0-                         | 0-                  |
| Accounts   | 169,040               | 0-                         | 8,698               |
| Mineral Taxes  | 261,027               | 243,725                    | 0-                  |
| Due From Other Governmental Units  | 241,744               | 0-                         | 19,274              |
| Due From Other Funds   | 4,009,802             | 201,154                    | 0-                  |
| Amount To Be Provided For The Retirement<br>Of General Long-Term Obligations | 0-                    | 0-                         | 0-                  |
| General Fixed Assets   | 0-                    | 0-                         | 4,343,987           |
| TOTAL ASSETS   | <u>\$9,592,566</u>    | <u>\$ 3,400,639</u>        | <u>\$4,745,118</u>  |

| <u>L I A B I L I T I E S</u>                |                    |                   |                    |
|---|--------------------|-------------------|--------------------|
|   | \$                 | \$                | \$                 |
| Accounts Payable                            | 218,009            | 49,432            | 0-                 |
| Due To Other Funds                          | 201,154            | 42,821            | 2,162,542          |
| Due To Other Governmental Units             | 0-                 | 139,442           | 0-                 |
| Due to Social Service Clients               | 0-                 | 0-                | 0-                 |
| Deferred Revenues:                          |                    |                   |                    |
| Taxes                                       | 1,426,284          | 0-                | 0-                 |
| Claims, Judgments & Compensated<br>Absences | 0-                 | 0-                | 0-                 |
| Landfill Closure Cost Liability             | 0-                 | 0-                | 2,668,651          |
| State Literary Fund Loans Payable           | 0-                 | 0-                | 0-                 |
| General Obligation Bonds Payable            | 0-                 | 0-                | 0-                 |
| General Long-Term Financing Loans           | 0-                 | 0-                | 198,934            |
| Revenue Bond Payable                        | 0-                 | 0-                | 358,815            |
| TOTAL LIABILITIES                           | <u>\$1,845,447</u> | <u>\$ 231,695</u> | <u>\$5,388,942</u> |

| <u>F U N D E Q U I T Y</u>         |                    |                     |                     |
|------------------------------------|--------------------|---------------------|---------------------|
|                                    | \$                 | \$                  | \$                  |
| Investment in General Fixed Assets | 0-                 | 0-                  | 0-                  |
| Contributed Capital                | 0-                 | 0-                  | 2,528,248           |
| Retained Earnings:                 |                    |                     |                     |
| Reserved                           | 0-                 | 0-                  | 359,100             |
| Unreserved                         | 0-                 | 0-                  | (3,531,172)         |
| Fund Balances:                     |                    |                     |                     |
| Undesignated                       | 7,747,119          | 3,168,944           | 0-                  |
| TOTAL FUND EQUITY                  | <u>\$7,747,119</u> | <u>\$ 3,168,944</u> | <u>\$ (643,824)</u> |
| TOTAL LIABILITIES & FUND EQUITY    | <u>\$9,592,566</u> | <u>\$ 3,400,639</u> | <u>\$4,745,118</u>  |

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

| <u>FIDUCIARY FUNDS</u>    | <u>ACCOUNT GROUPS</u>               | <u>GENERAL FIXED ASSETS</u> | <u>TOTALS</u><br>(Memorandum Only) |
|---------------------------|-------------------------------------|-----------------------------|------------------------------------|
| <u>TRUST &amp; AGENCY</u> | <u>GENERAL LONG-TERM OBLIGATION</u> |                             | <u>PRIMARY GOVERNMENT</u>          |
| \$ 86,490                 | \$ -0-                              | \$ -0-                      | \$ 1,047,230                       |
| -0-                       | -0-                                 | -0-                         | 7,300                              |
| -0-                       | -0-                                 | -0-                         | 5,932,269                          |
| -0-                       | -0-                                 | -0-                         | 359,100                            |
| -0-                       | -0-                                 | -0-                         | 980,463                            |
| -0-                       | -0-                                 | -0-                         | 177,738                            |
| -0-                       | -0-                                 | -0-                         | 504,752                            |
| 228,632                   | -0-                                 | -0-                         | 489,650                            |
| -0-                       | -0-                                 | -0-                         | 4,210,956                          |
| -0-                       | 746,591                             | -0-                         | 746,591                            |
| -0-                       | -0-                                 | 36,387,200                  | 40,731,187                         |
| <u>\$ 315,122</u>         | <u>\$ 746,591</u>                   | <u>\$36,387,200</u>         | <u>\$55,187,236</u>                |
| \$ -0-                    | \$ -0-                              | \$ -0-                      | \$ 267,441                         |
| 195,799                   | -0-                                 | -0-                         | 2,602,316                          |
| 54,058                    | -0-                                 | -0-                         | 193,500                            |
| 65,265                    | -0-                                 | -0-                         | 65,265                             |
| -0-                       | -0-                                 | -0-                         | 1,426,284                          |
| -0-                       | 389,572                             | -0-                         | 389,572                            |
| -0-                       | -0-                                 | -0-                         | 2,668,651                          |
| -0-                       | -0-                                 | -0-                         | -0-                                |
| -0-                       | -0-                                 | -0-                         | 198,934                            |
| -0-                       | 357,019                             | -0-                         | 357,019                            |
| -0-                       | -0-                                 | -0-                         | 358,815                            |
| <u>\$ 315,122</u>         | <u>\$ 746,591</u>                   | <u>\$ -0-</u>               | <u>\$ 8,527,797</u>                |
| \$ -0-                    | \$ -0-                              | \$36,387,200                | \$36,387,200                       |
| -0-                       | -0-                                 | -0-                         | 2,528,248                          |
| -0-                       | -0-                                 | -0-                         | 359,100                            |
| -0-                       | -0-                                 | -0-                         | (3,531,172)                        |
| -0-                       | -0-                                 | -0-                         | 10,916,063                         |
| <u>\$ -0-</u>             | <u>\$ -0-</u>                       | <u>\$36,387,200</u>         | <u>\$46,659,439</u>                |
| <u>\$ 315,122</u>         | <u>\$ 746,591</u>                   | <u>\$36,387,200</u>         | <u>\$55,187,236</u>                |

COUNTY OF WISE, VIRGINIA  
 COMBINED BALANCE SHEET - ALL FUNDS, ACCOUNT GROUPS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 AT JUNE 30, 1999

EXHIBIT 1  
 PAGE 2

|   | <u>Component Unit</u> | <u>TOTALS</u><br>(Memorandum Only) |
|---|-----------------------|------------------------------------|
| <u>A S S E T S</u>  | <u>SCHOOL BOARD</u>   | <u>REPORTING ENTITY</u>            |
| Cash  | \$ 650,740            | \$ 1,697,970                       |
| Petty Cash  | 200                   | 7,500                              |
| Investments   | 2,570,079             | 8,502,348                          |
| Reserved Escrow Deposit   | -0-                   | 359,100                            |
| Receivables (Net Of Allowances For Uncollectibles):                       |                       |                                    |
| Taxes Including Penalties   | -0-                   | 980,463                            |
| Accounts  | 105,835               | 283,573                            |
| Mineral Taxes   | -0-                   | 504,752                            |
| Due From Other Governmental Units   | 1,558,724             | 2,048,374                          |
| Due From Other Funds  | -0-                   | 4,210,956                          |
| Amount To Be Provided For The Retirement Of General Long-Term Obligations | 4,721,701             | 5,468,292                          |
| General Fixed Assets  | <u>114,922,182</u>    | <u>155,653,369</u>                 |
| TOTAL ASSETS  | <u>\$124,529,461</u>  | <u>\$179,716,697</u>               |
| <br><u>L I A B I L I T I E S</u><br>                                      |                       |                                    |
| Accounts Payable  | \$ 221,858            | \$ 489,299                         |
| Due To Other Funds  | 1,608,640             | 4,210,956                          |
| Due To Other Governmental Units   | -0-                   | 193,500                            |
| Due to Social Service Clients   | -0-                   | 65,265                             |
| Deferred Revenues:  |                       |                                    |
| Taxes   | -0-                   | 1,426,284                          |
| Claims, Judgments & Compensated Absences                                  | 1,399,721             | 1,789,293                          |
| Landfill Closure Cost Liability   | -0-                   | 2,668,651                          |
| State Literary Fund Loans Payable   | 2,731,980             | 2,731,980                          |
| General Obligation Bonds Payable  | 590,000               | 590,000                            |
| General Long-Term Financing Loans   | -0-                   | 555,953                            |
| Revenue Bond Payable  | -0-                   | 358,815                            |
| TOTAL LIABILITIES   | <u>\$ 6,552,199</u>   | <u>\$ 15,079,996</u>               |
| <br><u>F U N D E Q U I T Y</u><br>  |                       |                                    |
| Investment in General Fixed Assets  | \$114,922,182         | \$151,309,382                      |
| Contributed Capital   | -0-                   | 2,528,248                          |
| Retained Earnings:  |                       |                                    |
| Reserved  | -0-                   | 359,100                            |
| Unreserved  | -0-                   | (3,531,172)                        |
| Fund Balances:  |                       |                                    |
| Undesignated  | <u>3,055,080</u>      | <u>13,971,143</u>                  |
| TOTAL FUND EQUITY   | <u>\$117,977,262</u>  | <u>\$164,636,701</u>               |
| TOTAL LIABILITIES & FUND EQUITY   | <u>\$124,529,461</u>  | <u>\$179,716,697</u>               |

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

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 1999

|   | GOVERNMENTAL FUNDS |                    |
|---|--------------------|--------------------|
|   | GENERAL            | SPECIAL<br>REVENUE |
| <b>REVENUES:</b>  |                    |                    |
| General Property Taxes                                  | \$ 13,971,459      | \$ -0-             |
| Other Local Taxes                                       | 6,665,586          | 3,074,355          |
| Permits, Privilege Fees<br>& Regulatory Licenses        | 41,424             | -0-                |
| Fines & Forfeitures                                     | 2,195              | -0-                |
| Revenues From Use Of<br>Money & Property                | 456,062            | 113,467            |
| Charges For Services                                    | 532,323            | 151,567            |
| Miscellaneous   | 10,036             | 118,691            |
| Recovered Costs   | 379,922            | -0-                |
| Intergovernmental                                       | 8,549,063          | 372,436            |
| TOTAL REVENUES  | \$ 30,608,070      | \$ 3,830,516       |
| <b>EXPENDITURES:</b>                                    |                    |                    |
| Current:  |                    |                    |
| General Government                                      |                    |                    |
| Administration  | \$ 1,470,870       | \$ 200             |
| Judicial Administration                                 | 1,285,253          | 11,846             |
| Public Safety   | 3,769,229          | 264,466            |
| Public Works  | 2,226,763          | 277,065            |
| Health & Welfare  | 6,124,981          | -0-                |
| Education   | 47,774             | -0-                |
| Parks, Recreation & Cultural                            | 728,365            | -0-                |
| Community Development                                   | 429,230            | 2,924,024          |
| Capital Projects  | 631,929            | -0-                |
| Debt Service:   |                    |                    |
| Principal Retirement                                    | 284,681            | -0-                |
| Interest & Fiscal<br>Charges                            | 22,005             | -0-                |
| TOTAL EXPENDITURES                                      | \$ 17,021,080      | \$ 3,477,601       |
| EXCESS (DEFICIENCY)<br>OF REVENUES OVER<br>EXPENDITURES | \$ 13,586,990      | \$ 352,915         |
| <b>OTHER FINANCING<br/>SOURCES (USES):</b>              |                    |                    |
| Operating Transfers In                                  | \$ -0-             | \$ -0-             |
| Operating Transfers Out                                 | (11,119,189)       | -0-                |
| TOTAL OTHER<br>FINANCING<br>SOURCES (USES)              | \$(11,119,189)     | \$ -0-             |

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

| <u>TOTALS</u><br><u>(Memorandum Only)</u><br><u>PRIMARY</u><br><u>GOVERNMENT</u> | <u>Component Unit</u><br><u>SCHOOL</u><br><u>BOARD</u> | <u>TOTALS</u><br><u>(Memorandum Only)</u><br><u>REPORTING</u><br><u>ENTITY</u> |
|--|--|--|
| \$ 13,971,459  | \$ -0-   | \$ 13,971,459  |
| 9,739,941  | -0-  | 9,739,941  |
| 41,424   | -0-  | 41,424   |
| 2,195  | -0-  | 2,195  |
| 569,529  | 373,353  | 942,882  |
| 683,890  | 722,377  | 1,406,267  |
| 128,727  | 79,595   | 208,322  |
| 379,922  | 200,958  | 580,880  |
| 8,921,499  | 35,117,215   | 44,038,714   |
| <u>\$ 34,438,586</u>   | <u>\$ 36,493,498</u>                                   | <u>\$ 70,932,084</u>   |
| <br>   |  |  |
| \$ 1,471,070   | \$ -0-   | \$ 1,471,070   |
| 1,297,099  | -0-  | 1,297,099  |
| 4,033,695  | -0-  | 4,033,695  |
| 2,503,828  | -0-  | 2,503,828  |
| 6,124,981  | -0-  | 6,124,981  |
| 47,774   | 44,959,162   | 45,006,936   |
| 728,365  | -0-  | 728,365  |
| 3,353,254  | -0-  | 3,353,254  |
| 631,929  | 468,246  | 1,100,175  |
| 284,681  | 439,605  | 724,286  |
| 22,005   | 124,613  | 146,618  |
| <u>\$ 20,498,681</u>   | <u>\$ 45,991,626</u>                                   | <u>\$ 66,490,307</u>   |
| <br>   |  |  |
| <u>\$ 13,939,905</u>   | <u>\$ (9,498,128)</u>                                  | <u>\$ (4,441,777)</u>  |
| <br>   |  |  |
| \$ -0-   | \$ 11,131,817  | \$ 11,131,817  |
| <u>(11,119,189)</u>  | <u>(12,628)</u>  | <u>11,131,817</u>  |
| <br>   |  |  |
| <u>\$(11,119,189)</u>  | <u>\$ 11,119,189</u>                                   | <u>\$ -0-</u>  |

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
 & DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 1999

|  | GOVERNMENTAL FUNDS |                    |
|--|--------------------|--------------------|
|  | GENERAL            | SPECIAL<br>REVENUE |
| EXCESS (DEFICIENCY) OF REVENUES<br>& OTHER SOURCES OVER EXPENDITURES<br>& OTHER USES | \$ 2,467,801       | \$ 352,915         |
| FUND BALANCE AT BEGINNING OF YEAR<br>AS, RESTATED                                    | 5,279,318          | 2,816,029          |
| FUND BALANCE AT END OF YEAR  | \$ 7,747,119       | \$ 3,168,944       |

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

| <u>TOTALS</u><br><u>(Memorandum Only)</u><br><u>PRIMARY</u><br><u>GOVERNMENT</u> | <u>Component Unit</u><br><u>SCHOOL</u><br><u>BOARD</u> | <u>TOTALS</u><br><u>(Memorandum Only)</u><br><u>REPORTING</u><br><u>ENTITY</u> |
|--|--|--|
| \$ 2,820,716   | \$1,621,061  | \$ 4,441,777   |
| <u>8,095,347</u>   | <u>1,434,019</u>                                       | <u>9,529,366</u>   |
| <u>\$10,916,063</u>  | <u>\$3,055,080</u>                                     | <u>\$13,971,143</u>  |

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES &  
 CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 GENERAL, SPECIAL REVENUE, & DISCRETELY PRESENTED  
 COMPONENT UNIT SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 1999

|   | <u>GENERAL FUND</u>   |                       | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|-----------------------|-----------------------|--|
|   | <u>BUDGET</u>         | <u>ACTUAL</u>         |  |
| <b>REVENUES:</b>  |                       |                       |  |
| General Property Taxes  | \$ 12,867,000         | \$ 13,971,459         | \$ 1,104,459                           |
| Other Local Taxes   | 6,588,000             | 6,665,586             | 77,586                                 |
| Permits, Privilege Fees &<br>Regulatory Licenses  | 31,000                | 41,424                | 10,424                                 |
| Fines & Forfeitures   | 3,000                 | 2,195                 | (805)                                  |
| Revenues From Use Of Money<br>& Property  | 350,000               | 456,062               | 106,062                                |
| Charges For Services  | 439,500               | 532,323               | 92,823                                 |
| Miscellaneous   | 84,000                | 10,036                | (73,964)                               |
| Recovered Costs   | 296,249               | 379,922               | 83,673                                 |
| Intergovernmental   | 8,629,939             | 8,549,063             | (80,876)                               |
| <b>TOTAL REVENUES</b>   | <u>\$ 29,288,688</u>  | <u>\$ 30,608,070</u>  | <u>\$ 1,319,382</u>                    |
| <b>EXPENDITURES:</b>  |                       |                       |  |
| Current:  |                       |                       |  |
| General Government Admin.   | \$ 1,543,388          | \$ 1,470,870          | \$ 72,518                              |
| Judicial Administration   | 1,297,836             | 1,285,253             | 12,583                                 |
| Public Safety   | 3,291,341             | 3,769,229             | (477,888)                              |
| Public Works  | 2,035,333             | 2,226,763             | (191,430)                              |
| Health & Welfare  | 6,955,771             | 6,124,981             | 830,790                                |
| Education   | 47,774                | 47,774                | -0-                                    |
| Parks, Recreation & Cultural  | 716,992               | 728,365               | (11,373)                               |
| Community Development   | 436,131               | 429,230               | 6,901                                  |
| Capital Outlays   | 2,365,435             | 631,929               | 1,733,506                              |
| Debt Service:   |                       |                       |  |
| Principal Retirement  | 120,000               | 284,681               | (164,681)                              |
| Interest & Fiscal Charges   | 5,000                 | 22,005                | (17,005)                               |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ 18,815,001</u>  | <u>\$ 17,021,080</u>  | <u>\$ 1,793,921</u>                    |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b>  | <u>\$ 10,473,687</u>  | <u>\$ 13,586,990</u>  | <u>\$ 3,113,303</u>                    |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                       |                       |  |
| Operating Transfers In  | \$ -0-                | \$ -0-                | \$ -0-                                 |
| Operating Transfers Out   | (11,277,000)          | (11,119,189)          | 152,811                                |
| Prior Year Appropriations   | 803,313               | -0-                   | (803,313)                              |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>   | <u>\$(10,473,687)</u> | <u>\$(11,119,189)</u> | <u>\$ (645,502)</u>                    |
| <b>EXCESS (DEFICIENCY) OF REVE-<br/>NUES &amp; OTHER SOURCES OVER<br/>EXPENDITURES &amp; OTHER USES</b> | <u>\$ -0-</u>         | <u>\$ 2,467,801</u>   | <u>\$ 2,467,801</u>                    |
| <b>FUND BALANCE AT THE BEGINNING<br/>OF YEAR, AS RESTATED</b>   | <u>-0-</u>            | <u>5,279,318</u>      | <u>5,279,318</u>                       |
| <b>FUND BALANCE AT END OF YEAR</b>  | <u>\$ -0-</u>         | <u>\$ 7,747,119</u>   | <u>\$ 7,747,119</u>                    |

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

| SPECIAL REVENUE FUNDS |                     |  | Component Unit<br>SCHOOL BOARD |                      |  |
|-----------------------|---------------------|--|--------------------------------|----------------------|--|
| BUDGET                | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) | BUDGET                         | ACTUAL               | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
| \$ -0-                | \$ -0-              | \$ -0-                                 | \$ -0-                         | \$ -0-               | \$ -0-                                 |
| 3,000,000             | 3,074,355           | 74,355                                 | -0-                            | -0-                  | -0-                                    |
| -0-                   | -0-                 | -0-                                    | -0-                            | -0-                  | -0-                                    |
| -0-                   | -0-                 | -0-                                    | -0-                            | -0-                  | -0-                                    |
| 100,000               | 113,467             | 13,467                                 | 364,900                        | 373,353              | 8,453                                  |
| 7,000                 | 151,567             | 144,567                                | 992,000                        | 722,377              | (269,623)                              |
| -0-                   | 118,691             | 118,691                                | 2,753,600                      | 79,595               | (2,674,005)                            |
| -0-                   | -0-                 | -0-                                    | 180,000                        | 200,958              | 20,958                                 |
| -0-                   | 372,436             | 372,436                                | 34,702,300                     | 35,117,215           | 414,915                                |
| <u>\$3,107,000</u>    | <u>\$ 3,830,516</u> | <u>\$ 723,516</u>                      | <u>\$ 38,992,800</u>           | <u>\$ 36,493,498</u> | <u>\$(2,499,302)</u>                   |
| \$ -0-                | \$ 200              | \$ (200)                               | \$ -0-                         | \$ -0-               | \$ -0-                                 |
| 7,000                 | 11,846              | (4,846)                                | -0-                            | -0-                  | -0-                                    |
| -0-                   | 264,466             | (264,466)                              | -0-                            | -0-                  | -0-                                    |
| 120,000               | 277,065             | (157,065)                              | -0-                            | -0-                  | -0-                                    |
| -0-                   | -0-                 | -0-                                    | -0-                            | -0-                  | -0-                                    |
| -0-                   | -0-                 | -0-                                    | 46,857,100                     | 44,959,162           | 1,897,938                              |
| -0-                   | -0-                 | -0-                                    | -0-                            | -0-                  | -0-                                    |
| 2,980,000             | 2,924,024           | 55,976                                 | -0-                            | -0-                  | -0-                                    |
| -0-                   | -0-                 | -0-                                    | 2,847,500                      | 468,246              | 2,379,254                              |
| -0-                   | -0-                 | -0-                                    | 439,700                        | 439,605              | 95                                     |
| -0-                   | -0-                 | -0-                                    | 125,500                        | 124,613              | 887                                    |
| <u>\$3,107,000</u>    | <u>\$ 3,477,601</u> | <u>\$ (370,601)</u>                    | <u>\$ 50,269,800</u>           | <u>\$ 45,991,626</u> | <u>\$ 4,278,174</u>                    |
| \$ -0-                | \$ 352,915          | \$ 352,915                             | \$ (11,277,000)                | \$ (9,498,128)       | \$ 1,778,872                           |
| \$ -0-                | \$ -0-              | \$ -0-                                 | \$ 11,277,000                  | \$ 11,131,817        | \$ (145,183)                           |
| -0-                   | -0-                 | -0-                                    | -0-                            | (12,628)             | (12,628)                               |
| \$ -0-                | \$ -0-              | \$ -0-                                 | \$ -0-                         | \$ -0-               | \$ -0-                                 |
| \$ -0-                | \$ -0-              | \$ -0-                                 | \$ 11,277,000                  | \$ 11,119,189        | \$ (157,811)                           |
| \$ -0-                | \$ 352,915          | \$ 352,915                             | \$ -0-                         | \$ 1,621,061         | \$ 1,621,061                           |
| -0-                   | 2,816,029           | 2,816,029                              | -0-                            | 1,434,019            | 1,434,019                              |
| <u>\$ -0-</u>         | <u>\$ 3,168,944</u> | <u>\$ 3,168,944</u>                    | <u>\$ -0-</u>                  | <u>\$ 3,055,080</u>  | <u>\$ 3,085,080</u>                    |

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT 4

|  |                 |                              |
|--|-----------------|------------------------------|
| OPERATING REVENUES:                    |                 |                              |
| Sewer Rents                            | \$ 32,705       |                              |
| Tipping Fees                           | <u>7,500</u>    |                              |
| TOTAL OPERATING REVENUES               |                 | \$ 40,205                    |
| OPERATING EXPENSES:                    |                 |                              |
| Sewer Processing                       | \$ 9,493        |                              |
| Other Charges                          | 4,029           |                              |
| Landfill Closure Expense               | 168,384         |                              |
| Depreciation                           | <u>167,298</u>  |                              |
| TOTAL OPERATING EXPENSES               |                 | <u>349,204</u>               |
| NET OPERATING INCOME                   |                 | \$ (308,999)                 |
| OTHER REVENUE (EXPENSES):              |                 |                              |
| Interest Revenue                       | \$ 405          |                              |
| Interest Expense                       | <u>(12,958)</u> |                              |
| TOTAL OTHER INCOME (EXPENSE)           |                 | <u>(12,553)</u>              |
| NET INCOME                             |                 | \$ (321,552)                 |
| RETAINED EARNINGS AT BEGINNING OF YEAR |                 | <u>(2,850,520)</u>           |
| RETAINED EARNINGS AT END OF YEAR       |                 | <u><u>\$ (3,172,072)</u></u> |

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

COUNTY OF WISE, VIRGINIA  
 COMBINED STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT 5

|   |                  |                         |
|---|------------------|-------------------------|
| Cash Flow From Operating Activities:  |                  |                         |
| Cash Received from Customers  | \$ 34,734        |                         |
| Cash Payments to Suppliers for Goods & Services   | <u>(13,522)</u>  |                         |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   |                  | \$ 21,212               |
| Cash Flow from Noncapital Financing Activities:   |                  |                         |
| Operating Transfers From Other Funds  | \$ 853,216       |                         |
| Decrease in Due From Governmental Units   | <u>(18,414)</u>  |                         |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES                                    |                  | 834,802                 |
| Cash Flows from Capital & Related Financing Activities:                                 |                  |                         |
| Principal Paid on Revenue Bond Maturities   | \$ (27,601)      |                         |
| Interest Paid on Debt Obligations   | (12,958)         |                         |
| Principal Paid on General Obligation Loans  | <u>(30,938)</u>  |                         |
| NET CASH USED FOR CAPITAL & RELATED FINANCING ACTIVITIES                                |                  | (71,497)                |
| Cash Flows from Investing Activities:   |                  |                         |
| Sinking Fund Deposits   | \$ (345,600)     |                         |
| Interest Earned on Investments  | 405              |                         |
| Purchase of Fixed Assets  | <u>(436,109)</u> |                         |
| NET CASH PROVIDED FROM INVESTING ACTIVITIES   |                  | <u>(781,304)</u>        |
| NET INCREASE IN CASH & CASH EQUIVALENTS   |                  | \$ 3,213                |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR  |                  | <u>10,846</u>           |
| CASH & CASH EQUIVALENTS AT END OF YEAR  |                  | \$ 14,059               |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities:        |                  |                         |
| Operating Income  |                  | \$ (308,999)            |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                  |                         |
| Depreciation  | \$ 167,298       |                         |
| Increase in Accounts Receivable   | (5,471)          |                         |
| Increase in Closure Cost Liability  | <u>168,384</u>   |                         |
| TOTAL ADJUSTMENTS   |                  | <u>330,211</u>          |
| NET CASH PROVIDED BY OPERATING ACTIVITIES   |                  | <u><u>\$ 21,212</u></u> |

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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Discretely Presented Component Units:

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

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.
- (2) The Wise County Public Service Authority was excluded primarily because the County Board of Supervisors does not control the Authority's financial and fiscal matters.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 (Continued)

C. Financial Statement Presentation

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

The accounts are organized on the basis of fund classifications, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. The various funds are grouped in the financial statements as follows:

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

General Fund

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

Special Revenue Funds

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

Capital Project Fund

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

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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 (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) Account Groups are used to account for general obligation long-term debt and general fixed assets. A long-term obligation account group and a general fixed assets are included herein.
- (5) Combined/Combining Format

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

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

- (6) Total Columns on Combined Statements

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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 (Continued)

D. Basis of Accounting:

(1) Governmental Funds:

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

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

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

(2) Proprietary Funds

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

(3) Fiduciary Funds

Agency Funds utilize the modified accrual basis of accounting.

E. Budgets and Budgetary Accounting

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

- (1) Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain citizen comments.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 (Continued)

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

F. Property, Plant and Equipment

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

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

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

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

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

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 (Continued)

G. Allowance for Uncollectible Accounts

Property Taxes:

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$646,395 at June 30, 1999.

H. Cash and Cash Equivalents

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

I. Investments

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

NOTE 2: CASH AND INVESTMENTS

Deposits:

At year-end the carrying value of the County's deposits with banks and savings and loans was \$1,626,697, and the bank balance was \$1,406,330. Of the bank balance, \$1,406,330 was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Of the bank balance, \$ -0- was uninsured on uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 1998.

The carrying amount of deposits for the School Board, a discretely presented component unit, was \$2,240,906 and the bank balance was \$650,740. Of the bank balance, \$650,740 was covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act while \$ -0- was uninsured and uncollateralized in banks or savings and loans not qualifying under the Act at June 30, 1999.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 2 (Continued)

Investments:

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

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

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

|   | <u>Category</u> |          |          | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
|---|-----------------|----------|----------|----------------------------|-------------------------|
|   | <u>1</u>        | <u>2</u> | <u>3</u> |                            |                         |
| Commercial  |                 |          |          |                            |                         |
| Paper   | \$3,575,000     | \$ -0-   | \$ -0-   | \$ 3,571,121               | \$3,571,121             |
| Total   |                 |          |          | <u>\$ 3,571,121</u>        | <u>\$3,571,121</u>      |
| Investment in State Treasurer's<br>Local Government Investment Pool<br>(LGIP) |                 |          |          | <u>\$ 2,361,148</u>        | <u>\$2,361,148</u>      |
| Total Investments   |                 |          |          | \$ 5,932,269               | <u>\$5,932,269</u>      |
| Total Deposits  |                 |          |          | 1,047,230                  |                         |
| Total Reserved Deposits   |                 |          |          | <u>359,100</u>             |                         |
| Total Deposits and Investments  |                 |          |          | <u>\$ 7,338,599</u>        |                         |

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

|   | <u>Category</u> |          |          | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
|---|-----------------|----------|----------|----------------------------|-------------------------|
|   | <u>1</u>        | <u>2</u> | <u>3</u> |                            |                         |
| Commercial  |                 |          |          |                            |                         |
| Paper   | \$2,150,000     | \$ -0-   | \$ -0-   | \$ 2,150,000               | \$2,150,000             |
| Total   |                 |          |          | <u>\$ 2,150,000</u>        | <u>\$2,150,000</u>      |
| Investment in State Treasurer's<br>Local Government Investment Pool<br>(LGIP) |                 |          |          | \$ 420,079                 | \$ 420,079              |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 2 (Continued)

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| Total Deposits                 | \$ 650,740         | \$ 650,740         |
| Total Deposits and Investments | <u>\$3,220,819</u> | <u>\$3,220,819</u> |

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

NOTE 3: TAXES RECEIVABLE

Property:

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

Coal Severance:

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

NOTE 4: DUE FROM OTHER GOVERNMENTAL UNITS

|                                  | <u>PRIMARY GOVERNMENT</u> |                       |                        | <u>COMPONENT UNIT</u> |
|----------------------------------|---------------------------|-----------------------|------------------------|-----------------------|
|                                  | <u>GENERAL FUND</u>       | <u>FIDUCIARY FUND</u> | <u>ENTERPRISE FUND</u> | <u>SCHOOL BOARD</u>   |
| <b>Local Governmental Units:</b> |                           |                       |                        |                       |
| Towns                            | \$105,541                 | \$ -0-                | \$ -0-                 | \$ -0-                |
| School Boards                    | -0-                       | -0-                   | -0-                    | 76,087                |
| Public Service Authority         | -0-                       | -0-                   | 19,274                 | -0-                   |
| <b>TOTAL LOCAL</b>               | <u>\$105,541</u>          | <u>\$ -0-</u>         | <u>\$ 19,274</u>       | <u>\$ 76,087</u>      |
| <b>Commonwealth of Virginia:</b> |                           |                       |                        |                       |
| Charges for Services             | \$ 54,077                 | \$ -0-                | \$ -0-                 | \$ -0-                |
| Medical Examiner                 | 60                        | -0-                   | -0-                    | -0-                   |
| Local Sales Taxes                | -0-                       | 228,632               | -0-                    | -0-                   |
| State Sales Taxes                | -0-                       | -0-                   | -0-                    | 402,505               |
| Shared Expenses                  | 82,066                    | -0-                   | -0-                    | -0-                   |
| School Funds                     | -0-                       | -0-                   | -0-                    | 164,258               |
| <b>TOTAL STATE</b>               | <u>\$136,203</u>          | <u>\$228,632</u>      | <u>\$ -0-</u>          | <u>\$ 566,763</u>     |
| <b>Federal Government:</b>       |                           |                       |                        |                       |
| School Funds                     | \$ -0-                    | \$ -0-                | \$ -0-                 | \$ 915,874            |
| <b>TOTAL FEDERAL</b>             | <u>\$ -0-</u>             | <u>\$ -0-</u>         | <u>\$ -0-</u>          | <u>\$ 915,874</u>     |
| <b>TOTAL DUE</b>                 | <u>\$241,744</u>          | <u>\$228,632</u>      | <u>\$ -0-</u>          | <u>\$1,558,724</u>    |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 5: INTERFUND OBLIGATIONS

| <u>FUND</u>                          | <u>INTERFUND<br/>RECEIVABLE</u> | <u>INTERFUND<br/>PAYABLE</u> |
|--------------------------------------|---------------------------------|------------------------------|
| General . . . . .                    | \$4,009,802                     | \$ 201,154                   |
| Enterprise Funds . . . . .           | -0-                             | 2,162,542                    |
| School Fund . . . . .                | -0-                             | 1,608,640                    |
| Local Sales Tax Fund . . . . .       | -0-                             | 195,799                      |
| Community Development Fund . . . . . | -0-                             | 42,821                       |
| Coal Road Improvement . . . . .      | 201,154                         | -0-                          |
|                                      | <u>          </u>               | <u>          </u>            |
| TOTALS                               | <u>\$4,210,956</u>              | <u>\$4,210,956</u>           |

NOTE 6: DUE TO OTHER GOVERNMENTAL UNITS

|                         | <u>PRIMARY GOVERNMENT</u>  |                   |
|-------------------------|----------------------------|-------------------|
|                         | <u>SPECIAL<br/>REVENUE</u> | <u>FIDUCIARY</u>  |
| Appalachia . . . . .    | \$ 18,616                  | \$ 4,944          |
| Big Stone Gap . . . . . | 23,566                     | 10,951            |
| Coeburn . . . . .       | 19,382                     | 6,106             |
| Pound . . . . .         | 16,803                     | 2,145             |
| St. Paul . . . . .      | 16,663                     | 2,194             |
| Wise . . . . .          | 21,474                     | 6,493             |
| Norton . . . . .        | 22,938                     | -0-               |
| Others . . . . .        | -0-                        | 21,225            |
|                         | <u>          </u>          | <u>          </u> |
| TOTALS                  | <u>\$139,442</u>           | <u>\$54,058</u>   |

NOTE 7: LONG-TERM DEBT

PRIMARY GOVERNMENT

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

| <u>YEAR<br/>ENDING<br/>JUNE 30,</u> | <u>GENERAL LONG-TERM DEBT</u>                |                 |                         |                 |
|-------------------------------------|--|-----------------|-------------------------|-----------------|
|                                     | <u>GENERAL LONG-TERM<br/>FINANCING LOANS</u> |                 | <u>ENTERPRISE FUNDS</u> |                 |
|                                     | <u>PRINCIPAL</u>                             | <u>INTEREST</u> | <u>PRINCIPAL</u>        | <u>INTEREST</u> |
| 2000                                | \$357,019                                    | \$ -0-          | \$ 60,446               | \$11,051        |
| 2001                                | -0-  | -0-             | 62,479                  | 9,019           |
| 2002                                | -0-  | -0-             | 64,628                  | 6,869           |
| 2003                                | -0-  | -0-             | 121,787                 | 1,788           |
| 2004                                | -0-  | -0-             | 27,601                  | -0-             |
| 2005                                | -0-  | -0-             | 27,601                  | -0-             |
| 2006                                | -0-  | -0-             | 27,601                  | -0-             |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 7 (Continued)

|        |                   |               |                   |                 |
|--------|-------------------|---------------|-------------------|-----------------|
| 2007   | -0-               | -0-           | 27,601            | -0-             |
| 2008   | -0-               | -0-           | 27,601            | -0-             |
| 2009   | -0-               | -0-           | 27,601            | -0-             |
| 2010   | -0-               | -0-           | 27,601            | -0-             |
| 2011   | -0-               | -0-           | 27,601            | -0-             |
| 2012   | -0-               | -0-           | 27,601            | -0-             |
|        | <u>-0-</u>        | <u>-0-</u>    | <u>27,601</u>     | <u>-0-</u>      |
| TOTALS | <u>\$ 357,019</u> | <u>\$ -0-</u> | <u>\$ 557,749</u> | <u>\$28,727</u> |

Changes in Long-term Debt:

The following is a summary of long-term obligations of the County for the year ended June 30, 1999:

|  | Amounts<br>Payable at<br>July 1, 1998 | Increases         | Decreases         | Amounts<br>Payable at<br>June 30, 1999 |
|--|---------------------------------------|-------------------|-------------------|--|
| General Long-Term<br>Debt Account Group:                 |                                       |                   |                   |  |
| General Long-Term<br>Financing Loans                     | \$ 224,906                            | \$ 416,794        | \$ 284,681        | \$ 357,019                             |
| Claims, Judgments and<br>Compensated Absences<br>Payable | 319,919                               | 69,653            | -0-               | 389,572                                |
|  | <u>\$ 544,825</u>                     | <u>\$ 486,447</u> | <u>\$ 284,681</u> | <u>\$ 746,591</u>                      |
| Enterprise Fund:<br>Revenue Bonds                        | \$ 616,288                            | \$ -0-            | \$ 58,539         | \$ 557,749                             |
| TOTAL  | <u>\$1,161,113</u>                    | <u>\$ 486,447</u> | <u>\$ 343,220</u> | <u>\$1,304,340</u>                     |

AMOUNT  
OUTSTANDING

DETAILS OF LONG-TERM INDEBTEDNESS

General Long-Term Debt Account Group:

General Long-Term Financing:

\$416,794 Loan payable to First Commonwealth Bank issued August 15, 1999, due in eleven monthly installments of \$12,430.38; interest payable at 4.65% annually. \$ 306,844

\$72,316 Loan payable to First Commonwealth Bank issued October 15, 1998, due in twelve monthly installments of \$3,038.88 and one installment of the remaining balance due on October 15, 1999; interest payable at 4.50% annually. 50,175

TOTAL GENERAL LONG-TERM FINANCING \$ 357,019

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 7 (Continued)

|   |            |
|---|------------|
| TOTAL COMPENSATED ABSENCES  | 389,522    |
| TOTAL GENERAL LONG-TERM OBLIGATION DEBT   | \$ 746,541 |
| <u>ENTERPRISE FUND LOANS</u>  |            |
| Enterprise Fund:  |            |
| <u>Revenue Bond:</u>  |            |
| \$524,421 Virginia Resources Authority, Virginia<br>Revolving Loan Fund issued April 8, 1991, due<br>in semi-annual installments of \$13,801 through<br>April 1, 2012, interest payable annually at 0%.         | \$ 358,815 |
| General Long-Term Financing:  |            |
| \$253,150 Caterpillar Financial Services Corporation<br>issued September 24, 1997, due in monthly installments<br>of \$3,658 and one installment of \$85,000 on October<br>24, 2002; interest payable at 6.00%. | 198,934    |
| TOTAL ENTERPRISE FUNDS LONG-TERM DEBT   | \$ 557,749 |

COMPONENT UNIT SCHOOL BOARD

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

| YEAR<br>ENDING<br>JUNE 30, | <u>GENERAL LONG-TERM DEBT</u>       |                 |                                      |                 |
|----------------------------|-------------------------------------|-----------------|--------------------------------------|-----------------|
|                            | <u>GENERAL OBLIGATION<br/>BONDS</u> |                 | <u>STATE LITERARY FUND<br/>LOANS</u> |                 |
|                            | <u>PRINCIPAL</u>                    | <u>INTEREST</u> | <u>PRINCIPAL</u>                     | <u>INTEREST</u> |
| 2000                       | \$ 60,000                           | \$ 41,890       | \$ 304,605                           | \$ 68,959       |
| 2001                       | 60,000                              | 37,630          | 304,605                              | 60,821          |
| 2002                       | 55,000                              | 33,370          | 304,605                              | 52,683          |
| 2003                       | 60,000                              | 29,465          | 304,605                              | 44,545          |
| 2004                       | 55,000                              | 25,205          | 304,605                              | 36,337          |
| 2005                       | 55,000                              | 21,300          | 279,555                              | 28,269          |
| 2006                       | 50,000                              | 17,395          | 279,555                              | 20,882          |
| 2007                       | 45,000                              | 13,845          | 149,845                              | 13,495          |
| 2008                       | 55,000                              | 10,838          | 100,000                              | 10,000          |
| 2009                       | 50,000                              | 6,864           | 100,000                              | 8,000           |
| 2010                       | 45,000                              | 3,251           | 100,000                              | 6,000           |
| 2011                       | -0-                                 | -0-             | 100,000                              | 4,000           |
| 2012                       | -0-                                 | -0-             | 100,000                              | 2,000           |
| TOTALS                     | \$ 590,000                          | \$241,053       | \$2,731,980                          | \$ 355,991      |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 7 (Continued)

Changes in Long-term Debt:

The following is a summary of long-term debt transactions of the County of Wise for the year ended June 30, 1999:

|  | Amounts<br>Payable at<br><u>July 1, 1998</u> | <u>Increases</u>  | <u>Decreases</u>  | Amounts<br>Payable at<br><u>June 30, 1999</u> |
|--|--|-------------------|-------------------|---|
| General Long-Term Debt<br>Account Group:                 |  |                   |                   |   |
| General Obligations                                      |  |                   |                   |   |
| Bonds  | \$ 650,000                                   | \$ -0-            | \$ 60,000         | \$ 590,000                                    |
| State Literary Fund Loans                                | 3,111,585                                    | -0-               | 379,605           | 2,731,980                                     |
| Claims, Judgments and<br>Compensated Absences<br>Payable | <u>683,446</u>                               | <u>716,275</u>    |                   | <u>1,399,721</u>                              |
| TOTAL  | <u>\$4,445,031</u>                           | <u>\$ 716,275</u> | <u>\$ 439,605</u> | <u>\$4,721,701</u>                            |

DETAILS OF LONG-TERM INDEBTEDNESS

General Long-Term Debt Account Group:

General Obligation Bonds:

|  |                   |
|--|-------------------|
| \$1,000,000 School Bonds 1990A, issued March 8, 1990, maturing annually with principal installments of varying amounts and interest rates from 7% to 7.225%. | \$ <u>590,000</u> |
| Total General Obligation Bonds   | \$ <u>590,000</u> |

State Literary Fund Loans:

|   |           |
|---|-----------|
| \$500,000 State Literary Fund loan issued October 15, 1973, due in annual installments of \$16,700 through 2003; interest payable annually at 3%. | \$ 83,500 |
| \$250,000 State Literary Fund loan issued February 15, 1974, due in annual installments of \$8,350 through 2004; interest payable annually at 3%. | 41,750    |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 7 (Continued)

|   |                            |
|---|----------------------------|
| \$700,000 State Literary Fund loan issued December 15, 1976, due in annual installments of \$23,325 through 2007; interest payable annually at 3%.          | 186,600                    |
| \$2,000,000 State Literary Fund loan issued November 15, 1985, due in annual installments of \$100,000 through 2005; interest payable annually at 3%.       | 700,000                    |
| \$160,625 State Literary Fund loan issued February 15, 1986, due in annual installments of \$8,035 through 2006; interest payable annually at 3%.           | 56,245                     |
| \$433,447 State Literary Fund loan issued February 15, 1986, due in annual installments of \$21,675 for 1988 through 2006; interest payable annually at 3%. | 151,725                    |
| \$298,255 State Literary Fund loan issued December 1, 1986, due in annual installments of \$14,920 through 2006; interest payable annually at 3%.           | 119,360                    |
| \$231,818 State Literary Fund loan issued December 1, 1986, due in annual installments of \$11,418 through 2006; interest payable annually at 3%.           | 92,800                     |
| \$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%.       | <u>1,300,000</u>           |
| TOTAL STATE LITERARY FUND LOANS   | <u>\$ 2,731,980</u>        |
| TOTAL COMPENSATED ABSENCES  | <u>\$ 1,399,721</u>        |
| TOTAL GENERAL LONG-TERM OBLIGATION DEBT   | <u><u>\$ 4,721,701</u></u> |

NOTE 8: CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES

In accordance with NCGA Statement 4 "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences", the County has accrued the liability arising from outstanding claims and judgments and compensated absences. County employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. At June 30, 1999 the value of accrued vacation pay, for the primary government was \$389,572.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 8 (Continued)

The Wise County School Board adopted on June 13, 1989 the Early Retirement Option Plan, making it possible for any full-time certified or professional of Wise County Schools who is covered by the Virginia Retirement System to retire early. Exercise of this option is subject to eligibility requirements. As of June 30, 1999, accrued liability under this plan amounted to \$1,297,096. The amount of accrued vacation pay for the School Board was \$102,625. The total value of these liabilities for the Component Unit - School Board was \$1,399,721.

NOTE 9: DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service and at age 50 with 30 years of service for participating employee. Employees who retire with a reduced benefit at age 55 (age 50 for participating law enforcement officers and firefighters) with at least five years of credited service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. An optional reduced retirement benefit is available to members of VRS as early as age 50 with 10 years of credited service. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. 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 State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P. O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 9 (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. The employer may assume this 5% member contribution. In addition, the County of Wise is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County of Wise contribution rate for the fiscal year ended 1999 was 5.20% 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 1999, 1998 and 1997 amounted to \$3,321,821, \$2,962,058, and \$2,641,620, respectively, and represented 13.49%, 10.28%, and 11.19%, respectively.

C. Annual Pension Cost

For 1998, County of Wise and the School Board's annual pension cost of \$659,281 and \$156,531, respectively, was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 4% per year, and (c) 3.1% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4%. The actuarial value of the County of Wise assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. County of Wise unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 30 years or less.

THREE-YEAR TREND INFORMATION FOR COUNTY OF WISE, VIRGINIA

|                        | <u>Fiscal Year</u><br><u>Ending</u> | <u>Annual Pension Cost</u><br><u>(APC)</u> | <u>Percentage of APC</u><br><u>Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
|------------------------|-------------------------------------|--|--|---|
| Wise County            | June 30, 1998                       | \$659,281                                  | 100%   | \$ -0-                                  |
| Wise County<br>Schools | June 30, 1998                       | \$156,531                                  | 100%   | \$ -0-                                  |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 10: DEFERRED REVENUE

General Fund:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$1,426,284 is comprised of deferred property tax revenue representing uncollected tax billings not available for funding of current expenditures in the amount of \$872,189 and collection of 1999 taxes not due until October 15, 1999 in the amount of \$554,095.

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: LEGAL COMPLIANCE

The Primary Government appropriations exceeded expenditures in the amount of \$1,432,323.

NOTE 13: SURETY BONDS

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

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 13 (Continued)

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

NOTE 14: LITIGATION

In regard to litigation involving the County of Wise, Virginia at June 30, 1999, the County's legal counsel informed us that there is only one case involving a zoning issue and no material loss is expected. There is no unasserted claims or assessments against the County, and no other suits are pending.

NOTE 15: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest Paid - Proprietary Fund

Cash paid interest expense relating to debt for the year ended June 30, 1999 amounted to \$12,958.

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

NOTE 16: PROPRIETARY FIXED ASSETS

A summary of proprietary fund property, plant, and equipment at June 30, 1999 follows:

|                         | <u>VRA Landfill<br/>Enterprise Fund</u> | <u>Riverview Sewer<br/>Project Fund</u> | <u>Total</u>       |
|-------------------------|---|---|--------------------|
| Improvements Other Than |   |   |                    |
| Buildings               | \$4,098,563                             | \$ 549,300                              | \$4,647,863        |
| Equipment               | 463,150                                 | -0-                                     | 463,150            |
| Less Accumulated        |   |   |                    |
| Depreciation            | 670,898                                 | 96,128                                  | 767,026            |
| NET                     | <u>\$3,890,815</u>                      | <u>\$ 453,172</u>                       | <u>\$4,343,987</u> |

NOTE 17: GENERAL FIXED ASSETS

Primary Government:

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

|           |                     |
|-----------|---------------------|
| Land      | \$14,677,000        |
| Buildings | 15,097,934          |
| Vehicles  | 5,264,642           |
| Equipment | <u>1,347,624</u>    |
| TOTAL     | <u>\$36,387,200</u> |

COUNTY OF WISE, VIRGINIA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 17 (Continued)

Component Unit - School Board:

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

|                  |                      |
|------------------|----------------------|
| Land & Buildings | \$103,027,302        |
| Vehicles & Buses | 3,735,210            |
| Equipment        | <u>8,159,670</u>     |
| TOTAL            | <u>\$114,922,182</u> |

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

Primary Government:

|           | Balance<br>July 1, 1998 | Additions        | Deletions       | Balance<br>June 30, 1999 |
|-----------|-------------------------|------------------|-----------------|--------------------------|
| Land      | \$14,677,000            | \$ -0-           | \$ -0-          | \$14,677,000             |
| Buildings | 15,097,934              | -0-              | -0-             | 15,097,934               |
| Vehicles  | 4,847,849               | 416,793          | -0-             | 5,264,642                |
| Equipment | <u>1,081,269</u>        | <u>267,385</u>   | <u>1,030</u>    | <u>1,347,624</u>         |
| TOTAL     | <u>\$35,704,052</u>     | <u>\$684,178</u> | <u>\$ 1,030</u> | <u>\$36,387,200</u>      |

Component Unit School Board:

|                  | Balance<br>July 1, 1998 | Additions        | Deletions     | Balance<br>June 30, 1999 |
|------------------|-------------------------|------------------|---------------|--------------------------|
| Land & Buildings | \$103,027,302           | \$ -0-           | \$ -0-        | \$103,027,302            |
| Vehicles & Buses | 3,339,900               | 395,310          | -0-           | 3,735,210                |
| Equipment        | <u>7,718,429</u>        | <u>441,241</u>   | <u>-0-</u>    | <u>8,159,670</u>         |
| TOTAL            | <u>\$114,085,631</u>    | <u>\$836,551</u> | <u>\$ -0-</u> | <u>\$114,922,182</u>     |

NOTE 18: FUND DEFICITS

The following funds had deficits in the amounts shown at June 30, 1999:

Community Development Fund

A deficit of \$42,821 is reflected in the Community Development Fund.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 19: LANDFILL CLOSURE COST LIABILITY

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

The total estimated closure and postclosure care costs for the County's landfill operation is \$11,602,829. The accrued liability for these costs reported as of June 30, 1999 is based on the capacity of the landfill used to date. The landfill capacity used as of June 30, 1999 is approximately 23% and the remaining life of the landfill is approximately 30 years. The remaining costs to be accrued in the future is as follows:

|  |                     |
|--|---------------------|
| Total Estimated Liability  | \$ 11,602,829       |
| Accrued Liability as of June 30, 1999                                  | <u>2,668,651</u>    |
| Total Closure and Postclosure Care<br>Costs Remaining to be Recognized | <u>\$ 8,934,178</u> |

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

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 also established a reserved fund designated for the purpose of landfill closure. During the current year ending June 30, 1999, the County has deposited \$345,600 into this fund.

COUNTY OF WISE, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 20: ACCOUNTS RECEIVABLE

Proprietary Fund:

Riverview Sewer Project:

|                                       |                |
|---------------------------------------|----------------|
| Total Accounts Receivable             | \$ 10,842      |
| Less: Allowance For Doubtful Accounts | <u>(6,846)</u> |

|                         |                 |
|-------------------------|-----------------|
| NET ACCOUNTS RECEIVABLE | <u>\$ 3,996</u> |
|-------------------------|-----------------|

NOTE 21: YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The County has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the County's operations. The issue has been addressed by the County Administrator's office, constitutional offices, the School Board office, and the Department of Social Services. Based on this inventory, the County is in the remediation stage in that many computers have been replaced and most software updated for the financial reporting systems. Testing and validation of the systems have been partially completed. Budgets have been established within each department for completion of the issue.

The County also operates a regional 911 reporting system for police and fire emergencies within the county. The County currently is assessing the need for system changes in its regional 911 police and fire reporting system. Some remediation is occurring during the assessment of these systems. Additional remediation is anticipated in these systems after completion of assessment. The Board of Supervisors on August 13, 1998 voted to increase the local telephone tariff from \$0.41 to \$1.00 for funding the replacement of the current and obsolete 911 system main panel board. The plans are to have the new system in place by mid summer or early fall of 1999, which will be year 2000 compliant. Testing and validation will occur after remediation of these systems is completed.

The County is also assessing heating and cooling systems, elevator systems, alarm systems and others that may be affected by the Year 2000 Issue.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the County is or will be Year 2000 ready, that the County's remediation efforts will be successful in whole or in part, or that parties with whom the County does business will be Year 2000 ready.

SPECIAL REVENUE FUNDS

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

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
AT JUNE 30, 1999

| <u>ASSETS</u>                                    | EMERGENCY<br>NUMBERS<br>FUND | LAW<br>LIBRARY<br>FUND | COAL ROAD<br>IMPROVE-<br>MENT<br>FUND |
|--|------------------------------|------------------------|---------------------------------------|
| Cash   | \$ 23,360                    | \$ 61,326              | \$ 27,467                             |
| Investments                                      | 75,000                       | -0-                    | 2,715,662                             |
| Mineral Taxes Receivable                         | -0-                          | -0-                    | 243,725                               |
| Accounts Receivable                              | -0-                          | -0-                    | -0-                                   |
| Due From Other Funds                             | -0-                          | -0-                    | 201,154                               |
| Governmental Units                               | -0-                          | -0-                    | -0-                                   |
| <b>TOTAL ASSETS</b>                              | <u>\$ 98,360</u>             | <u>\$ 61,326</u>       | <u>\$3,388,008</u>                    |
| <br>   |                              |                        |                                       |
| <u>LIABILITIES AND<br/>FUND BALANCES</u>         |                              |                        |                                       |
| Accounts Payable                                 | \$ 10,990                    | \$ 1,425               | \$ 37,017                             |
| Due To Other Funds                               | -0-                          | -0-                    | -0-                                   |
| Governmental Units                               | -0-                          | -0-                    | 139,442                               |
| <b>TOTAL LIABILITIES</b>                         | <u>\$ 10,000</u>             | <u>\$ 1,425</u>        | <u>\$ 176,459</u>                     |
| <br>   |                              |                        |                                       |
| <b>FUND BALANCES:</b>                            |                              |                        |                                       |
| Undesignated                                     | \$ 87,370                    | \$ 59,901              | \$3,011,549                           |
| <b>TOTAL LIABILITIES<br/>&amp; FUND BALANCES</b> | <u>\$ 98,360</u>             | <u>\$ 61,326</u>       | <u>\$3,188,008</u>                    |

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

| COMMUNITY<br>DEVELOPMENT<br>FUND | SHERIFF<br>DRUG SEIZURE<br>& FORFEITURE<br>AND COMMISSION<br>FUND | TOTALS              |
|----------------------------------|---|---------------------|
| \$ -0-                           | \$ 52,945   | \$ 165,098          |
| -0-                              | -0-   | 2,790,662           |
| -0-                              | -0-   | 243,725             |
| -0-                              | -0-   | -0-                 |
| -0-                              | -0-   | 201,154             |
| -0-                              | -0-   | -0-                 |
| <u>\$ -0-</u>                    | <u>\$ 52,945</u>  | <u>\$ 3,400,639</u> |
| <br>                             |   |                     |
| \$ -0-                           | \$ -0-  | \$ 49,432           |
| 42,821                           | -0-   | 42,821              |
| -0-                              | -0-   | 139,442             |
| <u>\$ 42,821</u>                 | <u>\$ -0-</u>   | <u>\$ 231,695</u>   |
| <br>                             |   |                     |
| \$ (42,821)                      | \$ 52,945   | \$ 3,168,944        |
| <u>\$ -0-</u>                    | <u>\$ 52,945</u>  | <u>\$ 3,400,639</u> |

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES &  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1999

|   | EMERGENCY<br>NUMBERS<br>FUND | LAW<br>LIBRARY<br>FUND | COAL. ROAD<br>IMPROVEMENT<br>FUND |
|---|------------------------------|------------------------|-----------------------------------|
| <b>REVENUES:</b>  |                              |                        |                                   |
| Other Local Taxes   | \$ 152,352                   | \$ -0-                 | \$ 2,922,003                      |
| Revenues From Use of<br>Money & Property  | 1,954                        | -0-                    | 111,513                           |
| Charges for Services  | -0-                          | 15,452                 | -0-                               |
| Miscellaneous   | -0-                          | -0-                    | -0-                               |
| Intergovernmental   | -0-                          | -0-                    | -0-                               |
| <b>TOTAL REVENUES</b>   | <u>\$ 154,306</u>            | <u>\$ 15,452</u>       | <u>\$ 3,033,516</u>               |
| <b>EXPENDITURES:</b>  |                              |                        |                                   |
| General Government Admin.   | \$ -0-                       | \$ -0-                 | \$ 200                            |
| Judicial Administration   | -0-                          | 11,846                 | -0-                               |
| Public Safety   | 112,561                      | -0-                    | -0-                               |
| Public Works  | -0-                          | -0-                    | 277,065                           |
| Education   | -0-                          | -0-                    | -0-                               |
| Community Development   | -0-                          | -0-                    | 2,493,663                         |
| Non-Departmental  | -0-                          | -0-                    | -0-                               |
| Debt Service:   |                              |                        |                                   |
| Principal Retirement  | -0-                          | -0-                    | -0-                               |
| Interest & Fiscal Charges   | -0-                          | -0-                    | -0-                               |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ 112,561</u>            | <u>\$ 11,846</u>       | <u>\$ 2,770,928</u>               |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER EXPENDITURES</b>  | <u>\$ 41,745</u>             | <u>\$ 3,606</u>        | <u>\$ 262,588</u>                 |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                              |                        |                                   |
| Insurance Recoveries  | \$ -0-                       | \$ -0-                 | \$ -0-                            |
| Operating Transfers In  | -0-                          | -0-                    | -0-                               |
| Operating Transfers Out   | -0-                          | -0-                    | -0-                               |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>   | <u>\$ -0-</u>                | <u>\$ -0-</u>          | <u>\$ -0-</u>                     |
| <b>EXCESS (DEFICIENCY) OF REVE-<br/>NUES &amp; OTHER SOURCES OVER<br/>EXPENDITURES &amp; OTHER USES</b> | <u>\$ 41,745</u>             | <u>\$ 3,606</u>        | <u>\$ 262,588</u>                 |
| <b>FUND BALANCE AT THE BEGINNING<br/>OF YEAR</b>  | <u>45,625</u>                | <u>56,295</u>          | <u>2,748,961</u>                  |
| <b>FUND BALANCE AT END OF YEAR</b>  | <u>\$ 87,370</u>             | <u>\$ 59,901</u>       | <u>\$ 3,011,549</u>               |

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

| COMMUNITY<br>DEVELOPMENT | DRUG SEIZURE<br>& FORFEITURE,<br>COMMISSION<br>AND RAID | TOTAL               |
|--------------------------|---|---------------------|
| FUND                     | FUND  |                     |
| \$ -0-                   | \$ -0-  | \$ 3,074,355        |
| -0-                      | -0-   | 113,467             |
| -0-                      | 136,115   | 151,567             |
| 113,680                  | 5,011   | 118,691             |
| 371,048                  | 1,388   | 372,436             |
| <u>\$ 484,728</u>        | <u>\$ 142,514</u>                                       | <u>\$ 3,830,516</u> |
| <br>                     |   |                     |
| \$ -0-                   | \$ -0-  | \$ 200              |
| -0-                      | -0-   | 11,846              |
| -0-                      | 151,905   | 264,466             |
| -0-                      | -0-   | 277,065             |
| -0-                      | -0-   | -0-                 |
| 430,361                  | -0-   | 2,924,024           |
| -0-                      | -0-   | -0-                 |
| -0-                      | -0-   | -0-                 |
| -0-                      | -0-   | -0-                 |
| <u>\$ 430,361</u>        | <u>\$ 151,905</u>                                       | <u>\$ 3,477,601</u> |
| <br>                     |   |                     |
| <u>\$ 54,367</u>         | <u>\$ (9,391)</u>                                       | <u>\$ 352,915</u>   |
| <br>                     |   |                     |
| \$ -0-                   | \$ -0-  | \$ -0-              |
| -0-                      | -0-   | -0-                 |
| -0-                      | -0-   | -0-                 |
| <u>\$ -0-</u>            | <u>\$ -0-</u>   | <u>\$ -0-</u>       |
| <br>                     |   |                     |
| \$ 54,367                | \$ (9,391)  | \$ 352,915          |
| <br>                     |   |                     |
| (97,188)                 | 62,336  | 2,816,029           |
| <u>\$ (42,821)</u>       | <u>\$ 52,945</u>  | <u>\$ 3,168,944</u> |

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1999

|   | <u>BUDGET</u>        | <u>ACTUAL</u>           | <u>EMERGENCY NUMBERS FUND</u><br>VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|----------------------|-------------------------|---|
| REVENUES:   |                      |                         |   |
| Other Local Taxes   | \$ -0-               | \$ 152,352              | \$ 152,352  |
| Revenues From Use Of<br>Money & Property  | -0-                  | 1,954                   | 1,954   |
| Charges For Services  | -0-                  | -0-                     | -0-   |
| Miscellaneous   | -0-                  | -0-                     | -0-   |
| Intergovernmental   | -0-                  | -0-                     | -0-   |
| TOTAL REVENUES  | <u>\$ -0-</u>        | <u>\$ 154,306</u>       | <u>\$ 154,306</u>   |
| EXPENDITURES:   |                      |                         |   |
| General Government Admin.   | \$ -0-               | \$ -0-                  | \$ -0-  |
| Judicial Administration   | -0-                  | -0-                     | -0-   |
| Public Safety   | -0-                  | 112,561                 | (112,561)   |
| Public Works  | -0-                  | -0-                     | -0-   |
| Education   | -0-                  | -0-                     | -0-   |
| Community Development   | -0-                  | -0-                     | -0-   |
| Non-departmental  | -0-                  | -0-                     | -0-   |
| Debt Service:   |                      |                         |   |
| Principal Retirement  | -0-                  | -0-                     | -0-   |
| Interest & Fiscal Charges   | -0-                  | -0-                     | -0-   |
| TOTAL EXPENDITURES  | <u>\$ -0-</u>        | <u>\$ 112,561</u>       | <u>\$ (112,561)</u>   |
| EXCESS (DEFICIENCY) OF REV-<br>ENUES OVER EXPENDITURES                                  | <u>\$ -0-</u>        | <u>\$ 41,745</u>        | <u>\$ 41,745</u>  |
| OTHER FINANCING SOURCES (USES):   |                      |                         |   |
| Insurance Recoveries  | \$ -0-               | \$ -0-                  | \$ -0-  |
| Operating Transfers In  | -0-                  | -0-                     | -0-   |
| Operating Transfers Out   | -0-                  | -0-                     | -0-   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)   | <u>\$ -0-</u>        | <u>\$ -0-</u>           | <u>\$ -0-</u>   |
| EXCESS (DEFICIENCY) OF<br>REVENUES & OTHER SOURCES<br>OVER EXPENDITURES &<br>OTHER USES | <u>\$ -0-</u>        | <u>\$ 41,745</u>        | <u>\$ 41,745</u>  |
| FUND BALANCE AT BEGINNING<br>OF YEAR  | <u>-0-</u>           | <u>45,625</u>           | <u>45,625</u>   |
| FUND BALANCE AT END OF YEAR   | <u><u>\$ -0-</u></u> | <u><u>\$ 87,370</u></u> | <u><u>\$ 87,370</u></u>   |

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

| LAW LIBRARY FUND |                 |  | COAL ROAD IMPROVEMENT FUND |                     |  |
|------------------|-----------------|--|----------------------------|---------------------|--|
| BUDGET           | ACTUAL          | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) | BUDGET                     | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
| \$ -0-           | \$ -0-          | \$ -0-                                 | \$3,000,000                | \$ 2,922,003        | \$ (77,997)                            |
| -0-              | -0-             | -0-                                    | 100,000                    | 111,513             | 11,513                                 |
| 7,000            | 15,542          | 8,452                                  | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| <u>\$ 7,000</u>  | <u>\$15,542</u> | <u>\$ 8,452</u>                        | <u>\$3,100,000</u>         | <u>\$ 3,033,516</u> | <u>\$ (66,484)</u>                     |
| \$ -0-           | \$ -0-          | \$ -0-                                 | \$ -0-                     | \$ 200              | \$ (200)                               |
| 7,000            | 11,846          | (4,846)                                | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | 120,000                    | 277,065             | (157,065)                              |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | 2,980,000                  | 2,493,663           | 486,337                                |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| <u>\$ 7,000</u>  | <u>\$11,846</u> | <u>\$ (4,846)</u>                      | <u>\$3,100,000</u>         | <u>\$ 2,770,928</u> | <u>\$ 329,072</u>                      |
| \$ -0-           | \$ 3,606        | \$ 3,606                               | \$ -0-                     | \$ 262,588          | \$ 262,588                             |
| \$ -0-           | \$ -0-          | \$ -0-                                 | \$ -0-                     | \$ -0-              | \$ -0-                                 |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| -0-              | -0-             | -0-                                    | -0-                        | -0-                 | -0-                                    |
| <u>\$ -0-</u>    | <u>\$ -0-</u>   | <u>\$ -0-</u>                          | <u>\$ -0-</u>              | <u>\$ -0-</u>       | <u>\$ -0-</u>                          |
| \$ -0-           | \$ 3,606        | \$ 3,606                               | \$ -0-                     | \$ 262,588          | \$ 262,588                             |
| -0-              | 56,295          | 56,295                                 | -0-                        | 2,748,961           | 2,748,961                              |
| <u>\$ -0-</u>    | <u>\$59,901</u> | <u>\$ 59,901</u>                       | <u>\$ -0-</u>              | <u>\$ 3,011,549</u> | <u>\$ 3,011,549</u>                    |

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1999

|   | <u>COMMUNITY DEVELOPMENT FUND</u> |                    |   |
|---|-----------------------------------|--------------------|---|
|   | <u>BUDGET</u>                     | <u>ACTUAL</u>      | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| <b>REVENUES:</b>  |                                   |                    |   |
| Other Local Taxes   | \$ -0-                            | \$ -0-             | \$ -0-  |
| Revenues From Use Of<br>Money & Property  | -0-                               | -0-                | -0-   |
| Charges For Services  | -0-                               | -0-                | -0-   |
| Miscellaneous   | -0-                               | 113,680            | 113,680   |
| Intergovernmental   | -0-                               | 371,048            | 371,048   |
| <b>TOTAL REVENUES</b>   | <u>\$ -0-</u>                     | <u>\$484,728</u>   | <u>\$ 484,728</u>                               |
| <b>EXPENDITURES:</b>  |                                   |                    |   |
| General Government  | \$ -0-                            | \$ -0-             | \$ -0-  |
| Judicial Administration   | -0-                               | -0-                | -0-   |
| Public Works  | -0-                               | -0-                | -0-   |
| Public Safety   | -0-                               | -0-                | -0-   |
| Education   | -0-                               | -0-                | -0-   |
| Community Development   | -0-                               | 430,361            | (430,361)                                       |
| Non-departmental  | -0-                               | -0-                | -0-   |
| Debt Service:   |                                   |                    |   |
| Principal Retirement  | -0-                               | -0-                | -0-   |
| Interest & Fiscal<br>Charges  | -0-                               | -0-                | -0-   |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ -0-</u>                     | <u>\$430,361</u>   | <u>\$ (430,361)</u>                             |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER<br/>EXPENDITURES</b>  | <u>\$ -0-</u>                     | <u>\$ 54,367</u>   | <u>\$ 54,367</u>                                |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                                   |                    |   |
| Proceeds From Bonds   | \$ -0-                            | \$ -0-             | \$ -0-  |
| Operating Transfers In  | -0-                               | -0-                | -0-   |
| Operating Transfers Out   | -0-                               | -0-                | -0-   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>   | <u>\$ -0-</u>                     | <u>\$ -0-</u>      | <u>\$ -0-</u>                                   |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES &amp; OTHER SOURCES<br/>OVER EXPENDITURES &amp;<br/>OTHER USES</b> | <u>\$ -0-</u>                     | <u>\$ 54,367</u>   | <u>\$ 54,367</u>                                |
| <b>FUND BALANCE AT BEGINNING<br/>OF YEAR (As Restated)</b>  | <u>-0-</u>                        | <u>(97,188)</u>    | <u>(97,188)</u>                                 |
| <b>FUND BALANCE AT END OF YEAR</b>  | <u>\$ -0-</u>                     | <u>\$ (42,821)</u> | <u>\$ (42,821)</u>                              |

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

DRUG SEIZURE & FORFEITURE FUND AND COMMISSIONS

| <u>BUDGET</u> | <u>ACTUAL</u>     | <u>VARIANCE</u><br><u>FAVORABLE</u><br><u>(UNFAVORABLE)</u> |
|---------------|-------------------|---|
| \$ -0-        | \$ -0-            | \$ -0-  |
| -0-           | -0-               | -0-   |
| -0-           | 136,115           | 136,115   |
| -0-           | 5,011             | 5,011   |
| -0-           | 1,388             | 1,388   |
| <u>\$ -0-</u> | <u>\$ 142,514</u> | <u>\$ 142,514</u>   |
| \$ -0-        | \$ -0-            | \$ -0-  |
| -0-           | -0-               | -0-   |
| -0-           | 151,905           | (151,905)   |
| -0-           | -0-               | -0-   |
| -0-           | -0-               | -0-   |
| -0-           | -0-               | -0-   |
| -0-           | -0-               | -0-   |
| -0-           | -0-               | -0-   |
| <u>\$ -0-</u> | <u>\$ 151,905</u> | <u>\$ (151,905)</u>   |
| <u>\$ -0-</u> | <u>\$ (9,391)</u> | <u>\$ (9,391)</u>   |
| \$ -0-        | \$ -0-            | \$ -0-  |
| -0-           | -0-               | -0-   |
| -0-           | -0-               | -0-   |
| <u>\$ -0-</u> | <u>\$ -0-</u>     | <u>\$ -0-</u>   |
| \$ -0-        | \$ (9,391)        | \$ (9,391)  |
| -0-           | 62,336            | 62,336  |
| <u>\$ -0-</u> | <u>\$ 52,945</u>  | <u>\$ 52,945</u>  |

COUNTY OF WISE, VIRGINIA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
& CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT A-3  
PAGE 3

|  | <u>BUDGET</u>        | <u>TOTALS</u><br><u>ACTUAL</u> | <u>VARIANCE</u><br><u>FAVORABLE</u><br><u>(UNFAVORABLE)</u> |
|--|----------------------|--------------------------------|---|
| <b>REVENUES:</b>   |                      |                                |   |
| Other Local Taxes  | \$ 3,000,000         | \$ 3,074,355                   | \$ 74,355   |
| Revenues From Use Of<br>Money & Property   | 100,000              | 113,467                        | 13,467  |
| Charges For Services   | 7,000                | 151,567                        | 144,567   |
| Miscellaneous  | -0-                  | 118,691                        | 118,691   |
| Intergovernmental  | -0-                  | 372,436                        | 372,436   |
| TOTAL REVENUES   | <u>\$ 3,107,000</u>  | <u>\$ 3,830,516</u>            | <u>\$ 723,516</u>   |
| <b>EXPENDITURES:</b>   |                      |                                |   |
| General Government Admin.  | \$ -0-               | \$ 200                         | \$ (200)  |
| Judicial Administration  | 7,000                | 11,846                         | (4,846)   |
| Public Safety  | -0-                  | 264,466                        | (264,466)   |
| Public Works   | 120,000              | 277,065                        | (157,065)   |
| Education  | -0-                  | -0-                            | -0-   |
| Community Development  | 2,980,000            | 2,924,024                      | 55,976  |
| Non-departmental   | -0-                  | -0-                            | -0-   |
| Debt Service:  |                      |                                |   |
| Principal Retirement   | -0-                  | -0-                            | -0-   |
| Interest & Fiscal Charges  | -0-                  | -0-                            | -0-   |
| TOTAL EXPENDITURES   | <u>\$ 3,107,000</u>  | <u>\$ 3,477,601</u>            | <u>\$ (370,601)</u>   |
| EXCESS (DEFICIENCY) OF REV-<br>ENUES OVER EXPENDITURES                                 | <u>\$ -0-</u>        | <u>\$ 352,915</u>              | <u>\$ 352,915</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                      |                                |   |
| Insurance Recoveries   | \$ -0-               | \$ -0-                         | \$ -0-  |
| Operating Transfers In   | -0-                  | -0-                            | -0-   |
| Operating Transfers Out  | -0-                  | -0-                            | -0-   |
| TOTAL OTHER FINANCING<br>SOURCES (USES)  | <u>\$ -0-</u>        | <u>\$ -0-</u>                  | <u>\$ -0-</u>   |
| EXCESS (DEFICIENCY) OF REV-<br>ENUES & OTHER SOURCES OVER<br>EXPENDITURES & OTHER USES | <u>\$ -0-</u>        | <u>\$ 352,915</u>              | <u>\$ 352,915</u>   |
| FUND BALANCE AT BEGINNING<br>OF YEAR   | <u>-0-</u>           | <u>2,816,029</u>               | <u>2,816,029</u>  |
| FUND BALANCE AT END OF YEAR  | <u><u>\$ -0-</u></u> | <u><u>\$ 3,168,944</u></u>     | <u><u>\$ 3,168,944</u></u>                                  |

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

### ENTERPRISE FUNDS

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

COUNTY OF WISE, VIRGINIA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
AT JUNE 30, 1999

EXHIBIT B-1

| <u>ASSETS</u>                                     | RIVERVIEW<br>SEWER PROJECT<br>FUND | VRA LANDFILL<br>ENTERPRISE<br>FUND | <u>TOTAL</u>            |
|---|------------------------------------|------------------------------------|-------------------------|
| Cash  | \$ -0-                             | \$ 14,059                          | \$ 14,059               |
| Investments                                       | -0-                                | -0-                                | -0-                     |
| Reserved Escrow Deposit                           | 13,500                             | -0-                                | 13,500                  |
| Sinking Fund Deposits                             | -0-                                | 345,600                            | 345,600                 |
| Receivables:                                      |                                    |                                    |                         |
| Accounts (Net of Allowance For<br>Uncollectibles) | 3,996                              | 4,702                              | 8,698                   |
| Due From Other Governmental Units                 | 19,274                             | -0-                                | 19,274                  |
| General Fixed Assets                              | <u>453,172</u>                     | <u>3,890,815</u>                   | <u>4,343,987</u>        |
| <br>TOTAL ASSETS                                  | <br><u>\$ 489,942</u>              | <br><u>\$ 4,255,176</u>            | <br><u>\$ 4,745,118</u> |
| <u>LIABILITIES</u>                                |                                    |                                    |                         |
| Due to Other Funds                                | \$ 130,871                         | \$ 2,031,671                       | \$ 2,162,542            |
| Revenue Bonds Payable                             | 358,815                            | -0-                                | 358,815                 |
| General Obligations Payable                       | -0-                                | 198,934                            | 198,934                 |
| Accrued Landfill Closure Costs                    | <u>-0-</u>                         | <u>2,668,651</u>                   | <u>2,668,651</u>        |
| <br>TOTAL LIABILITIES                             | <br><u>\$ 489,686</u>              | <br><u>\$ 4,899,256</u>            | <br><u>\$ 5,388,942</u> |
| <u>FUND EQUITY</u>                                |                                    |                                    |                         |
| Contributed Capital-General Fund                  | \$ -0-                             | \$ 2,528,248                       | \$ 2,528,248            |
| Retained Earnings:                                |                                    |                                    |                         |
| Reserved  | \$ 13,500                          | \$ 345,600                         | \$ 359,100              |
| Unreserved  | (13,244)                           | (3,517,928)                        | (3,531,172)             |
| Total Retained Earnings                           | <u>\$ 256</u>                      | <u>\$(3,172,328)</u>               | <u>\$(3,172,072)</u>    |
| <br>TOTAL FUND EQUITY                             | <br><u>\$ 256</u>                  | <br><u>\$ (644,080)</u>            | <br><u>\$ (643,824)</u> |
| <br>TOTAL LIABILITIES AND<br>RETAINED EARNINGS    | <br><u>\$ 489,942</u>              | <br><u>\$ 4,255,176</u>            | <br><u>\$ 4,745,118</u> |

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

COUNTY OF WISE, VIRGINIA  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 & CHANGES IN RETAINED EARNINGS  
 FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT B-2

|   | <u>RIVERVIEW<br/>SEWER PROJECT<br/>FUND</u> | <u>VRA LANDFILL<br/>ENTERPRISE<br/>FUND</u> | <u>TOTAL</u>         |
|---|---|---|----------------------|
| OPERATING REVENUES:                                     |   |   |                      |
| Tipping Fees  | \$ -0-                                      | \$ 7,501                                    | \$ 7,501             |
| Sewer Rents   | 32,704                                      | -0-   | 32,704               |
| TOTAL REVENUE   | <u>\$ 32,704</u>                            | <u>\$ 7,501</u>                             | <u>\$ 40,205</u>     |
| OPERATING EXPENSES:                                     |   |   |                      |
| Sewer Processing  | \$ 9,493                                    | \$ -0-                                      | \$ 9,493             |
| Other Charges   | 4,029                                       | -0-   | 4,029                |
| Landfill Closure Expense                                | -0-   | 168,384                                     | 168,384              |
| Depreciation  | 13,733                                      | 153,565                                     | 167,298              |
| TOTAL OPERATING EXPENSES                                | <u>27,255</u>                               | <u>321,949</u>                              | <u>349,204</u>       |
| NET OPERATING INCOME (LOSS)                             | <u>\$ 5,449</u>                             | <u>\$ (314,448)</u>                         | <u>\$ (308,999)</u>  |
| OTHER REVENUE (EXPENSES):                               |   |   |                      |
| Interest Revenue  | \$ -0-                                      | \$ 405                                      | \$ 405               |
| Interest Expense  | -0-   | (12,958)                                    | (12,958)             |
| TOTAL OTHER INCOME (EXPENSE)                            | <u>-0-</u>                                  | <u>(12,553)</u>                             | <u>(12,553)</u>      |
| NET INCOME (LOSS)                                       | \$ 5,449                                    | \$ (327,001)                                | \$ (321,552)         |
| RETAINED EARNINGS AT BEGINNING<br>OF YEAR (AS RESTATED) | <u>(5,193)</u>                              | <u>(2,845,327)</u>                          | <u>(2,850,520)</u>   |
| RETAINED EARNINGS AT END OF<br>YEAR                     | <u>\$ 256</u>                               | <u>\$(3,172,328)</u>                        | <u>\$(3,172,072)</u> |

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

COUNTY OF WISE, VIRGINIA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT B-3  
PAGE 1

|   | RIVERVIEW<br>SEWER PROJECT<br>FUND | VRA LANDFILL<br>ENTERPRISE<br>FUND | TOTAL                   |
|---|------------------------------------|------------------------------------|-------------------------|
| Cash Flow From Operating Activities:                        |                                    |                                    |                         |
| Cash Received From Customers                                | \$ 31,936                          | \$ 2,798                           | \$ 34,734               |
| Cash Payments to Suppliers for Goods<br>& Services          | <u>(13,522)</u>                    | <u>-0-</u>                         | <u>(13,522)</u>         |
| NET CASH PROVIDED BY OPERATING<br>ACTIVITIES                | <u>\$ 18,414</u>                   | <u>\$ 2,798</u>                    | <u>\$ 21,212</u>        |
| Cash Flow From Noncapital Financing<br>Activities:          |                                    |                                    |                         |
| Operating Transfers From Other<br>Funds                     | \$ 27,601                          | \$ 825,615                         | \$ 853,216              |
| Increase in Due From Governmental<br>Units                  | <u>(18,414)</u>                    | <u>-0-</u>                         | <u>(18,414)</u>         |
| NET CASH PROVIDED BY NONCAPITAL<br>FINANCING ACTIVITIES     | <u>\$ 9,187</u>                    | <u>\$ 825,615</u>                  | <u>\$ 834,802</u>       |
| Cash Flows From Capital & Related<br>Financing Activities:  |                                    |                                    |                         |
| Principal Paid on Bond Maturities                           | \$(27,601)                         | \$ -0-                             | \$ (27,601)             |
| Interest Paid on Debt Obligations                           | -0-                                | (12,958)                           | (12,958)                |
| Principal Paid on General Obligation<br>Loans               | <u>-0-</u>                         | <u>(30,938)</u>                    | <u>(30,938)</u>         |
| NET CASH USED FOR CAPITAL & RELATED<br>FINANCING ACTIVITIES | <u>\$(27,601)</u>                  | <u>\$ (43,896)</u>                 | <u>\$ (71,497)</u>      |
| Cash Flows From Investing Activities:                       |                                    |                                    |                         |
| Interest Revenue Earned on<br>Investments                   | \$ -0-                             | 405                                | 405                     |
| Purchase of Fixed Assets                                    | -0-                                | (436,109)                          | (436,109)               |
| Sinking Fund Deposits                                       | <u>-0-</u>                         | <u>(345,600)</u>                   | <u>(345,600)</u>        |
| NET CASH PROVIDED FROM INVESTING<br>ACTIVITIES              | <u>\$ -0-</u>                      | <u>\$ (781,304)</u>                | <u>\$ (781,304)</u>     |
| NET INCREASE (DECREASE) IN CASH<br>& CASH EQUIVALENTS       | \$ -0-                             | \$ 3,213                           | \$ 3,213                |
| CASH & CASH EQUIVALENTS AT BEGINNING<br>OF YEAR             | <u>-0-</u>                         | <u>10,846</u>                      | <u>10,846</u>           |
| CASH & CASH EQUIVALENTS AT END<br>OF YEAR                   | <u><u>\$ -0-</u></u>               | <u><u>\$ 14,059</u></u>            | <u><u>\$ 14,059</u></u> |

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

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT B-3  
 PAGE 2

|   | <u>RIVERVIEW<br/>SEWER PROJECT<br/>FUND</u> | <u>VRA LANDFILL<br/>ENTERPRISE<br/>FUND</u> | <u>TOTAL</u>     |
|---|---|---|------------------|
| Reconciliation of Operating Income<br>to Net Cash Provided by Operating<br>Activities:        |   |   |                  |
| Operating Income  | \$ 5,449                                    | \$ (314,448)                                | \$ (308,999)     |
| Adjustments to Reconcile Operating<br>Income to Net Cash Provided by<br>Operating Activities: |   |   |                  |
| Depreciation  | \$ 13,733                                   | \$ 153,565                                  | \$ 167,298       |
| (Increase) Decrease in Accounts<br>Receivable   | (768)                                       | (4,703)                                     | (5,471)          |
| Increase (Decrease) in Closure<br>Cost Liability  | <u>-0-</u>                                  | <u>168,384</u>                              | <u>168,384</u>   |
| TOTAL ADJUSTMENTS   | \$ 12,965                                   | \$ 317,246                                  | \$ 330,211       |
| NET CASH PROVIDED BY OPERATING<br>ACTIVITIES  | <u>\$ 18,414</u>                            | <u>\$ 2,798</u>                             | <u>\$ 21,212</u> |

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

FIDUCIARY FUNDS

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

COUNTY OF WISE, VIRGINIA  
FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
AT JUNE 30, 1999

EXHIBIT C-1

| <u>ASSETS</u>                                     | SPECIAL<br>WELFARE<br>FUND | LOCAL<br>SALES<br>TAX<br>FUND | LONESOME<br>PINE<br>YOUTH<br>SERVICES<br>FUND | <u>TOTALS</u>     |
|---|----------------------------|-------------------------------|---|-------------------|
| Cash  | \$ 65,265                  | \$ -0-                        | \$ 21,225                                     | \$ 86,490         |
| Due From Other<br>Governmental Units              | -0-                        | 228,632                       | -0-   | 228,632           |
| <b>TOTAL ASSETS</b>                               | <u>\$ 65,265</u>           | <u>\$ 228,632</u>             | <u>\$ 21,225</u>                              | <u>\$ 315,122</u> |
| <br><u>LIABILITIES &amp; FUND BALANCE</u>         |                            |                               |   |                   |
| <b>LIABILITIES:</b>                               |                            |                               |   |                   |
| Due To:   |                            |                               |   |                   |
| Social Service Clients                            | \$ 65,265                  | \$ -0-                        | \$ -0-  | \$ 65,265         |
| Governmental Units                                | -0-                        | 32,833                        | 21,225  | 54,058            |
| Due To Other Funds                                | -0-                        | 195,799                       | -0-   | 195,799           |
| <b>TOTAL LIABILITIES</b>                          | <u>\$ 65,265</u>           | <u>\$ 228,632</u>             | <u>\$ 21,225</u>                              | <u>\$ 315,122</u> |
| <br><b>FUND BALANCE:</b>                          |                            |                               |   |                   |
| Unrestricted                                      | \$ -0-                     | \$ -0-                        | \$ -0-  | \$ -0-            |
| <b>TOTAL LIABILITIES<br/>  &amp; FUND BALANCE</b> | <u>\$ 65,265</u>           | <u>\$ 228,632</u>             | <u>\$ 21,225</u>                              | <u>\$ 315,122</u> |

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

COUNTY OF WISE, VIRGINIA  
 FIDUCIARY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS  
 & LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1999

EXHIBIT C-2

|   | BALANCE<br>JULY 1,<br>1998 | ADDITIONS         | DELETIONS         | BALANCE<br>JUNE 30,<br>1999 |
|---|----------------------------|-------------------|-------------------|-----------------------------|
| <u>ASSETS</u>                           |                            |                   |                   |                             |
| Cash                                    | \$126,613                  | \$ 602,471        | \$ 642,594        | \$ 86,490                   |
| Due From Other Government<br>Units      | <u>189,377</u>             | <u>228,632</u>    | <u>189,377</u>    | <u>228,632</u>              |
| TOTAL ASSETS                            | <u>\$315,990</u>           | <u>\$ 831,103</u> | <u>\$ 831,971</u> | <u>\$315,122</u>            |
| <u>LIABILITIES</u>                      |                            |                   |                   |                             |
| Due To Localities &<br>Government Units | \$ 77,141                  | \$ 482,355        | \$ 505,438        | \$ 54,058                   |
| Due To Other Funds                      | 162,181                    | 195,799           | 162,181           | 195,799                     |
| Due To Social Services                  | <u>76,668</u>              | <u>152,949</u>    | <u>164,352</u>    | <u>65,265</u>               |
| TOTAL LIABILITIES                       | <u>\$315,990</u>           | <u>\$ 831,103</u> | <u>\$ 831,971</u> | <u>\$315,122</u>            |

These receipts and disbursements are recorded on a cash basis.

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

DISCRETE COMPONENT UNIT SCHOOL BOARD

COUNTY OF WISE, VIRGINIA  
 COMBINING BALANCE SHEET  
 DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD  
 AT JUNE 30, 1999

GOVERNMENTAL FUNDS

| <u>ASSETS</u>   | SCHOOL<br>OPERATING<br>FUND | SCHOOL<br>CAFETERIA<br>FUND | TEXTBOOK<br>RENTAL<br>FUND |
|---|-----------------------------|-----------------------------|----------------------------|
| Cash  | \$ 159,269                  | \$ 11,586                   | \$ 11,930                  |
| Petty Cash  | 200                         | -0-                         | -0-                        |
| Investments   | -0-                         | 332,995                     | 537,084                    |
| Accounts Receivable   | 105,835                     | -0-                         | -0-                        |
| Due From Other<br>Governmental Units  | 1,558,724                   | -0-                         | -0-                        |
| Fixed Assets (Net of<br>Accumulated Depreciation)                               | -0-                         | -0-                         | -0-                        |
| Amount to Be Provided For<br>the Retirement of General<br>Long-Term Obligations | -0-                         | -0-                         | -0-                        |
| <b>TOTAL ASSETS</b>   | <u>\$1,824,028</u>          | <u>\$ 344,581</u>           | <u>\$ 549,014</u>          |
| <u>LIABILITIES</u>  |                             |                             |                            |
| Accounts Payable  | \$ 215,188                  | \$ 6,670                    | \$ -0-                     |
| Due To Other Funds  | 1,608,640                   | -0-                         | -0-                        |
| Claims, Judgments & Compensated Absences  | -0-                         | -0-                         | -0-                        |
| State Literary Fund Loans   | -0-                         | -0-                         | -0-                        |
| General Obligation Bonds  | -0-                         | -0-                         | -0-                        |
| <b>TOTAL LIABILITIES</b>  | <u>\$1,823,828</u>          | <u>\$ 6,670</u>             | <u>\$ -0-</u>              |
| <u>FUND EQUITY</u>  |                             |                             |                            |
| Investment in General Fixed Assets  | \$ -0-                      | \$ -0-                      | \$ -0-                     |
| <b>FUND BALANCES:</b>   |                             |                             |                            |
| Undesignated  | <u>200</u>                  | <u>337,911</u>              | <u>549,014</u>             |
| <b>TOTAL FUND EQUITY</b>  | <u>\$ 200</u>               | <u>\$ 337,911</u>           | <u>\$ 549,014</u>          |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b>                                      | <u>\$1,824,028</u>          | <u>\$ 344,581</u>           | <u>\$ 549,014</u>          |

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

| CAPITAL<br>PROJECTS<br>FUND | ACCOUNT GROUPS                  |                            | TOTALS               |
|-----------------------------|---------------------------------|----------------------------|----------------------|
|                             | GENERAL LONG-TERM<br>OBLIGATION | GENERAL<br>FIXED<br>ASSETS |                      |
| \$ 467,955                  | \$ -0-                          | \$ -0-                     | \$ 650,740           |
| -0-                         | -0-                             | -0-                        | 200                  |
| 1,700,000                   | -0-                             | -0-                        | 2,570,079            |
| -0-                         | -0-                             | -0-                        | 105,835              |
| -0-                         | -0-                             | -0-                        | 1,558,724            |
| -0-                         | -0-                             | 114,922,182                | 114,922,182          |
| -0-                         | 4,721,701                       | -0-                        | 4,721,701            |
| <u>\$ 2,167,955</u>         | <u>\$ 4,721,701</u>             | <u>\$114,922,182</u>       | <u>\$124,529,461</u> |
| \$ -0-                      | \$ -0-                          | \$ -0-                     | \$ 221,858           |
| -0-                         | -0-                             | -0-                        | 1,608,640            |
| -0-                         | 1,399,721                       | -0-                        | 1,399,721            |
| -0-                         | 2,731,980                       | -0-                        | 2,731,980            |
| -0-                         | 590,000                         | -0-                        | 590,000              |
| <u>\$ -0-</u>               | <u>\$ 4,721,701</u>             | <u>\$ -0-</u>              | <u>\$ 6,552,199</u>  |
| \$ -0-                      | \$ -0-                          | \$114,982,182              | \$114,922,182        |
| <u>2,167,955</u>            | <u>-0-</u>                      | <u>-0-</u>                 | <u>3,055,080</u>     |
| <u>\$ 2,167,955</u>         | <u>\$ -0-</u>                   | <u>\$114,982,182</u>       | <u>\$117,977,262</u> |
| <u>\$ 2,167,955</u>         | <u>\$ 4,721,701</u>             | <u>\$114,982,182</u>       | <u>\$124,529,461</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, 1999

GOVERNMENTAL FUNDS

|   | <u>SCHOOL<br/>OPERATING<br/>FUND</u> | <u>SCHOOL<br/>CAFETERIA<br/>FUND</u> | <u>TEXTBOOK<br/>RENTAL<br/>FUND</u> |
|---|--------------------------------------|--------------------------------------|-------------------------------------|
| <b>REVENUES:</b>  |                                      |                                      |                                     |
| Revenues From Use Of  |                                      |                                      |                                     |
| Money & Property  | \$ 28,759                            | \$ 14,835                            | \$ 23,759                           |
| Charges For Services  | 44,125                               | 678,252                              | -0-                                 |
| Miscellaneous   | 72,204                               | -0-                                  | -0-                                 |
| Recovered Costs   | 200,958                              | -0-                                  | -0-                                 |
| Intergovernmental   | 32,324,126                           | 998,718                              | 212,780                             |
| TOTAL REVENUES  | <u>\$ 32,670,172</u>                 | <u>\$1,691,805</u>                   | <u>\$ 236,539</u>                   |
| <b>EXPENDITURES:</b>  |                                      |                                      |                                     |
| General Government  |                                      |                                      |                                     |
| Administration  | \$ -0-                               | \$ -0-                               | \$ -0-                              |
| Judicial Administration   | -0-                                  | -0-                                  | -0-                                 |
| Public Works  | -0-                                  | -0-                                  | -0-                                 |
| Education   | 43,012,515                           | 1,751,145                            | 195,502                             |
| Community Development   | -0-                                  | -0-                                  | -0-                                 |
| Non-departmental  | -0-                                  | -0-                                  | -0-                                 |
| Capital Outlay  | -0-                                  | -0-                                  | -0-                                 |
| Debt Service:   |                                      |                                      |                                     |
| Principal Retirement  | 439,605                              | -0-                                  | -0-                                 |
| Interest & Fiscal Charges   | 124,613                              | -0-                                  | -0-                                 |
| TOTAL EXPENDITURES  | <u>\$ 43,576,733</u>                 | <u>\$1,751,145</u>                   | <u>\$ 195,502</u>                   |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER<br/>EXPENDITURES</b>  | <u>\$ (10,906,561)</u>               | <u>\$ (59,340)</u>                   | <u>\$ 41,037</u>                    |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                                      |                                      |                                     |
| Operating Transfers In  | \$ 10,919,189                        | \$ 11,040                            | \$ 1,588                            |
| Operating Transfers Out   | (12,628)                             | -0-                                  | -0-                                 |
| TOTAL OTHER FINANCING<br>SOURCES (USES)   | <u>\$ 10,906,561</u>                 | <u>\$ 11,040</u>                     | <u>\$ 1,588</u>                     |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES &amp; OTHER SOURCES<br/>OVER EXPENDITURES &amp;<br/>OTHER USES</b> | \$ -0-                               | \$ (48,300)                          | \$ 42,625                           |
| <b>FUND BALANCE AT BEGINNING<br/>OF YEAR</b>  | <u>200</u>                           | <u>386,211</u>                       | <u>506,389</u>                      |
| <b>FUND BALANCE AT END OF YEAR</b>  | <u>\$ 200</u>                        | <u>\$ 337,911</u>                    | <u>\$ 549,014</u>                   |

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

| <u>CAPITAL<br/>PROJECTS<br/>FUND</u> | <u>TOTALS</u>         |
|--------------------------------------|-----------------------|
| \$ 306,000                           | \$ 373,353            |
| -0-                                  | 722,377               |
| 7,391                                | 79,595                |
| -0-                                  | 200,958               |
| <u>1,581,591</u>                     | <u>35,117,215</u>     |
| <u>\$1,894,982</u>                   | <u>\$ 36,493,498</u>  |
| <br>                                 |                       |
| \$ -0-                               | \$ -0-                |
| -0-                                  | -0-                   |
| -0-                                  | -0-                   |
| -0-                                  | -0-                   |
| -0-                                  | 44,959,162            |
| -0-                                  | -0-                   |
| -0-                                  | -0-                   |
| 468,246                              | 468,246               |
| <br>                                 |                       |
| -0-                                  | 439,605               |
| -0-                                  | <u>124,613</u>        |
| <u>\$ 468,246</u>                    | <u>\$ 45,991,626</u>  |
| <br>                                 |                       |
| <u>\$1,426,736</u>                   | <u>\$ (9,498,128)</u> |
| <br>                                 |                       |
| \$ 200,000                           | \$ 11,131,817         |
| <u>-0-</u>                           | <u>(12,628)</u>       |
| <u>\$ 200,000</u>                    | <u>\$ 11,119,189</u>  |
| <br>                                 |                       |
| \$1,626,736                          | \$ 1,621,061          |
| <br>                                 |                       |
| <u>541,219</u>                       | <u>1,434,019</u>      |
| <u>\$2,167,955</u>                   | <u>\$ 3,055,080</u>   |

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 & CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 1999

|   | <u>SCHOOL OPERATING FUND</u> |                        |   |
|---|------------------------------|------------------------|---|
|   | <u>BUDGET</u>                | <u>ACTUAL</u>          | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| <b>REVENUES:</b>  |                              |                        |   |
| Revenue From Use of   |                              |                        |   |
| Money & Property  | \$ 26,000                    | \$ 28,759              | \$ 2,759  |
| Charges For Services  | 25,000                       | 44,125                 | 19,125  |
| Miscellaneous   | 766,100                      | 72,204                 | (693,896)                                       |
| Recovered Costs   | 180,000                      | 200,958                | 20,958  |
| Intergovernmental   | 33,043,300                   | 32,324,126             | (719,174)                                       |
| TOTAL REVENUES  | <u>\$ 34,040,400</u>         | <u>\$ 32,670,172</u>   | <u>\$ (1,370,228)</u>                           |
| <b>EXPENDITURES:</b>  |                              |                        |   |
| General Government Admin.   | \$ -0-                       | \$ -0-                 | \$ -0-  |
| Judicial Administration   | -0-                          | -0-                    | -0-   |
| Public Works  | -0-                          | -0-                    | -0-   |
| Education   | 44,552,200                   | 43,012,515             | 1,539,685                                       |
| Community Development   | -0-                          | -0-                    | -0-   |
| Non-Departmental  | -0-                          | -0-                    | -0-   |
| Capital Outlays   | -0-                          | -0-                    | -0-   |
| Debt Service:   |                              |                        |   |
| Principal Retirement  | 439,700                      | 439,605                | 95  |
| Interest & Fiscal Charges   | 125,500                      | 124,613                | 887   |
| TOTAL EXPENDITURES  | <u>\$ 45,117,400</u>         | <u>\$ 43,576,733</u>   | <u>\$ 1,540,667</u>                             |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER<br>EXPENDITURES                                 | <u>\$ (11,077,000)</u>       | <u>\$ (10,906,561)</u> | <u>\$ 170,439</u>                               |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                              |                        |   |
| Operating Transfers In  | \$ 11,077,000                | \$ 10,919,189          | \$ (157,811)                                    |
| Operating Transfers Out   | -0-                          | (12,628)               | (12,628)  |
| TOTAL OTHER FINANCING<br>SOURCES (USES)   | <u>\$ 11,077,000</u>         | <u>\$ 10,906,561</u>   | <u>\$ (170,439)</u>                             |
| EXCESS (DEFICIENCY) OF<br>REVENUES & OTHER SOURCES<br>OVER EXPENDITURES &<br>OTHER USES | \$ -0-                       | \$ -0-                 | \$ -0-  |
| FUND BALANCE AT BEGINNING<br>OF YEAR (As Restated)                                      | <u>-0-</u>                   | <u>200</u>             | <u>200</u>                                      |
| FUND BALANCE AT END OF YEAR   | <u>\$ -0-</u>                | <u>\$ 200</u>          | <u>\$ 200</u>                                   |

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

| <u>SCHOOL CAFETERIA FUND</u> |                    |   | <u>TEXTBOOK RENTAL FUND</u> |                   |                               |
|------------------------------|--------------------|---|-----------------------------|-------------------|-------------------------------|
| <u>BUDGET</u>                | <u>ACTUAL</u>      | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> | <u>BUDGET</u>               | <u>ACTUAL</u>     | <u>VARIANCE<br/>FAVORABLE</u> |
| \$ 20,000                    | \$ 14,835          | \$ (5,165)                                      | \$ 18,900                   | \$ 23,759         | \$ 4,859                      |
| 967,000                      | 678,252            | (288,748)                                       | -0-                         | -0-               | -0-                           |
| -0-                          | -0-                | -0-   | 90,000                      | -0-               | (90,000)                      |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| 988,600                      | 998,718            | 10,118  | 220,400                     | 212,780           | (7,620)                       |
| <u>\$1,975,600</u>           | <u>\$1,691,805</u> | <u>\$(283,795)</u>                              | <u>\$329,300</u>            | <u>\$ 236,539</u> | <u>\$ (92,761)</u>            |
| \$ -0-                       | \$ -0-             | \$ -0-  | \$ -0-                      | \$ -0-            | \$ -0-                        |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| 1,975,600                    | 1,751,145          | 224,455   | 329,300                     | 195,502           | 133,798                       |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| <u>\$1,975,600</u>           | <u>\$1,751,145</u> | <u>\$ 224,455</u>                               | <u>\$329,300</u>            | <u>\$ 195,502</u> | <u>\$ 133,798</u>             |
| \$ -0-                       | \$ (59,340)        | \$ (59,340)                                     | \$ -0-                      | \$ 41,037         | \$ 41,037                     |
| \$ -0-                       | \$ 11,040          | \$ 11,040                                       | \$ -0-                      | \$ 1,588          | \$ 1,588                      |
| -0-                          | -0-                | -0-   | -0-                         | -0-               | -0-                           |
| \$ -0-                       | \$ 11,040          | \$ 11,040                                       | \$ -0-                      | \$ 1,588          | \$ 1,588                      |
| \$ -0-                       | \$ (48,300)        | \$ (48,300)                                     | \$ -0-                      | \$ 42,625         | \$ 42,625                     |
| -0-                          | 386,211            | 386,211   | -0-                         | 506,389           | 506,389                       |
| \$ -0-                       | \$ 337,911         | \$ 337,911                                      | \$ -0-                      | \$ 549,014        | \$ 549,014                    |

COUNTY OF WISE, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 & CHANGES IN FUND BALANCES - BUDGET & ACTUAL  
 DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
 FOR THE YEAR ENDED JUNE 30, 1999

|   | <u>SCHOOL CAPITAL PROJECTS FUND</u> |                     |   |
|---|-------------------------------------|---------------------|---|
|   | <u>BUDGET</u>                       | <u>ACTUAL</u>       | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| <b>REVENUES:</b>  |                                     |                     |   |
| Revenue From Use of<br>Money & Property   | \$ 300,000                          | \$ 306,000          | \$ 6,000  |
| Charges For Services  | -0-                                 | -0-                 | -0-   |
| Miscellaneous   | 1,897,500                           | 7,391               | (1,890,109)                                     |
| Recovered Costs   | -0-                                 | -0-                 | -0-   |
| Intergovernmental   | 450,000                             | 1,581,591           | 1,131,591                                       |
| <b>TOTAL REVENUES</b>   | <u>\$ 2,647,500</u>                 | <u>\$ 1,894,982</u> | <u>\$ (752,518)</u>                             |
| <b>EXPENDITURES:</b>  |                                     |                     |   |
| General Government Admin.   | \$ -0-                              | \$ -0-              | \$ -0-  |
| Judicial Administration   | -0-                                 | -0-                 | -0-   |
| Public Works  | -0-                                 | -0-                 | -0-   |
| Education   | -0-                                 | -0-                 | -0-   |
| Community Development   | -0-                                 | -0-                 | -0-   |
| Non-Departmental  | -0-                                 | -0-                 | -0-   |
| Capital Outlays   | 2,847,500                           | 468,246             | 2,379,254                                       |
| Debt Service:   |                                     |                     |   |
| Principal Retirement  | -0-                                 | -0-                 | -0-   |
| Interest & Fiscal Charges   | -0-                                 | -0-                 | -0-   |
| <b>TOTAL EXPENDITURES</b>   | <u>\$ 2,847,500</u>                 | <u>\$ 468,246</u>   | <u>\$ 2,379,254</u>                             |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER<br/>EXPENDITURES</b>  | <u>\$ (200,000)</u>                 | <u>\$ 1,426,736</u> | <u>\$ 1,626,736</u>                             |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                                     |                     |   |
| Operating Transfers In  | \$ 200,000                          | \$ 200,000          | \$ -0-  |
| Operating Transfers Out   | -0-                                 | -0-                 | -0-   |
| <b>TOTAL OTHER FINANCING<br/>  SOURCES (USES)</b>   | <u>\$ 200,000</u>                   | <u>\$ 200,000</u>   | <u>\$ -0-</u>                                   |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES &amp; OTHER SOURCES<br/>OVER EXPENDITURES &amp;<br/>OTHER USES</b> | <u>\$ -0-</u>                       | <u>\$ 1,626,736</u> | <u>\$ 1,626,736</u>                             |
| <b>FUND BALANCE AT BEGINNING<br/>OF YEAR (As Restated)</b>  | <u>-0-</u>                          | <u>541,219</u>      | <u>541,219</u>                                  |
| <b>FUND BALANCE AT END OF YEAR</b>  | <u>\$ -0-</u>                       | <u>\$ 2,167,955</u> | <u>\$ 2,167,995</u>                             |

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

| <u>TOTALS</u>          |                       |   |
|------------------------|-----------------------|---|
| <u>BUDGET</u>          | <u>ACTUAL</u>         | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
| \$ 364,900             | \$ 373,353            | \$ 8,453  |
| 992,000                | 722,377               | (269,623)                                       |
| 2,753,600              | 79,595                | (2,674,005)                                     |
| 180,000                | 200,958               | 20,958  |
| <u>34,702,300</u>      | <u>35,117,215</u>     | <u>414,915</u>                                  |
| <u>\$ 38,992,800</u>   | <u>\$ 36,493,498</u>  | <u>\$ (2,499,302)</u>                           |
| <br>                   |                       |   |
| \$ -0-                 | \$ -0-                | \$ -0-  |
| -0-                    | -0-                   | -0-   |
| -0-                    | -0-                   | -0-   |
| 46,857,100             | 44,959,162            | 1,897,938                                       |
| -0-                    | -0-                   | -0-   |
| -0-                    | -0-                   | -0-   |
| 2,847,500              | 468,246               | 2,379,254                                       |
| <br>                   |                       |   |
| 439,700                | 439,605               | 95  |
| 125,500                | 124,613               | 887   |
| <u>\$ 50,269,800</u>   | <u>\$ 45,991,626</u>  | <u>\$ 4,278,174</u>                             |
| <br>                   |                       |   |
| <u>\$ (11,277,000)</u> | <u>\$ (9,498,128)</u> | <u>\$ 1,778,872</u>                             |
| <br>                   |                       |   |
| \$ 11,277,000          | \$ 11,131,817         | \$ (145,183)                                    |
| <u>-0-</u>             | <u>(12,628)</u>       | <u>(12,628)</u>                                 |
| <u>\$ 11,277,000</u>   | <u>\$ 11,119,189</u>  | <u>\$ (157,811)</u>                             |
| <br>                   |                       |   |
| \$ -0-                 | \$ 1,621,061          | \$ 1,621,061                                    |
| <br>                   |                       |   |
| <u>-0-</u>             | <u>1,434,019</u>      | <u>1,434,019</u>                                |
| <u>\$ -0-</u>          | <u>\$ 3,055,080</u>   | <u>\$ 3,055,080</u>                             |

SUPPLEMENTARY SCHEDULES

COUNTY OF WISE, VIRGINIA SCHEDULE 1  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 1  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE                            | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <u>General Fund:</u>  |                     |                     |  |
| <b>PRIMARY GOVERNMENT:</b>                                    |                     |                     |  |
| General Fund:   |                     |                     |  |
| Revenue From Local Sources:                                   |                     |                     |  |
| General Property Taxes:                                       |                     |                     |  |
| Real Property Taxes   | \$ 7,075,000        | \$ 7,624,033        | \$ 549,033                             |
| Service Corporation Taxes                                     | 360,000             | 422,639             | 62,639                                 |
| Personal Property Taxes                                       | 2,500,000           | 2,751,417           | 251,417                                |
| Machinery & Tool Taxes  | 2,000,000           | 2,027,151           | 27,151                                 |
| Merchants Capital Taxes                                       | 580,000             | 642,878             | 62,878                                 |
| Mobile Home Taxes   | 137,000             | 204,845             | 67,845                                 |
| Penalties & Interest  | 215,000             | 298,496             | 83,496                                 |
| <b>TOTAL GENERAL PROPERTY TAXES</b>                           | <u>\$12,867,000</u> | <u>\$13,971,459</u> | <u>\$ 1,104,459</u>                    |
| Other Local Taxes:  |                     |                     |  |
| Local Sales & Use Tax   | \$ 2,050,000        | \$ 2,217,539        | \$ 167,539                             |
| Coal Severance Tax  | 3,300,000           | 3,150,829           | (149,171)                              |
| Consumer's Utility Tax  | 800,000             | 841,209             | 41,209                                 |
| Franchise Tax   | 255,000             | 292,762             | 37,762                                 |
| Taxes On Recordation & Wills                                  | 85,000              | 60,714              | (24,286)                               |
| County Decal Licenses   | 98,000              | 102,533             | 4,533                                  |
| <b>TOTAL OTHER LOCAL TAXES</b>                                | <u>\$ 6,588,000</u> | <u>\$ 6,665,586</u> | <u>\$ 77,586</u>                       |
| Permits, Privilege Fees & Regulatory Licenses:                |                     |                     |  |
| Animal Licenses   | \$ 1,000            | \$ 1,014            | \$ 14                                  |
| Permits & Other Licenses                                      | 30,000              | 36,830              | 6,830                                  |
| Zoning Department   | -0-                 | 1,880               | 1,880                                  |
| Soil & Erosion  | -0-                 | 1,700               | 1,700                                  |
| <b>TOTAL PERMITS, PRIVILEGE FEES &amp; REGULATORY LICENSE</b> | <u>\$ 31,000</u>    | <u>\$ 41,424</u>    | <u>\$ 10,424</u>                       |
| Fines & Forfeitures:  | \$ 3,000            | \$ 2,195            | \$ (805)                               |
| Revenue From The Use Of Money & Property:                     |                     |                     |  |
| Revenue From The Use Of Money                                 | \$ 300,000          | \$ 396,561          | \$ 96,561                              |
| Revenue From The Use of Property                              | 50,000              | 59,501              | 9,501                                  |
| <b>TOTAL REVENUE FROM THE USE OF MONEY &amp; PROPERTY</b>     | <u>\$ 350,000</u>   | <u>\$ 456,062</u>   | <u>\$ 106,062</u>                      |
| Charges For Services:   |                     |                     |  |
| Charges For Commonwealth's Attorney                           | \$ 800              | \$ 1,167            | \$ 367                                 |

COUNTY OF WISE, VIRGINIA SCHEDULE 1  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 2  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE        | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <u>General Fund:</u>                      |                     |                     |  |
| PRIMARY GOVERNMENT:                       |                     |                     |  |
| General Fund: (cont'd)                    |                     |                     |  |
| Revenue From Local Sources: (cont'd)      |                     |                     |  |
| Charges For Services: (cont'd)            |                     |                     |  |
| Charges For Court                         | 19,700              | 18,639              | (1,061)                                |
| Charges For Health                        | 44,000              | 44,311              | 311                                    |
| Charges For Social Services               | 125,000             | 210,069             | 85,069                                 |
| Charges For Sanitation &<br>Waste Removal | 250,000             | 258,137             | 8,137                                  |
| TOTAL CHARGES FOR SERVICES                | <u>\$ 439,500</u>   | <u>\$ 532,323</u>   | <u>\$ 92,823</u>                       |
| Miscellaneous:                            |                     |                     |  |
| Miscellaneous                             | \$ 84,000           | \$ 10,036           | \$ (73,964)                            |
| TOTAL MISCELLANEOUS                       | <u>\$ 84,000</u>    | <u>\$ 10,036</u>    | <u>\$ (73,964)</u>                     |
| Recovered Costs:                          |                     |                     |  |
| City Of Norton-Shared<br>Services         | \$ 110,000          | \$ 135,628          | \$ 25,628                              |
| CEDA Tourism                              | 56,040              | 72,894              | 16,854                                 |
| Adult Confinement Local<br>Facilities     | 130,209             | 171,400             | 41,191                                 |
| TOTAL RECOVERED COSTS                     | <u>\$ 296,249</u>   | <u>\$ 379,922</u>   | <u>\$ 83,673</u>                       |
| TOTAL REVENUE FROM<br>LOCAL SOURCES       | <u>\$20,658,749</u> | <u>\$22,059,007</u> | <u>\$ 1,400,258</u>                    |
| Revenue From The Commonwealth:            |                     |                     |  |
| Non-Categorical Aid:                      |                     |                     |  |
| Payments in Lieu of Taxes                 | \$ -0-              | \$ 106              | \$ 106                                 |
| ABC Profits                               | 50,000              | 74,027              | 24,027                                 |
| Wine Taxes                                | 30,000              | 36,236              | 6,236                                  |
| Rolling Stock Tax                         | 105,000             | 120,764             | 15,764                                 |
| Mobile Home Titling Taxes                 | 225,000             | 284,933             | 59,933                                 |
| Tax on Deeds                              | 10,000              | 53,663              | 43,663                                 |
| Motor Vehicle Rental Tax                  | -0-                 | 2,668               | 2,668                                  |
| TOTAL NON-CATEGORICAL AID                 | <u>\$ 420,000</u>   | <u>\$ 572,397</u>   | <u>\$ 152,397</u>                      |
| Categorical Aid:                          |                     |                     |  |
| Shared Expenses:                          |                     |                     |  |
| Commonwealth's Attorney                   | \$ 311,608          | \$ 304,437 ✓        | \$ (7,171)                             |
| Sheriff                                   | 1,925,317           | 2,005,135 ✓         | 79,818                                 |
| Commissioner Of Revenue                   | 170,477             | 170,111 ✓           | (366)                                  |
| Treasurer                                 | 148,348             | 148,458 ✓           | 110                                    |
| Medical Examiner                          | 600                 | 600                 | -0-                                    |
| Registrar/Electoral Board                 | 35,000              | 40,633              | 5,633                                  |
| Clerk of Circuit Court                    | 316,768             | 314,520 ✓           | (2,248)                                |
| TOTAL SHARED EXPENSES                     | <u>\$ 2,908,118</u> | <u>\$ 2,983,894</u> | <u>\$ 75,776</u>                       |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 3  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE           | BUDGET                     | ACTUAL                     | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|----------------------------|----------------------------|--|
| <b>General Fund:</b>                         |                            |                            |  |
| PRIMARY GOVERNMENT:                          |                            |                            |  |
| General Fund: (cont'd)                       |                            |                            |  |
| Revenue From The Commonwealth: (cont'd)      |                            |                            |  |
| Categorical Aid: (cont'd)                    |                            |                            |  |
| Other Categorical Aid:                       |                            |                            |  |
| Public Assistance & Welfare Administration   | \$ 1,527,339               | \$ 1,710,191               | \$ 182,852                             |
| Church Arson Prevention Grant                | 196,692                    | -0-                        | (196,692)                              |
| Emergency Services Grants                    | -0-                        | 15,000                     | 15,000                                 |
| Litter Control                               | -0-                        | 11,404                     | 11,404                                 |
| State Aid - M.E.O.C.                         | -0-                        | 108,531                    | 108,531                                |
| State Aid - Group Home                       | -0-                        | 156,052                    | 156,052                                |
| SWVA Corrections - Justice                   | -0-                        | 365,369                    | 365,369                                |
| Victim Witness Grant - Justice               | -0-                        | 9,408                      | 9,408                                  |
| Cultural Arts Grant                          | -0-                        | 4,750                      | 4,750                                  |
| Fire Grants                                  | -0-                        | 33,678                     | 33,678                                 |
| Cops Universal Hiring Grant                  | -0-                        | 20,942                     | 20,942                                 |
| TOTAL OTHER CATEGORICAL AID                  | <u>\$ 1,724,031</u>        | <u>\$ 2,435,325</u>        | <u>\$ 711,294</u>                      |
| TOTAL CATEGORICAL AID                        | <u>\$ 4,632,149</u>        | <u>\$ 5,419,219</u>        | <u>\$ 787,070</u>                      |
| TOTAL REVENUE FROM THE COMMONWEALTH          | <u>\$ 5,052,149</u>        | <u>\$ 5,991,616</u>        | <u>\$ 939,467</u>                      |
| Revenue From The Federal Government:         |                            |                            |  |
| Payments In Lieu Of Taxes                    | <u>\$ 14,000</u>           | <u>\$ 18,374</u>           | <u>\$ 4,374</u>                        |
| Categorical Aid:                             |                            |                            |  |
| Public Assistance & Welfare Administration   | \$ 3,563,790               | \$ 2,498,452               | \$(1,065,338)                          |
| Victim Witness Grant - Justice               | -0-                        | 28,663                     | 28,663                                 |
| Victim Witness Grant - Justice Department    | -0-                        | 8,967                      | 8,967                                  |
| Highway Safety Grants                        | -0-                        | 2,991                      | 2,991                                  |
| TOTAL CATEGORICAL AID                        | <u>\$ 3,563,790</u>        | <u>\$ 2,539,073</u>        | <u>\$(1,024,717)</u>                   |
| TOTAL REVENUE FROM THE FEDERAL GOVERNMENT    | <u>\$ 3,577,790</u>        | <u>\$ 2,557,447</u>        | <u>\$(1,020,343)</u>                   |
| TOTAL GENERAL FUND                           | <u>\$29,288,688</u>        | <u>\$30,608,070</u>        | <u>\$ 1,319,382</u>                    |
| TOTAL GENERAL FUND & OTHER FINANCING SOURCES | <u><u>\$29,288,688</u></u> | <u><u>\$30,608,070</u></u> | <u><u>\$ 1,319,382</u></u>             |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 4  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE  | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <b>Special Revenue Funds:</b>   |                     |                     |  |
| PRIMARY GOVERNMENT:   |                     |                     |  |
| Special Revenue Funds:  |                     |                     |  |
| Emergency Numbers Funds:  |                     |                     |  |
| Revenue From Local Sources:   |                     |                     |  |
| Other Local Taxes:  |                     |                     |  |
| 911 Emergency Number Tax  | \$ -0-              | \$ 152,352          | \$ 152,352                             |
| Revenue From the Use of Money<br>& Property:                                  |                     |                     |  |
| Revenue From the Use of Money   | \$ -0-              | \$ 1,954            | \$ 1,954                               |
| TOTAL EMERGENCY<br>NUMBERS FUND   | <u>\$ -0-</u>       | <u>\$ 154,306</u>   | <u>\$ 154,306</u>                      |
| Law Library Fund:   |                     |                     |  |
| Revenue From Local Sources:   |                     |                     |  |
| Charges For Services:   |                     |                     |  |
| Charges For Law Library   | \$ 7,000            | \$ 15,452           | \$ 8,452                               |
| TOTAL LAW LIBRARY FUND  | <u>\$ 7,000</u>     | <u>\$ 15,452</u>    | <u>\$ 8,452</u>                        |
| Coal Road Improvement Fund:   |                     |                     |  |
| Revenue From Local Sources:   |                     |                     |  |
| Other Local Taxes:  |                     |                     |  |
| Coal Severance Tax  | \$ 3,000,000        | \$ 2,922,003        | \$ (77,997)                            |
| Revenue From The Use Of Money<br>& Property:                                  |                     |                     |  |
| Revenue From The Use Of Money   | \$ 100,000          | \$ 111,513          | \$ 11,513                              |
| TOTAL COAL ROAD<br>IMPROVEMENT FUND   | <u>\$ 3,100,000</u> | <u>\$ 3,033,516</u> | <u>\$ (66,484)</u>                     |
| Drug Seizure & Forfeiture,<br>Commission and RAID Fund:                       |                     |                     |  |
| Sheriff Department:   |                     |                     |  |
| Revenue From Local Sources:   |                     |                     |  |
| Charges For Services:   |                     |                     |  |
| Commissions   | \$ -0-              | \$ 16,524           | \$ 16,524                              |
| RAID Funds  | -0-                 | 119,591             | 116,591                                |
| TOTAL CHARGES FOR SERVICES  | <u>\$ -0-</u>       | <u>\$ 136,115</u>   | <u>\$ 136,115</u>                      |
| Miscellaneous:  |                     |                     |  |
| Miscellaneous   | \$ -0-              | \$ 5,011            | \$ 5,011                               |
| TOTAL REVENUE FROM LOCAL<br>SOURCES   | <u>\$ -0-</u>       | <u>\$ 141,126</u>   | <u>\$ 141,126</u>                      |
| Revenue From the Commonwealth:  |                     |                     |  |
| Drug Education Funds  | \$ -0-              | \$ 1,388            | \$ 1,388                               |
| TOTAL DRUG SEIZURE &<br>FORFEITURE, COMMISSION<br>COMMISSION AND RAID<br>FUND | <u>\$ -0-</u>       | <u>\$ 142,514</u>   | <u>\$ 142,514</u>                      |

COUNTY OF WISE, VIRGINIA SCHEDULE 1  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 5  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE        | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <b>Special Revenue Funds:</b>             |                     |                     |  |
| Community Development Fund:               |                     |                     |  |
| Revenue From Local Sources:               |                     |                     |  |
| Miscellaneous                             | \$ -0-              | \$ 113,680          | \$ 113,680                             |
| TOTAL REVENUE FROM LOCAL SOURCES          | \$ -0-              | \$ 113,680          | \$ 113,680                             |
| Revenue From the Federal Government:      |                     |                     |  |
| Community Development Grant               | \$ -0-              | \$ 371,048          | \$ 371,048                             |
| TOTAL REVENUE FROM THE FEDERAL GOVERNMENT | \$ -0-              | \$ 371,048          | \$ 371,048                             |
| TOTAL COMMUNITY DEVELOPMENT FUND          | \$ -0-              | \$ 484,728          | \$ 484,728                             |
| TOTAL SPECIAL REVENUE FUNDS               | \$ 3,107,000        | \$ 3,830,516        | \$ 723,516                             |
| GRAND TOTAL REVENUES - PRIMARY GOVERNMENT | <u>\$32,395,688</u> | <u>\$34,438,586</u> | <u>\$ 2,042,898</u>                    |
| <b>COMPONENT UNIT - SCHOOL BOARD:</b>     |                     |                     |  |
| Special Revenue Funds:                    |                     |                     |  |
| School Operating Fund:                    |                     |                     |  |
| Revenue From Local Sources:               |                     |                     |  |
| Revenue From The Use Of Money & Property: |                     |                     |  |
| Revenue From The Use of Property          | \$ 26,000           | \$ 28,759           | \$ 2,759                               |
| Charges For Services:                     |                     |                     |  |
| Charges For Education                     | \$ 25,000           | \$ 44,125           | \$ 19,125                              |
| Miscellaneous Revenue:                    |                     |                     |  |
| Miscellaneous                             | \$ 766,100          | \$ 72,204           | \$ (693,896)                           |
| Recovered Costs:                          |                     |                     |  |
| Payments From Other Localities            |                     |                     |  |
| TOTAL REVENUE FROM LOCAL SOURCES          | \$ 180,000          | \$ 200,958          | \$ 20,958                              |
| TOTAL REVENUE FROM LOCAL SOURCES          | \$ 997,100          | \$ 346,046          | \$ (651,054)                           |
| Revenue From The Commonwealth:            |                     |                     |  |
| Categorical Aid:                          |                     |                     |  |
| Share Of State Sales & Use Taxes          |                     |                     |  |
|   | \$ 4,489,400        | \$ 4,585,883        | \$ 96,483                              |
| Basic School Aid                          | 15,712,900          | 15,381,648          | (331,252)                              |
| Adult Education                           | -0-                 | 831                 | 831                                    |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 1  
 PAGE 6

| FUND, MAJOR & MINOR REVENUE SOURCE<br>COMPONENT UNIT - SCHOOL BOARD | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| Special Revenue Funds:  |                     |                     |  |
| Special Revenue Funds: (Cont'd)                                     |                     |                     |  |
| School Operating Fund: (Cont'd)                                     |                     |                     |  |
| Categorical Aid: (Cont'd)   |                     |                     |  |
| Drop-Out Prevention   | 140,000             | 140,007             | 7                                      |
| Gifted & Talented Children  | 194,100             | 191,846             | (2,254)                                |
| Special Education   | 1,313,100           | 1,297,784           | (15,316)                               |
| Vocational Education  | 786,600             | 780,250             | (6,350)                                |
| Share Of Fringe Benefits  | 2,014,400           | 1,971,101           | (43,299)                               |
| Truancy   | 15,500              | 15,510              | 10                                     |
| Early Intervention  | 71,700              | 73,752              | 2,052                                  |
| Governors School  | 73,000              | 73,200              | 200                                    |
| Electronic Classroom  | 385,000             | 431,606             | 46,606                                 |
| Alternative Education   | 176,800             | 177,041             | 241                                    |
| Harper Settlement   | -0-                 | 43,656              | 43,656                                 |
| Educational Technology  | -0-                 | 42,530              | 42,530                                 |
| Primary Class Size  | 922,800             | 964,101             | 41,301                                 |
| Foster Care   | -0-                 | 2,204               | 2,204                                  |
| Salary Supplement   | 211,200             | 208,774             | (2,426)                                |
| SOL Teaching Materials  | 114,200             | 112,851             | (1,349)                                |
| Adult Literacy  | -0-                 | 248,079             | 248,079                                |
| Remedial Education  | 543,500             | 546,582             | 3,082                                  |
| Benefits From Other State Agencies                                  | 15,000              | 383,149             | 368,149                                |
| Enrollment Loss   | 256,200             | 393,204             | 137,004                                |
| Maintenance Supplement  | 85,600              | 84,638              | (962)                                  |
| At Risk   | 446,000             | 437,988             | (8,012)                                |
| Homebound   | 20,500              | 55,132              | 34,632                                 |
| Index Transition  | 17,400              | 17,369              | (31)                                   |
| Additional Teachers   | 78,400              | 78,358              | (42)                                   |
| Health Incentive  | 18,800              | 15,087              | (3,713)                                |
| Retirement Health Credit  | -0-                 | 94,769              | 94,769                                 |
| SOL Remediation   | 173,800             | 171,513             | (2,287)                                |
| SOL Teacher Training  | 55,200              | 54,570              | (630)                                  |
| TOTAL REVENUE FROM THE COMMONWEALTH                                 | <u>\$28,331,100</u> | <u>\$29,075,013</u> | <u>\$ 743,913</u>                      |
| Revenue From The Federal Government:                                |                     |                     |  |
| Categorical Aid:  |                     |                     |  |
| Adult Basic   | \$ 865,600          | \$ 207,680          | \$ (657,920)                           |
| Title I   | 1,820,000           | 1,599,118           | (220,882)                              |
| Chapter II (Title VI)   | 66,000              | 71,828              | 5,828                                  |
| Title II - EESA   | 49,600              | 20,154              | (29,446)                               |
| Forest Reserve  | 15,000              | 11,214              | (3,786)                                |
| Jobs Training Partnership Act (JTPA)                                | 482,000             | 250,653             | (231,347)                              |
| Goals 2000  | -0-                 | 253,882             | 253,882                                |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 7  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 1  
 PAGE 7

| FUND, MAJOR & MINOR REVENUE SOURCE             | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------------|---------------------|--|
| <b>COMPONENT UNIT - SCHOOL BOARD</b>           |                     |                     |  |
| Special Revenue Funds:                         |                     |                     |  |
| Revenue From the Federal Government:           |                     |                     |  |
| Categorical Aid: (Cont'd)                      |                     |                     |  |
| Title VI-B-Special Education                   | 534,900             | 542,258             | 7,358                                  |
| Vocational Education                           | 227,600             | 207,300             | (20,300)                               |
| Drug Free School                               | 200,000             | 85,026              | (114,974)                              |
| Other Federal Funds                            | 451,500             | -0-                 | (451,500)                              |
| TOTAL CATEGORICAL AID                          | <u>\$ 4,712,200</u> | <u>\$ 3,249,113</u> | <u>\$(1,463,087)</u>                   |
| TOTAL REVENUE FROM THE FEDERAL GOVERNMENT      | <u>\$ 4,712,200</u> | <u>\$ 3,249,113</u> | <u>\$(1,463,087)</u>                   |
| TOTAL SCHOOL OPERATING FUND                    | <u>\$34,040,400</u> | <u>\$32,670,172</u> | <u>\$(1,370,228)</u>                   |
| School Cafeteria Fund:                         |                     |                     |  |
| Revenue From Local Sources:                    |                     |                     |  |
| Revenue From The Use Of Money & Property:      |                     |                     |  |
| Revenue From The Use Of Money                  | \$ 20,000           | \$ 14,835           | \$ (5,165)                             |
| TOTAL REVENUE FROM THE USE OF MONEY & PROPERTY | <u>\$ 20,000</u>    | <u>\$ 14,835</u>    | <u>\$ (5,165)</u>                      |
| Charges For Services:                          |                     |                     |  |
| Cafeteria Sales                                | \$ 967,000          | \$ 678,252          | \$ (288,748)                           |
| TOTAL REVENUE FROM LOCAL SOURCES               | <u>\$ 967,000</u>   | <u>\$ 678,252</u>   | <u>\$ (288,748)</u>                    |
| Revenue From The Commonwealth:                 |                     |                     |  |
| Categorical Aid:                               |                     |                     |  |
| School Food                                    | \$ 38,600           | \$ 37,355           | \$ (1,245)                             |
| TOTAL REVENUE FROM THE COMMONWEALTH            | <u>\$ 38,600</u>    | <u>\$ 37,355</u>    | <u>\$ (1,245)</u>                      |
| Revenue From The Federal Government:           |                     |                     |  |
| Categorical Aid:                               |                     |                     |  |
| School Food Program Grant                      | \$ 950,000          | \$ 961,363          | \$ 11,363                              |
| TOTAL REVENUE FROM THE FEDERAL GOVERNMENT      | <u>\$ 950,000</u>   | <u>\$ 961,363</u>   | <u>\$ 11,363</u>                       |
| TOTAL SCHOOL CAFETERIA FUND                    | <u>\$ 1,975,600</u> | <u>\$ 1,691,805</u> | <u>\$ (283,795)</u>                    |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 8  
 STATEMENT OF REVENUES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR REVENUE SOURCE                         | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------------|---------------------|--|
| <b>COMPONENT UNIT - SCHOOL BOARD</b>                       |                     |                     |  |
| Special Revenue Funds:                                     |                     |                     |  |
| Special Revenue Funds: (Cont'd)                            |                     |                     |  |
| School Operating Fund: (Cont'd)                            |                     |                     |  |
| Categorical Aid: (Cont'd)                                  |                     |                     |  |
| Textbook Rental Fund:                                      |                     |                     |  |
| Revenue From Local Sources:                                |                     |                     |  |
| Revenue From The Use Of Money<br>& Property:               |                     |                     |  |
| Revenue From The Use<br>Of Money                           | \$ 18,900           | \$ 23,759           | \$ 4,859                               |
| Miscellaneous  | \$ 90,000           | \$ -0-              | \$ (90,000)                            |
| TOTAL FROM LOCAL SOURCES                                   | <u>\$ 108,900</u>   | <u>\$ 23,759</u>    | <u>\$ (85,141)</u>                     |
| Revenue From The Commonwealth:                             |                     |                     |  |
| Categorical Aid:   |                     |                     |  |
| Total Rental Payments                                      | \$ 220,400          | \$ 212,780          | (7,620)                                |
| TOTAL REVENUE FROM<br>COMMONWEALTH                         | <u>\$ 220,400</u>   | <u>\$ 212,780</u>   | <u>\$ (7,620)</u>                      |
| TOTAL TEXTBOOK RENTAL FUND                                 | <u>\$ 329,300</u>   | <u>\$ 236,539</u>   | <u>\$ (92,761)</u>                     |
| TOTAL SPECIAL REVENUE FUNDS                                | <u>\$36,345,300</u> | <u>\$34,598,516</u> | <u>\$ (1,746,784)</u>                  |
| School Capital Project Fund:                               |                     |                     |  |
| Revenue From Local Sources:                                |                     |                     |  |
| Revenue From The Use Of<br>Money & Property:               |                     |                     |  |
| Revenue From the Use of<br>Property                        | \$ 300,000          | \$ 306,000          | \$ 6,000                               |
| Miscellaneous  | \$ 1,897,500        | \$ 7,391            | \$ (1,890,109)                         |
| TOTAL REVENUE FROM LOCAL<br>SOURCES                        | <u>\$ 2,197,500</u> | <u>\$ 313,391</u>   | <u>\$ (1,884,109)</u>                  |
| Revenue From The Commonwealth:                             |                     |                     |  |
| Categorical Aid:   |                     |                     |  |
| Lottery Funds  | \$ -0-              | \$ 1,121,737        | \$ 1,121,737                           |
| Public School Construction                                 | 450,000             | 459,854             | 9,854                                  |
| TOTAL REVENUE FROM<br>THE COMMONWEALTH                     | <u>\$ 450,000</u>   | <u>\$ 1,581,591</u> | <u>\$ 1,131,591</u>                    |
| TOTAL CAPITAL PROJECT FUND                                 | <u>\$ 2,647,500</u> | <u>\$ 1,894,982</u> | <u>\$ (752,518)</u>                    |
| GRAND TOTAL REVENUES -<br>COMPONENT UNIT - SCHOOL<br>BOARD | <u>\$38,992,800</u> | <u>\$36,493,498</u> | <u>\$ (2,499,302)</u>                  |

COUNTY OF WISE, VIRGINIA SCHEDULE 2  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 1  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR SOURCE               | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------------|---------------------|--|
| <b>PRIMARY GOVERNMENT:</b>               |                     |                     |  |
| General Fund:                            |                     |                     |  |
| General Government Administration:       |                     |                     |  |
| Legislative:                             |                     |                     |  |
| Board Of Supervisors                     | \$ 191,846          | \$ 175,373          | \$ 16,473                              |
| General & Financial Administration:      |                     |                     |  |
| County Administrator                     | \$ 233,812          | \$ 235,539          | \$ (1,727)                             |
| Legal Services                           | 50,000              | 61,118              | (11,118)                               |
| Commissioner Of Revenue                  | 377,106             | 376,161             | 945                                    |
| Data Processing                          | 151,425             | 104,430             | 46,995                                 |
| Treasurer                                | 402,973             | 408,321             | (5,348)                                |
| Assessor                                 | 31,000              | 11,386              | 19,614                                 |
| TOTAL GENERAL & FINANCIAL ADMINISTRATION | <u>\$ 1,246,316</u> | <u>\$ 1,196,955</u> | <u>\$ 49,361</u>                       |
| Board Of Elections:                      |                     |                     |  |
| Electoral Board & Officials              | \$ 31,950           | \$ 24,899           | \$ 7,051                               |
| Registrar                                | 73,276              | 73,643              | (367)                                  |
| TOTAL BOARD OF ELECTIONS                 | <u>\$ 105,226</u>   | <u>\$ 98,542</u>    | <u>\$ 6,684</u>                        |
| TOTAL GENERAL GOVERNMENT ADMINISTRATION  |                     |                     |  |
|  | <u>\$ 1,543,388</u> | <u>\$ 1,470,870</u> | <u>\$ 72,518</u>                       |
| Judicial Administration:                 |                     |                     |  |
| Courts:                                  |                     |                     |  |
| Clerk Of The Circuit Court               | \$ 455,551          | \$ 432,350          | \$ 23,201                              |
| Circuit Court                            | 98,464              | 105,806             | (7,342)                                |
| District Court                           | 5,150               | 6,367               | (1,217)                                |
| Magistrate                               | 820                 | 1,056               | (236)                                  |
| Juvenile & Domestic Relations Court      | 158,132             | 182,782             | (24,650)                               |
| Sheriff                                  | 157,790             | 153,871             | 3,919                                  |
| TOTAL COURTS                             | <u>\$ 875,907</u>   | <u>\$ 882,232</u>   | <u>\$ (6,325)</u>                      |
| Commonwealth Attorney                    | \$ 363,771          | \$ 356,373          | \$ 7,398                               |
| Victim Witness Protection                | 58,158              | 46,648              | 11,510                                 |
| TOTAL JUDICIAL ADMINISTRATION            | <u>\$ 1,297,836</u> | <u>\$ 1,285,253</u> | <u>\$ 12,583</u>                       |
| Public Safety:                           |                     |                     |  |
| Law Enforcement & Traffic Control:       |                     |                     |  |
| Sheriff                                  | \$ 1,607,563        | \$ 1,648,021        | \$ (40,458)                            |
| Dispatcher/E911                          | 137,502             | 109,135             | 28,367                                 |
| TOTAL LAW ENFORCEMENT & TRAFFIC CONTROL  | <u>\$ 1,745,065</u> | <u>\$ 1,757,156</u> | <u>\$ (12,091)</u>                     |

COUNTY OF WISE, VIRGINIA SCHEDULE 2  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 2  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR SOURCE                          | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <b>PRIMARY GOVERNMENT:</b>                          |                     |                     |  |
| General Fund: (cont'd)                              |                     |                     |  |
| Public Safety: (cont'd)                             |                     |                     |  |
| Fire & Rescue Services: ...                         |                     |                     |  |
| Fire & Rescue Departments                           | \$ 190,800          | \$ 243,978          | \$ (53,178)                            |
| <b>TOTAL FIRE &amp;<br/>    RESCUE SERVICES</b>     | <u>\$ 190,800</u>   | <u>\$ 243,978</u>   | <u>\$ (53,178)</u>                     |
| Correction & Detention:                             |                     |                     |  |
| Jail  | \$ 1,082,640        | \$ 1,120,792        | \$ (38,152)                            |
| SWVA Community Corrections<br>Center                | -0-                 | 365,369             | (365,369)                              |
| <b>TOTAL CORRECTION &amp;<br/>    DETENTION</b>     | <u>\$ 1,082,640</u> | <u>\$ 1,486,161</u> | <u>\$ (403,521)</u>                    |
| Inspections:  |                     |                     |  |
| Building Inspector                                  | \$ 151,505          | \$ 149,369          | \$ 2,136                               |
| <b>TOTAL INSPECTIONS</b>                            | <u>\$ 151,505</u>   | <u>\$ 149,369</u>   | <u>\$ 2,136</u>                        |
| Other Protection:                                   |                     |                     |  |
| Emergency Services                                  | \$ 13,210           | \$ 34,884           | \$ (21,674)                            |
| Animal Control                                      | 108,121             | 97,681              | 10,440                                 |
| <b>TOTAL OTHER PROTECTION</b>                       | <u>\$ 121,331</u>   | <u>\$ 132,565</u>   | <u>\$ (11,234)</u>                     |
| <b>TOTAL PUBLIC SAFETY</b>                          | <u>\$ 3,291,341</u> | <u>\$ 3,769,229</u> | <u>\$ (477,888)</u>                    |
| <b>PUBLIC WORKS:</b>                                |                     |                     |  |
| Sanitation & Waste Removal:                         |                     |                     |  |
| Refuse Collection                                   | \$ 1,212,362        | \$ 1,441,983        | \$ (229,621)                           |
| Refuse Disposal                                     | 287,321             | 237,325             | 49,996                                 |
| Litter Control                                      | 117,744             | 121,110             | (3,366)                                |
| <b>TOTAL SANITATION &amp; WASTE<br/>    REMOVAL</b> | <u>\$ 1,617,427</u> | <u>\$ 1,800,418</u> | <u>\$ (182,991)</u>                    |
| Maintenance Of Buildings<br>& Grounds:              |                     |                     |  |
| General Properties                                  | \$ 417,906          | \$ 426,345          | \$ (8,439)                             |
| <b>TOTAL PUBLIC WORKS</b>                           | <u>\$ 2,035,333</u> | <u>\$ 2,226,763</u> | <u>\$ (191,430)</u>                    |
| Health & Welfare:                                   |                     |                     |  |
| Health:   |                     |                     |  |
| Supplement To Local<br>Health Dept.                 | \$ 373,853          | \$ 373,853          | \$ -0-                                 |
| <b>TOTAL HEALTH</b>                                 | <u>\$ 373,853</u>   | <u>\$ 373,853</u>   | <u>\$ -0-</u>                          |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 2  
 PAGE 3

| FUND, MAJOR & MINOR SOURCE               | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------------|---------------------|--|
| PRIMARY GOVERNMENT:                      |                     |                     |  |
| General Fund: (cont'd)                   |                     |                     |  |
| Health & Welfare: (cont'd)               |                     |                     |  |
| Mental Health & Mental Retardation:      |                     |                     |  |
| Chapter X Board                          | \$ 126,859          | \$ 126,859          | \$ -0-                                 |
| TOTAL MENTAL HEALTH & MENTAL RETARDATION | <u>\$ 126,859</u>   | <u>\$ 126,859</u>   | <u>\$ -0-</u>                          |
| Welfare/Social Services:                 |                     |                     |  |
| Welfare Administration                   | \$ 6,362,169        | \$ 5,093,256        | \$ 1,268,913                           |
| Property Tax Relief for Elderly          | -0-                 | 175,490             | (175,490)                              |
| Youth Service Board                      | 34,790              | 34,790              | -0-                                    |
| Agency On Aging                          | 37,500              | 144,081             | (106,581)                              |
| Group Home                               | 20,600              | 176,652             | (156,052)                              |
| TOTAL WELFARE/SOCIAL SERVICES            | <u>\$ 6,455,059</u> | <u>\$ 5,624,269</u> | <u>\$ 830,790</u>                      |
| TOTAL HEALTH & WELFARE                   | <u>\$ 6,955,771</u> | <u>\$ 6,124,981</u> | <u>\$ 830,790</u>                      |
| Education:                               |                     |                     |  |
| Community Colleges                       | \$ 47,774           | \$ 47,774           | \$ -0-                                 |
| TOTAL EDUCATION                          | <u>\$ 47,774</u>    | <u>\$ 47,774</u>    | <u>\$ -0-</u>                          |
| Parks, Recreation & Cultural:            |                     |                     |  |
| Parks & Recreation:                      |                     |                     |  |
| Recreation Authority                     | 46,500              | 48,123              | (1,623)                                |
| TOTAL PARKS & RECREATION                 | <u>\$ 46,500</u>    | <u>\$ 48,123</u>    | <u>\$ (1,623)</u>                      |
| Library:                                 |                     |                     |  |
| Contributions To Local Libraries         | \$ 670,492          | \$ 670,492          | \$ -0-                                 |
| TOTAL LIBRARY                            | <u>\$ 670,492</u>   | <u>\$ 670,492</u>   | <u>\$ -0-</u>                          |
| Cultural:                                |                     |                     |  |
| Pro-Art Association                      | \$ -0-              | \$ 4,750            | \$ (4,750)                             |
| Miscellaneous                            | -0-                 | 5,000               | (5,000)                                |
| TOTAL CULTURAL                           | <u>\$ -0-</u>       | <u>\$ 9,750</u>     | <u>\$ (9,750)</u>                      |
| TOTAL PARKS, RECREATION & CULTURAL       | <u>\$ 716,992</u>   | <u>\$ 728,365</u>   | <u>\$ (11,373)</u>                     |
| Planning & Community Development:        |                     |                     |  |
| Economic Development                     | \$ 41,157           | \$ 42,963           | \$ (1,806)                             |
| Planning                                 | 1,000               | 660                 | 340                                    |
| Housing Authority                        | 15,000              | 15,000              | -0-                                    |
| Cumberlands Airport Comm.                | 70,045              | 70,045              | -0-                                    |
| Lenowisco                                | 52,221              | 52,221              | -0-                                    |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 2  
 PAGE 4

| FUND, MAJOR & MINOR SOURCE                                | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| PRIMARY GOVERNMENT:                                       |                     |                     |  |
| General Fund: (cont'd)                                    |                     |                     |  |
| Planning & Community Development:<br>(cont'd)             |                     |                     |  |
| Planning Commission                                       | 9,000               | 9,825               | (825)                                  |
| Industrial Development Authority                          | 135,000             | 15,000              | 120,000                                |
| CEDA - Tourism  | 56,040              | 71,588              | (15,548)                               |
| VCEDA - Economic Development                              | -0-                 | 91,651              | (91,651)                               |
| Miscellaneous   | -0-                 | 2,000               | (2,000)                                |
| TOTAL PLANNING &<br>COMMUNITY DEVELOPMENT                 | <u>\$ 379,463</u>   | <u>\$ 370,953</u>   | <u>\$ 8,510</u>                        |
| Community Development:                                    |                     |                     |  |
| Cooperative Extension Program:                            |                     |                     |  |
| VPI & SU Extension Office                                 | \$ 56,668           | \$ 58,277           | \$ (1,609)                             |
| TOTAL COOPERATIVE<br>EXTENSION PROGRAM                    | <u>\$ 56,668</u>    | <u>\$ 58,277</u>    | <u>\$ (1,609)</u>                      |
| TOTAL COMMUNITY<br>DEVELOPMENT                            | <u>\$ 436,131</u>   | <u>\$ 429,230</u>   | <u>\$ 6,901</u>                        |
| Capital Outlays:  |                     |                     |  |
| Sanitation & Waste Removal                                | \$ 2,335,435        | \$ 592,340          | \$ 1,743,095                           |
| Other Projects  | 30,000              | 39,589              | (9,589)                                |
| TOTAL CAPITAL OUTLAYS                                     | <u>\$ 2,365,435</u> | <u>\$ 631,929</u>   | <u>\$ 1,733,506</u>                    |
| Debt Service:   |                     |                     |  |
| Principal Retirement                                      | \$ 120,000          | \$ 284,681          | \$ (164,681)                           |
| Interest & Fiscal Charges                                 | 5,000               | 22,005              | (17,005)                               |
| TOTAL DEBT SERVICE  | <u>\$ 125,000</u>   | <u>\$ 306,686</u>   | <u>\$ (181,686)</u>                    |
| TOTAL GENERAL FUND  | <u>\$18,815,001</u> | <u>\$17,021,080</u> | <u>\$ 1,793,921</u>                    |
| Special Revenue Funds:                                    |                     |                     |  |
| Law Library Fund:   |                     |                     |  |
| Judicial Administration:                                  |                     |                     |  |
| Courts:   |                     |                     |  |
| Law Library   | \$ 7,000            | \$ 11,846           | \$ (4,846)                             |
| TOTAL LAW LIBRARY FUND                                    | <u>\$ 7,000</u>     | <u>\$ 11,846</u>    | <u>\$ (4,846)</u>                      |
| Coal Road Improvement Fund:                               |                     |                     |  |
| General Government  |                     |                     |  |
| Administration  | \$ -0-              | \$ 200              | \$ (200)                               |
| Public Works:   |                     |                     |  |
| Maintenance Of Highways, Streets,<br>Bridges & Sidewalks: |                     |                     |  |
| Coal Road Projects  | \$ 120,000          | \$ 277,065          | \$ (157,065)                           |
| TOTAL PUBLIC WORKS  | <u>\$ 120,000</u>   | <u>\$ 277,065</u>   | <u>\$ (157,065)</u>                    |

COUNTY OF WISE, VIRGINIA  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 2  
 PAGE 5

| FUND, MAJOR & MINOR SOURCE                                       | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|---------------------|---------------------|--|
| PRIMARY GOVERNMENT:  |                     |                     |  |
| Special Revenue Funds: (cont'd)                                  |                     |                     |  |
| Community Development:   |                     |                     |  |
| Distribution to Towns  | \$ 620,000          | \$ 594,399          | \$ 25,601                              |
| Community Development  | <u>2,360,000</u>    | <u>1,899,264</u>    | <u>460,736</u>                         |
| TOTAL COMMUNITY DEVELOPMENT                                      | <u>\$ 2,980,000</u> | <u>\$ 2,493,663</u> | <u>\$ 486,337</u>                      |
|  |                     |                     |  |
| TOTAL COAL ROAD<br>IMPROVEMENT FUND                              | <u>\$ 3,100,000</u> | <u>\$ 2,770,928</u> | <u>\$ 329,072</u>                      |
|  |                     |                     |  |
| Emergency Numbers Fund:  |                     |                     |  |
| Public Safety:   |                     |                     |  |
| Law Enforcement & Traffic<br>Control:                            |                     |                     |  |
| 911 System   | \$ -0-              | \$ 112,561          | \$ (112,561)                           |
| TOTAL PUBLIC SAFETY  | <u>\$ -0-</u>       | <u>\$ 112,561</u>   | <u>\$ (112,561)</u>                    |
|  |                     |                     |  |
| TOTAL EMERGENCY NUMBERS<br>FUND                                  | <u>\$ -0-</u>       | <u>\$ 112,561</u>   | <u>\$ (112,561)</u>                    |
|  |                     |                     |  |
| Drug Seizure & Forfeiture,<br>Commission & RAID Fund:            |                     |                     |  |
| Sheriff Department:  |                     |                     |  |
| Public Safety:   |                     |                     |  |
| Sheriff  | \$ -0-              | \$ 151,905          | \$ (151,905)                           |
| TOTAL PUBLIC SAFETY  | <u>\$ -0-</u>       | <u>\$ 151,905</u>   | <u>\$ (151,905)</u>                    |
|  |                     |                     |  |
| TOTAL DRUG SEIZURE<br>& FORFEITURE, COMMISSION<br>AND RAID FUND: | <u>\$ -0-</u>       | <u>\$ 151,905</u>   | <u>\$ (151,905)</u>                    |
|  |                     |                     |  |
| Community Development Fund:                                      |                     |                     |  |
| Community Development -<br>Stone Mtn. Project                    |                     |                     |  |
|  | \$ -0-              | \$ 430,361          | \$ (430,361)                           |
| TOTAL COMMUNITY<br>DEVELOPMENT FUND                              | <u>\$ -0-</u>       | <u>\$ 430,361</u>   | <u>\$ (430,361)</u>                    |
|  |                     |                     |  |
| TOTAL SPECIAL<br>REVENUE FUNDS                                   | <u>\$ 3,107,000</u> | <u>\$ 3,477,601</u> | <u>\$ (370,601)</u>                    |
|  |                     |                     |  |
| GRAND TOTAL EXPENDITURES<br>- PRIMARY GOVERNMENT                 | <u>\$21,922,001</u> | <u>\$20,498,681</u> | <u>\$ (1,423,320)</u>                  |
|  |                     |                     |  |
| COMPONENT UNIT - SCHOOL BOARD:                                   |                     |                     |  |
| Special Revenue Funds:   |                     |                     |  |
| School Operating Fund:   |                     |                     |  |
| Education:   |                     |                     |  |
| Administration Of Schools  | \$ 580,500          | \$ 590,306          | \$ (9,806)                             |

COUNTY OF WISE, VIRGINIA SCHEDULE 2  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 6  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR SOURCE              | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| <u>Special Revenue Funds:</u>           |                     |                     |  |
| COMPONENT UNIT - SCHOOL BOARD:          |                     |                     |  |
| Special Revenue Funds: (Cont'd)         |                     |                     |  |
| School Operating Fund: (Cont'd)         |                     |                     |  |
| Instruction Costs:                      |                     |                     |  |
| Classroom                               | \$29,791,500        | \$29,222,011        | \$ 569,489                             |
| Instructional Support:                  |                     |                     |  |
| Student                                 | 1,237,500           | 1,228,000           | 9,500                                  |
| Staff                                   | 2,509,100           | 2,450,623           | 58,477                                 |
| Administration                          | 3,117,800           | 3,146,930           | (29,130)                               |
| TOTAL INSTRUCTION COSTS                 | <u>\$36,655,900</u> | <u>\$36,047,564</u> | <u>\$ 608,336</u>                      |
| Operating Costs:                        |                     |                     |  |
| Attendance & Health Services            | \$ 470,500          | \$ 449,500          | \$ 21,000                              |
| Pupil Transportation                    | 2,105,100           | 1,952,748           | 152,352                                |
| Operation & Maintenance Of School Plant | 3,701,200           | 3,486,755           | 214,445                                |
| Non-Instructional                       | 1,039,000           | 485,642             | 553,358                                |
| TOTAL OPERATING COSTS                   | <u>\$ 7,315,800</u> | <u>\$ 6,374,645</u> | <u>\$ 941,155</u>                      |
| TOTAL EDUCATION                         | <u>\$44,552,200</u> | <u>\$43,012,515</u> | <u>\$ 1,539,685</u>                    |
| Debt Service:                           |                     |                     |  |
| Principal Retirement                    | \$ 439,700          | \$ 439,605          | \$ 95                                  |
| Interest & Fiscal Charges               | 125,500             | 124,613             | 887                                    |
| TOTAL DEBT SERVICE                      | <u>\$ 565,200</u>   | <u>\$ 564,218</u>   | <u>\$ 982</u>                          |
| TOTAL SCHOOL OPERATING FUND             | <u>\$45,117,400</u> | <u>\$43,576,733</u> | <u>\$ 1,540,667</u>                    |
| School Cafeteria Fund:                  |                     |                     |  |
| Education:                              |                     |                     |  |
| Operating Costs                         | \$ 1,975,600        | \$ 1,751,145        | \$ 224,455                             |
| TOTAL SCHOOL CAFETERIA FUND             | <u>\$ 1,975,600</u> | <u>\$ 1,751,145</u> | <u>\$ 224,455</u>                      |
| Textbook Rental Fund:                   |                     |                     |  |
| Education:                              |                     |                     |  |
| Operating Costs                         | \$ 329,300          | \$ 195,502          | \$ 133,798                             |
| TOTAL TEXTBOOK RENTAL FUND              | <u>\$ 329,300</u>   | <u>\$ 195,502</u>   | <u>\$ 133,798</u>                      |

COUNTY OF WISE, VIRGINIA SCHEDULE 2  
 GOVERNMENTAL FUNDS & DISCRETELY PRESENTED COMPONENT UNITS PAGE 7  
 STATEMENT OF EXPENDITURES - BUDGET & ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 1999

| FUND, MAJOR & MINOR SOURCE                                    | BUDGET              | ACTUAL              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|--|
| Special Revenue Funds:  |                     |                     |  |
| COMPONENT UNIT - SCHOOL BOARD:                                |                     |                     |  |
| Special Revenue Funds: (Cont'd)                               |                     |                     |  |
| School Operating Fund: (Cont'd)                               |                     |                     |  |
| Capital Project Fund:   |                     |                     |  |
| School Construction:  |                     |                     |  |
| Capital Outlays   | \$ 2,847,500        | \$ 468,246          | \$ 2,379,254                           |
| TOTAL SCHOOL CONSTRUCTION                                     | <u>\$ 2,847,500</u> | <u>\$ 468,246</u>   | <u>\$ 2,379,254</u>                    |
| TOTAL CAPITAL PROJECT FUND                                    | <u>\$ 2,847,500</u> | <u>\$ 468,246</u>   | <u>\$ 2,378,254</u>                    |
| GRAND TOTAL EXPEND-<br>ITURES, COMPONENT UNIT<br>SCHOOL BOARD | <u>\$50,269,800</u> | <u>\$45,991,626</u> | <u>\$ 4,278,174</u>                    |



COUNTY OF WISE, VIRGINIA  
STATEMENT OF THE TREASURER'S ACCOUNTABILITY  
TO THE COUNTY - ALL COUNTY FUNDS & COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 1999

|  | GOVERNMENTAL FUNDS  |                     |
|--|---------------------|---------------------|
|  | GENERAL             | SPECIAL<br>REVENUE  |
| BALANCE, JULY 1, 1998                            | \$ <u>2,014,629</u> | \$ <u>2,956,207</u> |
| RECEIPTS (NET):                                  |                     |                     |
| General Property Taxes                           | \$14,542,498        | \$ -0-              |
| Other Local Taxes                                | 6,678,367           | 3,124,349           |
| Permits, Privilege Fees &<br>Regulatory Licenses | 41,424              | -0-                 |
| Fines & Forfeitures                              | 2,987               | -0-                 |
| Revenue From Use Of Money<br>& Property          | 447,399             | 122,743             |
| Charges For Services                             | 567,186             | 151,567             |
| Miscellaneous                                    | 10,036              | 118,691             |
| Recovered costs                                  | 340,385             | -0-                 |
| Intergovernmental                                | 8,535,240           | 372,436             |
| TOTAL RECEIPTS                                   | <u>\$31,165,522</u> | <u>\$ 3,889,786</u> |
| TOTAL AVAILABLE                                  | <u>\$33,180,151</u> | <u>\$ 6,845,993</u> |
| DISBURSEMENTS (NET):                             |                     |                     |
| Warrants (Checks) Issued                         | \$16,819,258        | \$ 3,890,233        |
| Retirement Of Indebtedness                       | 284,681             | -0-                 |
| Interest & Other Debt Costs                      | 22,005              | -0-                 |
| TOTAL DISBURSEMENTS                              | <u>\$17,125,944</u> | <u>\$ 3,890,233</u> |
| INTERFUND TRANSFERS:                             |                     |                     |
| Transfers In                                     | \$ -0-              | \$ -0-              |
| Transfers Out                                    | <u>(12,130,217)</u> | <u>-0-</u>          |
| BALANCE, JUNE 30, 1999                           | <u>\$ 3,923,990</u> | <u>\$ 2,955,760</u> |

NOTE: These receipts and disbursements are recorded on a cash basis. Revenues and expenditures in the other supplementary data and basic financial statements are recorded on the accrual and/or modified accrual basis, except as otherwise noted.

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

SCHEDULE 4

| <u>ENTERPRISE FUNDS</u> | <u>FIDUCIARY FUNDS</u> | <u>COMPONENT UNIT</u> | <u>TOTAL</u><br>(Memorandum Only) |
|-------------------------|------------------------|-----------------------|-----------------------------------|
| <u>PROPRIETARY</u>      | <u>GENERAL</u>         | <u>SCHOOL BOARD</u>   |                                   |
| \$ 10,846               | \$ 126,613             | \$ 1,449,347          | \$ 6,557,642                      |
| \$ -0-                  | \$ -0-                 | \$ -0-                | \$ 14,542,498                     |
| -0-                     | -0-                    | -0-                   | 9,802,716                         |
| -0-                     | -0-                    | -0-                   | 41,424                            |
| -0-                     | -0-                    | -0-                   | 2,987                             |
| 405                     | 4,154                  | 373,353               | 948,054                           |
| 16,320                  | -0-                    | 650,987               | 1,386,060                         |
| -0-                     | -0-                    | 79,595                | 208,322                           |
| -0-                     | -0-                    | 322,273               | 662,658                           |
| -0-                     | 964,100                | 35,116,080            | 44,987,856                        |
| <u>\$ 16,725</u>        | <u>\$ 968,254</u>      | <u>\$36,542,288</u>   | <u>\$ 72,582,575</u>              |
| <u>\$ 27,571</u>        | <u>\$ 1,094,867</u>    | <u>\$37,991,635</u>   | <u>\$ 79,140,217</u>              |
| \$ 449,631              | \$ 1,008,377           | \$45,483,599          | \$ 67,651,098                     |
| 58,539                  | -0-                    | 439,605               | 782,825                           |
| 12,958                  | -0-                    | 124,613               | 159,576                           |
| <u>\$ 521,128</u>       | <u>\$ 1,008,377</u>    | <u>\$46,047,817</u>   | <u>\$ 68,593,499</u>              |
| \$ 853,216              | \$ -0-                 | \$11,289,629          | \$ 12,142,845                     |
| -0                      | -0-                    | (12,628)              | 12,142,845                        |
| <u>\$ 359,659</u>       | <u>\$ 86,490</u>       | <u>\$ 3,220,819</u>   | <u>\$ 10,546,718</u>              |

COUNTY OF WISE, VIRGINIA  
 STATEMENT OF THE TREASURER'S ACCOUNTABILITY  
 TO THE COMMONWEALTH  
 FOR THE YEAR ENDED JUNE 30, 1999

SCHEDULE 5

|                           | BALANCE<br>JULY 1,<br>1998 | RECEIPTS            | REMITTANCES         | BALANCE<br>JUNE 30,<br>1999 |
|---------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| 1999 Taxes:               |                            |                     |                     |                             |
| Estimated Income Taxes    | \$ -0-                     | \$ 354,764          | \$ 354,764          | \$ -0-                      |
| 1998 Taxes:               |                            |                     |                     |                             |
| Taxable Year Income Taxes | -0-                        | 935,828             | 935,828             | -0-                         |
| Estimated Income Taxes    | -0-                        | 541,990             | 541,990             | -0-                         |
| 1997 Taxes:               |                            |                     |                     |                             |
| Taxable Year Income Taxes | -0-                        | 97,711              | 97,711              | -0-                         |
| Other Collections:        |                            |                     |                     |                             |
| Penalty                   | -0-                        | 4,875               | 4,875               | -0-                         |
| Interest                  | -0-                        | 898                 | 898                 | -0-                         |
| Sheriff's Fees            | -0-                        | 70,933              | 70,933              | -0-                         |
| TOTAL                     | <u>\$ -0-</u>              | <u>\$ 2,006,999</u> | <u>\$ 2,006,999</u> | <u>\$ -0-</u>               |

This schedule has been prepared on the cash basis of accounting.

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

SCHEDULE 6

COUNTY OF WISE, VIRGINIA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS FOR COUNTY  
 JUNE 30, 1999

WISE COUNTY

| Actuarial Valuation Date | (a)<br>Actuarial Value of Assets | (b)<br>Actuarial Accrued Liability (AAL) | (b-a)<br>Unfunded Actuarial Accrued Liability (UAAL) | (a/b)<br>Funded Ratio | (c)<br>Covered Payroll | ((b-a)/c)<br>UAAL as % of Covered Payroll |
|--------------------------|----------------------------------|--|--|-----------------------|------------------------|---|
| June 30, 1994            | \$ 8,700,186                     | \$ 9,078,522                             | \$ 378,336   | 95.83%                | \$4,959,321            | 7.63%                                     |
| June 30, 1996            | \$11,234,679                     | \$11,914,320                             | \$ 679,641   | 94.30%                | \$6,483,358            | 10.50%                                    |
| June 30, 1998            | \$15,614,849                     | \$16,130,964                             | \$ 516,115   | 96.80%                | \$6,446,565            | 7.98%                                     |

WISE COUNTY SCHOOLS

|               |              |              |              |         |             |        |
|---------------|--------------|--------------|--------------|---------|-------------|--------|
| June 30, 1994 | \$ 2,815,279 | \$ 2,556,098 | \$ (259,181) | 110.14% | \$1,353,109 | 19.15% |
| June 30, 1996 | \$ 3,324,848 | \$ 3,659,825 | \$ 334,977   | 90.80%  | \$1,330,264 | 25.20% |
| June 30, 1998 | \$ 4,434,798 | \$ 4,756,026 | \$ 321,228   | 93.24%  | \$1,341,406 | 23.95% |

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 1999

| FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/<br>GRANT PROGRAM/GRANT NUMBER                  | FEDERAL<br>CATALOGUE<br>NUMBER | BALANCE<br>JULY 01,<br>1998 |
|--|--------------------------------|-----------------------------|
| <b>DEPARTMENT AGRICULTURE:</b>   |                                |                             |
| Pass Through Payments:   |                                |                             |
| State Department Of Agriculture:   |                                |                             |
| Food Distribution - Schools  | 10.555                         | \$ -0-                      |
| Department Of Social Services:   |                                |                             |
| Food Stamp Program (12-35-5133)*   | 10.551                         | -0-                         |
| General Administration - Food Stamp Program  | 10.561                         | -0-                         |
| Department Of Education:   |                                |                             |
| National School Lunch Program (SL-4) (SL-11)*  | 10.555                         | -0-                         |
| Federal Land Use - Forest Reserve  | 10.665                         | -0-                         |
| <br><b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>  |                                |                             |
| Pass Through Payments:   |                                |                             |
| Department Of Social Services:   |                                |                             |
| Temporary Assistance to Needy Families -<br>Administration*                                  | 93.558                         | -0-                         |
| Foster Care - Title IV-E   | 93.658                         | -0-                         |
| Adoption Assistance  | 93.659                         | -0-                         |
| Social Services Block Grant [(01-90-B1VA-SOSR)   | 93.667                         | -0-                         |
| Miscellaneous Mini-Grants - Child Services IV-E  | 93.674                         | -0-                         |
| Aid to Dependent Children  | 93.558                         | -0-                         |
| Emergency Assistance   | 93.568                         | -0-                         |
| Child Care and Development Fund  | 93.596                         | -0-                         |
| Department Of Mental Health and Mental   |                                |                             |
| Mental Health Planning **  | 93.958                         | -0-                         |
| Retardation and Substance Abuse **   | 93.675                         | -0-                         |
| Alcohol Abuse Services (50847/49)**  | 93.959                         | -0-                         |
| <br><b>DEPARTMENT OF INTERIOR:</b>   |                                |                             |
| Direct Payments:   |                                |                             |
| Bureau of Land Management:   |                                |                             |
| Payment In Lieu Of Taxes - Public Law 97-258,<br>(National Forest Acreage In The Localities) |                                | -0-                         |

\* Identified as a major program

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

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

| R E V E N U E S |             |              | BALANCE          |
|-----------------|-------------|--------------|------------------|
| FEDERAL         | STATE/LOCAL | EXPENDITURES | JUNE 30,<br>1999 |
| \$ 131,100      | \$ -0-      | \$ 89,364    | \$ 41,736        |
| 5,494,550       | -0-         | 5,494,550    | -0-              |
| 681,559         | 438,715     | 1,120,274    | -0-              |
| 961,363         | 37,355      | 998,718      | -0-              |
| 11,214          | -0-         | 11,214       | -0-              |
| 525,350         | 304,729     | 830,079      | -0-              |
| 195,287         | 345,448     | 540,735      | -0-              |
| 130,554         | 56,189      | 186,743      | -0-              |
| 752,675         | 408         | 753,083      | -0-              |
| 12,500          | -0-         | 12,500       | -0-              |
| (1,441)         | (1,360)     | (2,801)      | -0-              |
| 41,056          | -0-         | 41,056       | -0-              |
| 160,912         | 45,458      | 206,370      | -0-              |
| 882,904         | -0-         | 882,904      | -0-              |
| 672,776         | -0-         | 672,776      | -0-              |
| 982,290         | -0-         | 982,290      | -0-              |
| 18,374          | 106         | 18,480       | -0-              |

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 1999

| FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/<br>GRANT PROGRAM/GRANT NUMBER  | FEDERAL<br>CATALOGUE<br>NUMBER | BALANCE<br>JULY 01,<br>1998 |
|--|--------------------------------|-----------------------------|
| DEPARTMENT OF LABOR:   |                                |                             |
| Pass Through Payments:   |                                |                             |
| Governor's Employment & Training Council:  |                                |                             |
| Employment Training Assistance Dislocated<br>Workers*  | 17.246                         | \$ -0-                      |
| Job Training Partnership Act Program:  |                                |                             |
| General Jobs Training Program Titles 2A,<br>2B & 3 (51-84)*  | 17.250                         | -0-                         |
| Pass Through Payments:   |                                |                             |
| Department Of Education:   |                                |                             |
| Adult Education - State Administration<br>Program (7E002694) (8E002615)*   | 84.002                         | -0-                         |
| Education Consolidation & Improvement<br>Act Of 1981:  |                                |                             |
| Title I:   |                                |                             |
| Financial Assistance To Meet Special<br>Educational Needs Of Disadvantaged Children -<br>Programs Operated By Local Education<br>Agencies (7E005740) (8E00570) | 84.013                         | -0-                         |
| Chapter II:  |                                |                             |
| Improving School Programs State Block<br>Grant (7E003325) (8E003567)   | 84.298                         | -0-                         |
| Elementary & Secondary Education Act (ESEA):   |                                |                             |
| Title VI-B:  |                                |                             |
| Assistance To States For Education Of<br>Handicapped Children:<br>Handicapped Preschool & School Programs<br>(7E002555) (8E002575)*                            | 84.027                         | -0-                         |

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

| R E V E N U E S |             | EXPENDITURES | BALANCE<br>JUNE 30,<br>1999 |
|-----------------|-------------|--------------|-----------------------------|
| FEDERAL         | STATE/LOCAL |              |                             |
| \$ 79,374       | \$ -0-      | \$ 79,374    | \$ -0-                      |
| 171,279         | -0-         | 171,279      | -0-                         |
| 207,680         | 248,079     | 455,759      | -0-                         |
| 1,599,118       | -0-         | 1,599,118    | -0-                         |
| 71,828          | -0-         | 71,828       | -0-                         |
| 542,258         | 55,132      | 597,390      | -0-                         |

COUNTY OF WISE, VIRGINIA  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 1999

| FEDERAL GRANTING AGENCY/RECEIPT STATE AGENCY/<br>GRANT PROGRAM/GRANT NUMBER  | FEDERAL<br>CATALOGUE<br>NUMBER | BALANCE<br>JULY 01,<br>1998 |
|--|--------------------------------|-----------------------------|
| DEPARTMENT OF EDUCATION: (cont'd)  |                                |                             |
| Pass Through Payments: (cont'd)  |                                |                             |
| Vocational Education:  |                                |                             |
| Basic Grants To States (8E002628) (7E002685)<br>(8E002607) (7E002688)  | 84.048                         | \$ -0-                      |
| Special Projects:  |                                |                             |
| Drug Free Schools and Communities (7E003333)   | 84.186                         | -0-                         |
| State Grants for Strengthening the Skills of<br>Teachers and Instruction in Mathematics,<br>Foreign Languages and Computer Learning<br>Goals 2000* | 84.164<br>84.100               | -0-<br>-0-                  |
| DEPARTMENT OF CRIMINAL JUSTICE SERVICES:   |                                |                             |
| Crime Victim Assistance  | 16.575                         | -0-                         |
| Crime Victim Assistance  | 16.575                         | -0-                         |
| DEPARTMENT OF MOTOR VEHICLES:  |                                |                             |
| State and Community Highway Safety   | 20.600                         | -0-                         |
| DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:   |                                |                             |
| Department of Housing and Urban Development<br>Community Development Block Grant   | 14.228                         | <u>-0-</u>                  |
| TOTAL FEDERAL ASSISTANCE   |                                | <u>\$ 36,343</u>            |

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

| R E V E N U E S      |                     |                     | BALANCE          |
|----------------------|---------------------|---------------------|------------------|
| FEDERAL              | STATE/LOCAL         | EXPENDITURES        | JUNE 30,<br>1999 |
| \$ 207,300           | \$ 131,358          | \$ 338,658          | \$ -0-           |
| 85,026               | -0-                 | 85,026              | -0-              |
| 20,154               | -0-                 | 20,154              | -0-              |
| 253,882              | -0-                 | 253,882             | -0-              |
| 28,663               | 9,407               | 38,070              | -0-              |
| 8,967                | -0-                 | 8,967               | -0-              |
| 2,991                | -0-                 | 2,991               | -0-              |
| <u>371,048</u>       | <u>-0-</u>          | <u>371,048</u>      | <u>-0-</u>       |
| <u>\$ 15,302,591</u> | <u>\$ 1,671,024</u> | <u>\$16,931,879</u> | <u>\$ 41,736</u> |

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

| Federal Grant or/Program<br>Award Number | Findings                    | Questioned Costs |
|--|-----------------------------|------------------|
| 93.558                                   | See Audit Finding<br>Detail | \$241,319        |

SUMMARY OF AUDITOR'S RESULTS:

- (1) The type of report issued to the County of Wise, Virginia on the financial statements for the year ended June 30, 1999 was an unqualified opinion.
- (2) The audit disclosed instances of noncompliance which were material to the financial statements.
- (3) The type of report issued to the County of Wise, Virginia on compliance for major programs was a qualified opinion with reportable conditions when some are material weaknesses.
- (4) There were reportable conditions in internal control over major programs. Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program, or known questioned costs of at least \$241,319 for a type of compliance requirement for a major program.

| <u>MAJOR PROGRAM</u>   | <u>TYPE</u> | <u>RISK TYPE</u> |
|--|-------------|------------------|
| (1) Adult Education  | B           | High             |
| (2) National School Lunch Program                              | A           | Low              |
| (3) Food Stamp Program   | A           | High             |
| (4) Assistance to States for Education of Handicapped Children | A           | High             |
| (5) Temporary Assistance to Needy Families Administration      | A           | High             |
| (6) Employment Training Assistance Dislocated Workers          | B           | High             |
| Jobs Training Partnership Act                                  | B           | High             |
| (7) Goals 2000   | B           | High             |

The County of Wise used a \$300,000 threshold to distinguish between Type A and Type B programs.

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1999

AUDIT FINDING DETAIL:

- (1) The following audit findings are based on the Federal Register, Volume 62, dated November 30, 1997, and 273.0(b) administrative costs, and should be included in the cost allocation process.

Expenditures charged as direct charges to the TANF/VIEW funds:

| <u>EXPENDITURE</u>                      | <u>DATE</u>           | <u>AMOUNT<br/>CHARGED TO VIEW</u> | <u>OVERALL PERCENT<br/>OF TOTAL COST</u> |
|---|-----------------------|-----------------------------------|--|
| Office Furniture                        | May, 1999             | \$38,816                          | 100%                                     |
| Office Equipment                        | May, 1999             | 4,654                             | 60%                                      |
| Assistant Director<br>Salary & Benefits | July, 1998-June, 1999 | 38,796                            | 80% Aug-Sept<br>50% Nov-May<br>75% June  |
| Postage                                 | April, 1999           | 3,165                             | 50%                                      |
| Building - Leases<br>& Rents            | July, 1998-June, 1999 | 9,297                             | 23%                                      |

- (2) The following audit finding is based on the position that eligibility workers benefit a variety of programs and such cost must be allocated via the federally approved RMS process. Since such costs are included in RMS, they cannot also be directly charged to benefiting programs.

Expenditures were charged as direct charges to the TANF/VIEW funds for eligibility workers, generic supervisors, accounts clerk and food stamp insurance clerk. The amount directly charged for these employees ranges from 10 to 30 % of gross wages and related benefits throughout the year for a total of \$116,956 in questionable costs.

- (3) The following audit finding is based on OMB A-87 attachment B, Item 15 classification of a capital expenditure exceeding the acquisition cost of \$5,000.00.

| <u>EXPENDITURE</u> | <u>DATE</u> | <u>AMOUNT<br/>CHARGED TO VIEW</u> | <u>PERCENT OF COST<br/>CHARGED</u> |
|--------------------|-------------|-----------------------------------|------------------------------------|
| Motor Vehicles     | May, 1999   | \$29,635                          | 60%                                |

SCHEDULE OF REPORTABLE FINDINGS:

- (4) Records show that the Wise County Department of Social Services failed to follow procurement policies and procedures when obtaining outside service for office furniture. Records indicate that the amount paid to a vendor exceeded the established policy amount of \$30,000, with no procurement procedures.

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

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

| FISCAL YEAR | GENERAL PROPERTY TAXES | OTHER LOCAL TAXES | PERMIT, PRIVILEGE FEES AND REGULATORY LICENSES | FINES & FOR-FEITURES | REVENUE FROM USE OF MONEY AND PROPERTY | CHARGES FOR SERVICES |
|-------------|------------------------|-------------------|--|----------------------|--|----------------------|
| 1998-99     | \$13,971,459           | \$ 9,739,941      | \$41,424                                       | \$2,195              | \$ 636,882                             | \$1,406,267          |
| 1997-98     | 10,728,628             | 10,019,460        | 33,040   | 3,745                | 590,821                                | 1,575,219            |
| 1996-97     | 10,817,476             | 11,117,835        | 27,760   | 5,938                | 742,073                                | 1,363,140            |
| 1995-96     | 10,309,651             | 9,612,299         | 36,297   | 5,412                | 604,090                                | 1,276,210            |
| 1994-95     | 9,774,315              | 9,504,672         | 36,732   | 2,507                | 734,512                                | 1,326,764            |
| 1993-94     | 9,589,041              | 9,755,795         | 35,444   | 2,817                | 426,878                                | 1,125,950            |
| 1992-93     | 8,875,609              | 8,765,322         | 33,406   | 6,049                | 451,726                                | 992,818              |
| 1991-92     | 8,245,504              | 8,695,816         | 38,688   | 5,339                | 664,345                                | 1,064,189            |
| 1990-91     | 8,384,929              | 9,316,222         | 27,059   | 5,775                | 1,095,880                              | 945,236              |
| 1989-90     | 8,388,499              | 10,710,480        | 24,256   | 806                  | 1,224,492                              | 1,016,642            |

Notes:

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

GOVERNMENT EXPENDITURES BY FUNCTION(1)  
LAST TEN FISCAL YEARS

| FISCAL YEAR | GENERAL ADMINI-STRATION | JUDICIAL ADMINI-STRATION | PUBLIC SAFETY | PUBLIC WORKS | HEALTH AND WELFARE |
|-------------|-------------------------|--------------------------|---------------|--------------|--------------------|
| 1198-99     | \$ 1,471,070            | \$1,297,099              | \$ 4,033,695  | \$ 2,503,828 | \$ 6,124,981       |
| 1997-98     | 1,446,665               | 1,193,982                | 3,717,132     | 2,795,348    | 5,850,770          |
| 1996-97     | 1,746,016               | 1,109,125                | 3,490,013     | 2,661,996    | 5,227,033          |
| 1995-96     | 1,603,425               | 751,318                  | 2,695,700     | 2,314,129    | 4,787,054          |
| 1994-95     | 1,452,991               | 650,529                  | 2,724,795     | 2,732,319    | 4,422,570          |
| 1993-94     | 1,384,953               | 622,105                  | 2,434,262     | 3,517,924    | 3,979,255          |
| 1992-93     | 1,407,242               | 616,327                  | 2,577,917     | 3,240,980    | 3,829,398          |
| 1991-92     | 1,655,438               | 566,034                  | 2,256,861     | 4,886,390    | 3,685,584          |
| 1990-91     | 1,444,071               | 586,622                  | 2,238,475     | 4,085,711    | 3,756,569          |
| 1989-90     | 1,424,646               | 545,879                  | 2,271,889     | 3,193,666    | 3,524,558          |

Notes:

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

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

SCHEDULE 9

| MISCELLANEOUS | RECOVERED COSTS | INTER-GOVERNMENTAL | TOTAL         |
|---------------|-----------------|--------------------|---------------|
| \$ 200,931    | \$ 580,880      | \$ 42,457,123      | \$ 69,037,102 |
| 117,140       | 537,613         | 40,487,228         | 64,092,894    |
| 198,260       | 509,827         | 38,981,696         | 63,764,005    |
| 240,019       | 432,258         | 36,839,829         | 59,356,065    |
| 218,754       | 395,625         | 36,664,893         | 58,658,774    |
| 174,503       | 482,102         | 34,701,336         | 56,293,866    |
| 197,493       | 536,127         | 35,193,339         | 55,051,889    |
| 106,199       | 452,357         | 33,858,558         | 53,130,995    |
| 83,286        | 499,635         | 34,360,877         | 54,718,899    |
| 85,554        | 479,425         | 31,621,649         | 53,551,803    |

Schedule 10

| EDUCATION    | PARKS, RECREATION & CULTURAL | COMMUNITY DEVELOPMENT | NON-DEPARTMENTAL | CAPITAL PROJECT | DEBT SERVICE | TOTALS       |
|--------------|------------------------------|-----------------------|------------------|-----------------|--------------|--------------|
| \$45,006,936 | \$ 728,365                   | \$3,353,254           | \$ -0-           | \$ 631,929      | \$ 870,904   | \$66,022,061 |
| 44,269,881   | 706,818                      | 3,406,846             | -0-              | 229,016         | 809,873      | 64,426,331   |
| 43,071,561   | 705,077                      | 2,932,024             | -0-              | 630,289         | 845,919      | 62,419,053   |
| 41,549,672   | 703,184                      | 3,135,539             | -0-              | 621,484         | 1,077,566    | 59,239,071   |
| 41,885,729   | 565,313                      | 2,788,038             | -0-              | 242,329         | 1,146,851    | 58,611,464   |
| 40,950,423   | 587,323                      | 1,888,636             | -0-              | 921,883         | 1,064,946    | 57,351,710   |
| 39,686,266   | 577,546                      | 1,224,030             | 574,601          | 497,470         | 1,013,843    | 55,245,620   |
| 37,560,541   | 582,462                      | 2,442,117             | 581,664          | 997,160         | 920,786      | 56,135,037   |
| 38,393,231   | 567,533                      | 1,887,001             | 602,416          | 513,996         | 935,615      | 55,011,240   |
| 36,744,338   | 573,903                      | 1,434,144             | 804,297          | 1,414,086       | 886,624      | 52,818,030   |

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

| FISCAL YEARS | REAL ESTATE     | PERSONAL PROPERTY | MACHINERY AND TOOLS | MERCHANT'S CAPITAL |
|--------------|-----------------|-------------------|---------------------|--------------------|
| 1998-99      | \$1,023,089,230 | \$ 245,459,154    | \$ 181,058,293      | \$ 22,891,151      |
| 1997-98      | 1,016,639,114   | 246,793,327       | 184,088,698         | 21,303,023         |
| 1996-97      | 905,168,228     | 239,984,643       | 204,391,321         | 20,071,080         |
| 1995-96      | 874,017,227     | 227,351,385       | 188,101,503         | 23,148,257         |
| 1994-95      | 878,729,871     | 202,833,039       | 182,331,346         | 21,756,507         |
| 1993-94      | 854,484,352     | 184,190,362       | 188,263,194         | 20,861,923         |
| 1992-93      | 849,839,149     | 169,604,860       | 187,446,937         | 21,527,597         |
| 1991-92      | 809,549,994     | 166,026,356       | 199,334,913         | 21,723,569         |
| 1990-91      | 778,540,351     | 155,820,783       | 216,160,110         | 19,006,648         |
| 1989-90      | 827,711,712     | 150,628,129       | 211,193,681         | 19,876,940         |

- (1) The assessed value of personal property and machinery and tools was assessed at 100% of value beginning with the 1988 tax levies.
- (2) The tax levies on Public Utilities for years 1987 through 1989, includes personal property and real estate, beginning for 1988 tax levies, a breakdown between personal property and real estate is provided.

PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS

| FISCAL YEARS | REAL ESTATE | PERSONAL PROPERTY | MACHINERY & TOOLS | MERCHANT'S CAPITAL | MOBILE HOMES |
|--------------|-------------|-------------------|-------------------|--------------------|--------------|
| 1998-99      | \$ .52      | \$ 1.15           | \$ 1.15           | \$ 2.85            | \$ .52       |
| 1997-98      | .45         | 1.15              | 1.15              | 2.85               | .45          |
| 1996-97      | .48         | 1.15              | 1.15              | 2.85               | .48          |
| 1995-96      | .48         | 1.15              | 1.15              | 2.85               | .48          |
| 1994-95      | .48         | 1.15              | 1.15              | 2.85               | .48          |
| 1993-94      | .48         | 1.15              | 1.15              | 2.85               | .48          |
| 1992-93      | .38         | 1.15              | 1.15              | 2.85               | .38          |
| 1991-92      | .38         | 1.15              | 1.15              | 2.85               | .38          |
| 1990-91      | .39         | 1.15              | 1.15              | 2.85               | .39          |
| 1989-90      | .39         | 1.15              | 1.15              | 2.85               | .39          |

- (1) Per \$100 of assessed value

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

SCHEDULE 11

|               | PUBLIC UTILITIES |                   |             |                   | TOTAL |
|---------------|------------------|-------------------|-------------|-------------------|-------|
|               | MOBILE HOMES     | PERSONAL PROPERTY | REAL ESTATE | MERCHANTS CAPITAL |       |
| \$ 42,178,995 | \$ 673,526       | \$ 79,703,200     | \$ 158      | \$ 1,595,053,707  |       |
| 38,945,621    | 760,533          | 80,928,871        | 140         | 1,589,459,327     |       |
| 37,883,765    | 715,913          | 77,125,833        | 1,731       | 1,485,342,514     |       |
| 35,121,583    | 563,431          | 74,109,303        | 1,786       | 1,422,414,475     |       |
| 29,853,443    | 469,441          | 75,432,744        | 1,081       | 1,391,407,472     |       |
| 28,656,923    | 498,493          | 78,087,804        | 973         | 1,355,044,024     |       |
| 27,171,324    | 527,760          | 77,164,613        | -0-         | 1,333,282,240     |       |
| 25,921,895    | 520,918          | 76,600,670        | -0-         | 1,299,678,315     |       |
| 26,733,231    | 320,020          | 75,923,651        | -0-         | 1,272,504,794     |       |
| 30,505,680    | 409,668          | 86,190,618        | -0-         | 1,326,516,428     |       |

SCHEDULE 12

| PUBLIC UTILITIES  |             |                   |
|-------------------|-------------|-------------------|
| PERSONAL PROPERTY | REAL ESTATE | MERCHANTS CAPITAL |
| \$ 1.15           | \$ .52      | \$ .52            |
| 1.15              | .45         | .45               |
| 1.15              | .48         | .48               |
| 1.15              | .48         | .48               |
| 1.15              | .48         | .48               |
| 1.15              | .39         | -0-               |
| 1.15              | .39         | -0-               |
| 1.15              | .39         | -0-               |
| 1.15              | .39         | -0-               |
| 1.15              | .39         | -0-               |

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

| FISCAL YEAR | TOTAL(1)<br>TAX LEVY | CURRENT<br>TAX (1)<br>COLLECTIONS | PERCENT<br>OF LEVY<br>COLLECTED | DELINQUENT(1)<br>TAX<br>COLLECTIONS |
|-------------|----------------------|-----------------------------------|---------------------------------|-------------------------------------|
| 1999-00     | \$ 2,590,244         | \$ 2,269,912                      | 87.64%                          | \$ -0-                              |
| 1998-99     | 11,518,947           | 10,721,821                        | 93.08%                          | 681,230                             |
| 1997-98     | 10,688,242           | 10,017,632                        | 93.72%                          | 418,931                             |
| 1996-97     | 10,587,443           | 9,930,492                         | 93.79%                          | 541,692                             |
| 1995-96     | 10,163,513           | 9,573,240                         | 94.19%                          | 476,500                             |
| 1994-95     | 9,778,131            | 9,010,573                         | 92.15%                          | 538,148                             |
| 1993-94     | 9,497,418            | 8,677,536                         | 91.37%                          | 652,677                             |
| 1992-93     | 8,305,631            | 7,349,976                         | 88.49%                          | 1,051,270                           |
| 1991-92     | 8,292,643            | 7,430,654                         | 89.60%                          | 592,012                             |
| 1990-91     | 8,259,847            | 7,716,351                         | 93.42%                          | 401,344                             |
| 1989-90     | 8,416,458            | 7,355,796                         | 87.40%                          | 786,868                             |

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, 1999.

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

| FISCAL YEAR | POPULATION(1) | ASSESSED<br>VALUE<br>(In Thousands)(2) | GROSS<br>BONDED<br>DEBT(3) | LESS:<br>DEBT SERVICE<br>MONIES<br>AVAILABLE |
|-------------|---------------|--|----------------------------|--|
| 1998-99     | 39,573        | \$ 1,595,053,707                       | \$ 4,236,748               | \$ -0-                                       |
| 1997-98     | 39,573        | 1,589,459,327                          | 4,148,001                  | -0-  |
| 1996-97     | 39,573        | 1,485,342,514                          | 5,094,382                  | -0-  |
| 1995-96     | 39,573        | 1,422,414,475                          | 5,933,263                  | -0-  |
| 1994-95     | 39,573        | 1,391,407,472                          | 6,887,471                  | -0-  |
| 1993-94     | 39,573        | 1,355,044,024                          | 7,871,352                  | -0-  |
| 1992-93     | 39,573        | 1,333,282,240                          | 6,920,203                  | -0-  |
| 1991-92     | 39,573        | 1,299,678,315                          | 8,111,137                  | -0-  |
| 1990-91     | 39,573        | 1,272,504,794                          | 7,299,170                  | -0-  |
| 1989-90     | 43,863        | 1,326,516,428                          | 6,961,762                  | -  |

Notes:

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

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

SCHEDULE 13

| TOTAL<br>TAX<br>COLLECTIONS | PERCENT OF<br>TOTAL TAX<br>COLLECTIONS<br>OF TAX LEVY | OUTSTANDING<br>DELINQUENT<br>TAXES | PERCENT OF<br>DELINQUENT<br>TAXES TO<br>TAX LEVY |
|-----------------------------|---|------------------------------------|--|
| \$ 2,269,912                | 87.64%  | \$ 320,332                         | 12.37%   |
| 11,403,051                  | 99.00%  | 1,631,086                          | 14.16%   |
| 10,436,563                  | 97.64%  | 1,754,061                          | 16.41%   |
| 10,472,184                  | 98.91%  | 1,763,538                          | 16.66%   |
| 10,049,740                  | 98.88%  | 1,962,038                          | 19.30%   |
| 9,548,721                   | 97.65%  | 2,047,874                          | 20.94%   |
| 9,330,213                   | 98.24%  | 2,145,590                          | 22.59%   |
| 8,401,246                   | 101.15%   | 2,427,344                          | 29.23%   |
| 8,022,666                   | 96.74%  | 1,887,132                          | 22.76%   |
| 8,117,695                   | 98.28%  | 2,362,622                          | 28.60%   |
| 8,142,664                   | 96.75%  | 1,800,940                          | 21.40%   |

SCHEDULE 14

| DEBT PAYABLE<br>FROM<br>ENTERPRISE<br>REVENUES (5) | NET<br>BONDED<br>DEBT | RATIO OF<br>BONDED DEBT<br>TO ASSESSED<br>VALUE | NET<br>BONDED<br>DEBT PER<br>CAPITA |
|--|-----------------------|---|-------------------------------------|
| \$ 358,815   | \$ 3,877,933          | 0.0024  | \$ 97.99                            |
| 386,416  | 3,761,585             | 0.0023  | 95.05                               |
| 834,017  | 4,260,365             | 0.0029  | 107.66                              |
| 1,131,618  | 4,801,645             | 0.0034  | 121.34                              |
| 1,419,219  | 5,468,252             | 0.0039  | 138.18                              |
| 1,696,820  | 6,174,532             | 0.0046  | 156.03                              |
| -0-  | 6,920,203             | 0.0051  | 174.87                              |
| -0-  | 8,111,137             | 0.0063  | 204.97                              |
| -0-  | 7,299,170             | 0.0058  | 184.45                              |
| -0-  | 6,961,762             | 0.0050  | 150.68                              |