

# **COUNTY OF PULASKI, VIRGINIA**

## **FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2001**

**COUNTY OF PULASKI, VIRGINIA**

**OTHER OFFICIALS**

Judge of the Circuit Court	R. W. Grubbs
Judge of the Circuit Court	C. R. Gibb
Judge of the Circuit Court	Duane E. Mink
Judge of the Circuit Court	J. C. Campbell
Clerk of the Circuit Court	Royce G. Lookabill
Judge of the General District and Juvenile and Domestic Relations Court	Edward M. Turner, III
Judge of the General District and Juvenile and Domestic Relations Court	Daniel W. Bird, Jr.
County Attorney	Thomas J. McCarthy, Jr.
Commonwealth's Attorney	Everett P. Shockley
Commissioner of the Revenue	Maynard H. Sayers
Treasurer	Rose Marie Tickle
Sheriff	James A. Davis
Superintendent of Schools	David Cox
Director of Public Welfare	James C. Wallis
County Administrator	Peter Huber

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

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### TO THE MEMBERS OF THE BOARD COUNTY OF PULASKI PULASKI, VIRGINIA

We have audited the accompanying general purpose and combining financial statements of the County of Pulaski, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; standards applicable to financial audits contained in Government 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 we 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. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the general purpose financial statements referred to above do not include a general fixed assets account group which should be included to conform with accounting principles generally accepted in the United States of America.

In our opinion, except that the omission of the general fixed assets account group described above results in an incomplete presentation, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Pulaski as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion the combining financial statements referred to above present fairly, in all material respects, the financial position of the County of Pulaski, Virginia, as of June 30, 2001 and the results of its operations of such funds and cash flows if individual proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 5, 2001 on our consideration of the County of Pulaski's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the County of Pulaski, taken as a whole and on the combining statements. The accompanying financial information listed as Supporting Schedules in the table of contents and the schedule of expenditures of federal awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

*Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are 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 and combining financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Robinson, Fauman, & Associates*

Radford, Virginia

October 5, 2001

# GENERAL PURPOSE FINANCIAL STATEMENTS

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COUNTY OF PULASKI, VIRGINIA

Combined Balance Sheet-All Funds and Account Groups and Discretely Presented Component Units  
At June 30, 2001

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Group		Total "Memorandum Only"		Component Units		Total "Memorandum Only"
	General	Capital Projects	Internal Services Fund	Trust and Agency	General Long-term Obligations	School Board	Public Service Authority	Industrial Development Authority	Primary Government	School Board	Public Service Authority	Industrial Development Authority	Reporting Entity
Contributed capital:													
Contributions in aid of construction (Note 8)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Retained earnings													
Unreserved (Note 19)	\$ 0	\$ 0	\$ (41,795)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (41,795)	\$ 0	\$ 0	\$ 1,308,450	\$ 2,563,422	\$ 3,830,077
Fund Balance:													
Reserved (Note 16)	\$ 1,078,341	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,078,341	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,078,341
Unreserved:													
Designated (Note 16)	\$ 5,913,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,913,405	\$ 614,622	\$ 0	\$ 0	\$ 0	\$ 6,528,027
Undesignated	\$ 5,276,599	\$ (150,541)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,126,058	\$ 200	\$ 0	\$ 0	\$ 0	\$ 5,126,258
Total unreserved	\$ 11,190,004	\$ (150,541)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,039,463	\$ 614,822	\$ 0	\$ 0	\$ 0	\$ 11,654,285
Total fund balance	\$ 12,268,345	\$ (150,541)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,117,804	\$ 614,822	\$ 0	\$ 0	\$ 0	\$ 12,732,626
Total equity	\$ 12,268,345	\$ (150,541)	\$ (41,795)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,076,009	\$ 614,822	\$ 12,765,857	\$ 2,563,422	\$ 28,020,110	
Total liabilities and equity	\$ 15,884,956	\$ 0	\$ 4,287	\$ 509,528	\$ 10,122,141	\$ 509,528	\$ 10,122,141	\$ 26,520,912	\$ 12,980,237	\$ 21,679,504	\$ 9,120,023	\$ 70,300,676	

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

## COUNTY OF PULASKI, VIRGINIA

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
General, Capital Projects Funds and Discretely Presented Component Unit School Board  
Year Ended June 30, 2001**

	Governmental Fund Types		Primary Government	Component Unit	Total
	General	Capital Projects	Total "Memorandum Only"	School Board	"Memorandum Only"
<b>Revenue:</b>					
General property taxes	\$ 14,239,273	\$ 0	\$ 14,239,273	\$ 0	\$ 14,239,273
Other local taxes	4,678,290	0	4,678,290	0	4,678,290
Permits, privilege fees and regulatory licenses	135,298	0	135,298	0	135,298
Fines & forfeitures	38,019	0	38,019	0	38,019
Revenues from use of money and property	640,646	0	640,646	197,057	837,703
Charges for services	51,282	0	51,282	1,090,745	1,142,027
Miscellaneous	172,264	37,696	209,960	209,351	419,311
Recovered costs	303,025	0	303,025	371,421	674,446
Intergovernmental	7,981,043	40,768	8,021,811	22,928,833	30,950,644
<b>Total revenues</b>	<b>\$ 28,239,140</b>	<b>\$ 78,464</b>	<b>\$ 28,317,604</b>	<b>\$ 24,797,407</b>	<b>\$ 53,115,011</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government administration	\$ 1,515,680	\$ 0	\$ 1,515,680	\$ 0	\$ 1,515,680
Judicial administration	915,141	0	915,141	0	915,141
Public safety	4,404,944	0	4,404,944	0	4,404,944
Public works	885,355	0	885,355	0	885,355
Health and welfare	4,736,900	0	4,736,900	0	4,736,900
Education	14,573	0	14,573	34,096,575	34,111,148
Parks, recreation and cultural	839,076	0	839,076	0	839,076
Community development	264,994	0	264,994	0	264,994
Capital projects	0	6,049,575	6,049,575	1,467,221	7,516,796
<b>Debt service:</b>					
Principal retirement	0	615,000	615,000	6,500,000	7,115,000
Interest and fiscal charges	0	149,119	149,119	114,367	263,486
<b>Total expenditures</b>	<b>13,576,663</b>	<b>\$ 6,813,694</b>	<b>20,390,357</b>	<b>\$ 42,178,163</b>	<b>\$ 62,568,520</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 14,662,477</b>	<b>\$ (6,735,230)</b>	<b>\$ 7,927,247</b>	<b>\$ (17,380,756)</b>	<b>\$ (9,453,509)</b>
<b>Other financing sources (uses):</b>					
<b>Transfers from (to):</b>					
Primary government	\$ (6,874,997)	\$ 6,874,997	\$ 0	\$ 9,102,602	\$ 9,102,602
Component unit	(9,102,602)	0	(9,102,602)	0	(9,102,602)
Proprietary funds	(17,289)	0	(17,289)	0	(17,289)
REMSI	(120,114)	(78,250)	(198,364)	0	(198,364)
Proceeds from indebtedness	0	0	0	8,246,523	8,246,523
<b>Total other financing sources (uses):</b>	<b>\$ (16,115,002)</b>	<b>\$ 6,796,747</b>	<b>\$ (9,318,255)</b>	<b>\$ 17,349,125</b>	<b>\$ 8,030,870</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>\$ (1,452,525)</b>	<b>\$ 61,517</b>	<b>\$ (1,391,008)</b>	<b>\$ (31,631)</b>	<b>\$ (1,422,639)</b>
<b>Fund balance at the beginning of year</b>	<b>13,720,870</b>	<b>(212,058)</b>	<b>13,508,812</b>	<b>646,453</b>	<b>14,155,265</b>
<b>Fund balance at the end of year</b>	<b>\$ 12,268,345</b>	<b>\$ (150,541)</b>	<b>\$ 12,117,804</b>	<b>\$ 614,822</b>	<b>\$ 12,732,626</b>

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

COUNTY OF PULASKI, VIRGINIA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual-General, Capital Projects Funds and Discretely Presented Component Unit School Board  
Year Ended June 30, 2001

	General Fund			Capital Projects Fund			Component Unit School Board		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue:</b>									
General property taxes	13,988,281	14,239,273	250,992	0	0	0	0	0	0
Other local taxes	4,775,000	4,678,290	(96,710)	0	0	0	0	0	0
Permits, privilege fees and regulatory licenses	130,000	135,298	5,298	0	0	0	0	0	0
Fines & forfeitures	15,000	38,019	23,019	0	0	0	0	0	0
Revenues from use of money and property	185,380	640,646	455,266	0	0	0	32,000	197,057	165,057
Charges for services	51,800	51,282	(518)	0	0	0	1,195,997	1,090,745	(105,252)
Miscellaneous	6,420	172,264	165,844	0	37,696	37,696	28,100	209,351	181,251
Recovered costs	241,097	303,025	61,928	0	0	0	36,900	371,421	334,521
Intergovernmental	7,788,654	7,981,043	192,389	0	40,768	40,768	22,824,164	22,928,833	104,669
<b>Total revenues</b>	<b>27,181,632</b>	<b>28,239,140</b>	<b>1,057,508</b>	<b>0</b>	<b>78,464</b>	<b>78,464</b>	<b>24,117,161</b>	<b>24,797,407</b>	<b>680,246</b>
<b>Expenditures:</b>									
Current:									
General government administration	1,487,230	1,515,680	(28,450)	0	0	0	0	0	0
Judicial administration	866,231	915,141	(48,910)	0	0	0	0	0	0
Public safety	3,893,275	4,404,944	(511,669)	0	0	0	0	0	0
Public works	837,860	885,355	(47,495)	0	0	0	0	0	0
Health and welfare	4,923,920	4,736,900	187,020	0	0	0	0	0	0
Education	14,573	14,573	0	0	0	0	33,092,725	34,096,575	(1,003,850)
Parks, recreation and cultural	896,240	839,076	57,164	0	0	0	0	0	0
Community development	260,784	264,994	(4,210)	0	0	0	0	0	0
Capital projects	0	0	0	1,491,250	6,049,575	(4,558,325)	693,975	1,467,221	(773,246)
Debt service:									
Principal retirement	0	0	0	1,118,779	615,000	503,779	0	6,500,000	(6,500,000)
Interest and fiscal charges	0	0	0	271,008	149,119	121,889	0	114,367	(114,367)
<b>Total expenditures</b>	<b>13,180,113</b>	<b>13,576,663</b>	<b>(396,550)</b>	<b>2,881,037</b>	<b>6,813,694</b>	<b>(3,932,657)</b>	<b>33,786,700</b>	<b>42,178,163</b>	<b>(8,391,463)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>14,001,519</b>	<b>14,662,477</b>	<b>660,958</b>	<b>(2,881,037)</b>	<b>(6,735,230)</b>	<b>(3,854,193)</b>	<b>(9,669,539)</b>	<b>(17,380,750)</b>	<b>(7,711,217)</b>
<b>Other financing sources (uses):</b>									
Transfers from (to):									
Primary government	(2,949,287)	(6,874,997)	(3,925,710)	2,949,287	6,874,997	3,925,710	9,669,539	9,102,602	(566,937)
Component units	(9,669,539)	(9,102,602)	566,937	0	0	0	0	0	0
Proprietary funds	(614,089)	(17,289)	596,800	0	0	0	0	0	0
REMSI	(103,865)	(120,114)	(16,249)	(68,250)	(78,250)	(10,000)	0	0	0
Proceeds from indebtedness	0	0	0	0	0	0	0	8,246,523	8,246,523
<b>Total other financing sources (uses):</b>	<b>(13,336,780)</b>	<b>(16,115,002)</b>	<b>(2,778,222)</b>	<b>2,881,037</b>	<b>6,796,747</b>	<b>3,915,710</b>	<b>9,669,539</b>	<b>17,349,125</b>	<b>7,679,586</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>664,739</b>	<b>(1,452,525)</b>	<b>(2,117,264)</b>	<b>0</b>	<b>61,517</b>	<b>61,517</b>	<b>0</b>	<b>(31,631)</b>	<b>(31,631)</b>
<b>Fund balance at the beginning of year</b>	<b>0</b>	<b>13,720,870</b>	<b>13,720,870</b>	<b>0</b>	<b>(212,098)</b>	<b>(212,098)</b>	<b>0</b>	<b>646,453</b>	<b>646,453</b>
<b>Fund balance at the end of year</b>	<b>664,739</b>	<b>12,268,345</b>	<b>(11,603,606)</b>	<b>0</b>	<b>(150,541)</b>	<b>(150,541)</b>	<b>0</b>	<b>614,822</b>	<b>614,822</b>

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

COUNTY OF PULASKI, VIRGINIA

Proprietary Fund Types and Discretely Presented Component Units  
Statement of Revenues, Expenses and Changes In Retained Earnings  
Year Ended June 30, 2001

	Internal Services Fund	Component Units		Totals "Memorandum Only"
		Public Service Authority	Industrial Development Authority	
<b>Operating revenues:</b>				
Charges to County departments	\$ 1,005,662	\$ 0	\$ 0	\$ 1,005,662
Water service	0	1,508,217	0	1,508,217
Sewer service	0	300,415	0	300,415
Garbage service	0	2,666,298	0	2,666,298
Reconnection fees	0	13,210	0	13,210
Contributions	0	134,388	0	134,388
Rental income	0	0	56,205	56,205
Sale of property	0	0	36,000	36,000
Miscellaneous	1,642	40,127	1,682,994	1,724,763
Penalties and interest on delinquent accounts	0	71,353	0	71,353
<b>Total operating revenue</b>	<b>\$ 1,007,304</b>	<b>\$ 4,734,008</b>	<b>\$ 1,775,199</b>	<b>\$ 7,516,511</b>
<b>Operating expenses:</b>				
<i>Internal Services expenses:</i>				
Data processing supplies	\$ 242,884	\$ 0	\$ 0	\$ 242,884
Central garage supplies	692,915	0	0	692,915
Communications expenses	115,360	0	0	115,360
<b>Total internal services expenses</b>	<b>\$ 1,051,159</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,051,159</b>
<i>Water and sewer:</i>				
Salaries and fringes	\$ 0	\$ 541,154	\$ 0	\$ 541,154
Uniforms	0	2,855	0	2,855
Contracted professional services	0	629,833	0	629,833
Data processing	0	1,363	0	1,363
Contracted sewer treatment	0	218,645	0	218,645
Materials and supplies	0	64,448	0	64,448
Medical lab supplies	0	62,044	0	62,044
Repairs and maintenance	0	22,485	0	22,485
Garage charges	0	31,597	0	31,597
Insurance	0	3,760	0	3,760
Telephone	0	20,445	0	20,445
Electricity	0	109,580	0	109,580
State fees	0	6,849	0	6,849
Printing and binding	0	453	0	453
Permits	0	8,487	0	8,487
Travel	0	1,084	0	1,084
Miscellaneous	0	4,008	0	4,008
Depreciation	0	678,333	0	678,333
<b>Total water and sewer expenses</b>	<b>\$ 0</b>	<b>\$ 2,407,423</b>	<b>\$ 0</b>	<b>\$ 2,407,423</b>
<i>Garbage collection and disposal:</i>				
Salaries and fringes	\$ 0	\$ 951,999	\$ 0	\$ 951,999
Contracted waste disposal	0	90,132	0	90,132
Purchase of services	0	3,194	0	3,194
User charges/NRRA	0	1,252,004	0	1,252,004
Materials and supplies	0	5,143	0	5,143
Repairs and maintenance	0	2,373	0	2,373
Garage charges	0	240,398	0	240,398
Insurance	0	19,215	0	19,215
Uniforms	0	16,978	0	16,978





## COUNTY OF PULASKI, VIRGINIA

**Proprietary Fund Types and Discretely Presented Component Units  
Statement of Cash Flows  
Year Ended June 30, 2001**

	Internal Services Fund	Component Units		Totals "Memorandum Only"
		Public Service Authority	Industrial Development Authority	
<b>Cash flows from operating activities:</b>				
Cash received from customers and others	\$ 1,011,414	\$ 5,167,586	\$ 1,773,957	\$ 7,952,957
Cash payments to suppliers and employees for goods and services	(1,028,752)	(4,730,964)	(119,657)	(5,879,373)
Net cash provided (used) by operating activities	\$ (17,338)	\$ 436,622	\$ 1,654,300	\$ 2,073,584
<b>Cash flows from non-capital financing activities:</b>				
Transfer to general fund (primary government)	\$ 17,289	\$ 0	\$ 0	\$ 17,289
<b>Cash flows from investing activities:</b>				
Investment income	\$ 0	\$ 73,930	\$ 32,374	\$ 106,304
Collections on notes receivable	0	0	9,991	9,991
Interest on notes receivable	0	0	6,826	6,826
Net cash provided (used) by investing activities	\$ 0	\$ 73,930	\$ 49,191	\$ 123,121
<b>Cash flows from capital and related financing activities:</b>				
Connection charges	\$ 0	\$ 94,333	\$ 0	\$ 94,333
Acquisition of capital assets	0	(359,143)	0	(359,143)
Retirement of advance from County	0	(22,547)	0	(22,547)
Retirement of debt	0	(226,280)	(348,356)	(574,636)
Interest paid on debt	0	(378,560)	(494,808)	(873,368)
Net cash provided (used) by capital and related financing activities	\$ 0	\$ (892,197)	\$ (843,164)	\$ (1,735,361)
<b>Net increase (decrease) in cash</b>	\$ (49)	\$ (381,645)	\$ 860,327	\$ 478,633
<b>Cash at beginning of year</b>	0	2,051,618	944,216	2,995,834
<b>Cash at end of year</b>	\$ (49)	\$ 1,669,973	\$ 1,804,543	\$ 3,474,467

**Reconciliation of Operating Income to  
Net Cash Provided by Operating Activities  
Year Ended June 30, 2001**

	Internal Services Fund	Component Units		Totals "Memorandum Only"
		Public Service Authority	Industrial Development Authority	
<b>Operating income (loss)</b>	\$ (43,855)	\$ (843,640)	\$ 1,655,328	\$ 767,833
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation and amortization	0	803,487	0	803,487
Decrease (increase) in receivables	4,110	431,822	0	435,932
(Increase) decrease in accrued rent receivable	0	0	214	214
Increase (decrease) in accounts payable	22,407	9,595	(1,242)	30,760
Increase (decrease) in compensated absences	0	33,602	0	33,602
Increase (decrease) in customer deposits	0	1,756	0	1,756
<b>Net cash provided by operating activities</b>	\$ (17,338)	\$ 436,622	\$ 1,654,300	\$ 2,073,584

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

# NOTES TO FINANCIAL STATEMENTS

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## COUNTY OF PULASKI, VIRGINIA

### Notes to Financial Statements As of June 30, 2001

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#### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the County 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 (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.

B. Individual Component Unit Disclosures:

*Blended Component Units* - The County has no blended component units.

*Discretely Presented Component Units* - The Component unit columns in the combined financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Pulaski County School Board operates the elementary and secondary public schools in the County. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers.

The Pulaski County Public Service Authority provides water, sewer and garbage service to the County. The Public Service Authority board members are appointed by the Board of Supervisors. The Board of Supervisors have issued several of the bonds payable by the Authority. The complete financial report for the Authority may be obtained directly from the Authority.

The Pulaski County Industrial Development Authority encourages and provides financing for industrial development in the County. The Industrial Development Authority board members are appointed by the Board of Supervisors. The complete financial report for the Authority may be obtained from the Authority.

C. *Related Organizations* - The County has no related organizations

D. *Jointly Governed Organizations* - The County and the Counties of Floyd, Giles, Montgomery and the City of Radford participate in supporting the New River Valley Community Services. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the year ended June 30, 2001 the County contributed \$66,571.

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
As of June 30, 2001

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

D. *Jointly Governed Organizations (Continued)*

The County and the Towns of Dublin and Pulaski and the City of Radford participate in supporting the New River Resource Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions.

The County and the County of Montgomery, the Towns of Dublin and Pulaski and the City of Radford participate in supporting the Peppers Ferry Regional Waste Water Treatment Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions.

E. Financial Statement Presentation:

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. Each fund is a separate set of self balancing accounts that consists of assets, liabilities, fund equity, revenues and expenditures or expenses. Account groups are used to establish accounting control over certain assets and liabilities that are not recorded in funds. The various funds and account groups are grouped in the financial statements as follows:

1. Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and 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.

Capital Projects Funds

Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. Capital Project Funds consist of the Capital Improvements Fund.

2. Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The Proprietary Funds consist of Enterprise and Internal Service Funds.

Enterprise Fund

Enterprise funds account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services.



COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
As of June 30, 2001

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

F. Basis of Accounting: (Continued)

1. Governmental Funds (Continued)

Revenues from general purpose grants are recognized in the period in which the grant applies. Expenditures, other than interest on long-term debt, are recorded as the related fund liabilities are incurred. Interest on long-term debt is recognized when due except for interest due on July 1, which is accrued.

2. Proprietary Funds

The accrual basis of accounting is used for the Enterprise Funds. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred. The Proprietary Funds apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

3. Fiduciary Funds

Agency Funds utilize the modified accrual basis of accounting.

G. 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 May 1, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board 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.
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 original budget for the year.



**COUNTY OF PULASKI, VIRGINIA**

**Notes to Financial Statements  
As of June 30, 2001**

**NOTE 2--CASH AND INVESTMENTS:**

Deposits:

All cash of the County of Pulaski, Virginia is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.1-359 et. seq. of the Code of Virginia or covered by federal depository insurance.

Investments:

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

Neither the Public Service Authority nor the Industrial Development Authority had any investments at June 30, 2001.

The County's 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 County or its safekeeping agent in the County's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the broker's or dealer's trust department or safekeeping agent in the County'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 County's name.

*PRIMARY GOVERNMENT:*

	Category			Fair Value
	1	2	3	
Investments subject to categorization:				
Repurchase				
Agreements	\$ -	\$ 7,996,888	\$ -	\$ 7,996,888
Investments not subject to categorization:				
LGIP				\$ 2,985,710
Virginia Non-Arbitrage Pool				<u>4,172</u>
Total investments not subject to categorization				\$ <u>2,989,882</u>
 Total Investments				 \$ 10,986,770
Total Deposits				<u>1,100,106</u>
 Total Deposits and Investments				 \$ 12,086,876

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
As of June 30, 2001

**NOTE 2--CASH AND INVESTMENTS: (Continued)**

Cash on Hand (Schedule 3)	1,290
Treasurer's Debit Account (Schedule 3)	2,482
Petty Cash	<u>330</u>
 Total Adjusted Deposits and Investments- Primary Government	 <u>\$ 12,090,978</u>

**COMPONENT UNIT - SCHOOL BOARD:**

	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Repurchase Agreements	\$ -	\$ 615,022	\$ -	<u>\$ 615,022</u>

Reconciliation of Deposits and Investments to Exhibit 1:

Primary Government	\$ 12,090,978
Component Unit-School Board	615,022
Component Unit-Public Service Authority	1,669,973
Component Unit-Industrial Dev. Authority	<u>1,804,543</u>
 Per Exhibit 1	 <u>\$ 16,180,516</u>

**NOTE 3--PROPERTY TAXES RECEIVABLE:**

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on June 5th and December 5th. All other taxes are due on February 15th. The County bills and collects its own property taxes.

**NOTE 4--INTERFUND OBLIGATIONS:**

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General Fund	\$ 1,425,717	\$ 1,944,010
Sales Tax Fund	-	347,376
Component Unit - PSA	-	578,341
Component Unit - IDA	-	500,000
Component Unit - School Fund	<u>1,944,010</u>	<u>-</u>
 Totals	 <u>\$ 3,369,727</u>	 <u>\$ 3,369,727</u>

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
As of June 30, 2001

**NOTE 5-DUE FROM OTHER GOVERNMENTAL UNITS:**

	<u>Primary Government</u>		<u>Component Unit</u>	<u>Total</u>
	<u>General Fund</u>	<u>Fiduciary Funds</u>	<u>School Board</u>	
Commonwealth of Virginia:				
Non-categorical aid	\$ 49,821	\$ -	\$ -	\$ 49,821
School funds	-	-	109,947	109,947
VPA funds	70,558	-	-	70,558
CSA funds	50,431	-	-	50,431
State sales taxes	-	-	601,508	601,508
Local sales taxes	-	424,140	-	424,140
Federal government:				
VPA funds	124,619	-	-	124,619
School funds	-	-	175,836	175,836
Total	<u>\$ 295,429</u>	<u>\$ 424,140</u>	<u>\$ 887,291</u>	<u>\$ 1,606,860</u>

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

Undistributed local sales tax:

Town of Pulaski	\$ 50,022
Town of Dublin	11,834
City of Radford	<u>14,908</u>
Total	<u>\$ 76,764</u>

**NOTE 7--PROPRIETARY FIXED ASSETS:**

A summary of proprietary fund property, plant and equipment at June 30, 2001 follows:

	<u>Pulaski County Public Service Authority</u>	<u>Industrial Development Authority</u>
Land and land rights	\$ 127,700	\$ 526,835
Buildings	-	1,468,643
Water and sewer plant	28,578,852	-
Garbage collection equipment	<u>1,952,635</u>	<u>-</u>
	\$ 30,659,187	\$ 1,995,478
Less: accumulated depreciation	<u>(11,339,258)</u>	<u>-</u>
Net utility plant	<u>\$ 19,319,929</u>	<u>\$ 1,995,478</u>



COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
As of June 30, 2001

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**NOTE 9--PROPRIETARY DEBT: (Continued)**

*COMPONENT UNIT - PUBLIC SERVICE AUTHORITY: (Continued)*

Details of Long-term Indebtedness:

\$708,000 revenue bond issued April 26, 1976, for the Thorn Spring project, with combined payments of principal and interest at 5% totaling \$3,441 per month through April, 2016 .....	\$	431,561
\$181,500 revenue bond issued February 22, 1978, for the Morgan's Cut project, with combined payments of principal and interest at 5% totaling \$844 per month through February, 2018 .....		119,330
\$3,405,000 revenue bond issued April 19, 1978, for the County wide system project, with combined payments of principal and interest at 5% totaling \$16,855 per month through April, 2018 .....		2,296,904
\$1,925,800 revenue bond issued October 9, 1980, for the Draper's West project, with combined payments of principal and interest at 5% totaling \$9,456 per month through October, 2020 .....		1,397,700
\$306,400 revenue bond issued April 9, 1981, for the refuse equipment, with combined payments of principal and interest at 5% totaling \$1,480 per month through April 2021 .....		221,820
\$220,000 revenue bond issued May 18, 1992, for the Brookmont water project, with combined payments of principal and interest at 5% totaling \$1,072 per month through May, 2032 .....		198,638
\$212,367 revenue bond issued February 19, 1992, for the New River sewer project, with combined payments of principal and interest at 5% totaling \$1,044 per month through April, 2032 .....		192,870
\$98,860 revenue bond issued April 19, 1994, for the Schrader Hill project, with combined payments of principal and interest at 5% totaling \$449 per month through April, 2034 .....		91,688
\$130,000 VRA loan issued December 1, 1993, for the Schrader Hill project, maturing on December 1, 2023 with semi annual principal payments of \$12,319 .....		104,345



**COUNTY OF PULASKI, VIRGINIA**

**Notes to Financial Statements  
As of June 30, 2001**

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**NOTE 10--LONG-TERM OBLIGATIONS: (Continued)**

*PRIMARY GOVERNMENT: (Continued)*

Changes in Long-term Debt:

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2001:

	<u>Amount</u>
Long-term obligations payable at July 1, 2000	\$ <u>10,658,835</u>
Additions:	
Increase in landfill postclosure liability	\$ <u>113,693</u>
Retirements:	
Decrease in compensated absences	\$ 35,387
Retirement of indebtedness	<u>615,000</u>
Total retirements	\$ <u>650,387</u>
Long-term obligations payable at June 30, 2001	\$ <u><u>10,122,141</u></u>

Details of Long-term Indebtedness:

General Obligation Bonds:

Refunding Bond of \$3,390,000 issued August 20, 1998, with principal payments ranging from \$480,000 to \$615,000 due annually on May 15. Interest is due semi-annually on May 15 and November 15 at a rate of 4.33% per annum. ....

\$ 2,775,000

Note Payable:

\$1,215,000 Virginia Retirement System note payable for a shell building, issued August 2, 1996, maturing August 2, 2001 with interest payable at 6.14% .....

\$ 1,215,000

Compensated absences (Note 11) ..... \$ 604,485

Accrued landfill postclosure monitoring obligation (Note 23) ..... \$ 5,527,656

Total Long-Term Debt ..... \$ 10,122,141





**COUNTY OF PULASKI, VIRGINIA**

**Notes to Financial Statements  
As of June 30, 2001**

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**NOTE 10--LONG-TERM OBLIGATIONS: (Continued)**

*COMPONENT UNIT - SCHOOL BOARD: (Continued)*

Details of Long-term Indebtedness: (Continued)

Note Payable:

\$7,500,000 Temporary Note Payable issued on December 15, 2000 with interest payable each December 15 at a fixed rate of 3.00%. Principal portions of \$375,000 due each December 15 through 2020. ....	\$ <u>7,500,000</u>
Compensated absences (Note 11) .....	\$ <u>1,287,392</u>
Total Long-Term Debt .....	\$ <u>9,533,914</u>

**NOTE 11-COMPENSATED ABSENCES:**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

County employees earn vacation leave at the rate of one day for each month and sick leave at the rate of one and a quarter day for each month. No benefits or pay is received for unused sick leave upon termination. Accumulated vacation is paid upon termination. Accumulated vacation pay up to forty-two days is paid upon termination. The County primary government and component unit School Board have outstanding accrued vacation pay totaling \$604,485 and \$1,287,392 respectively in the General Long-term Obligation Account Group. The Pulaski County Public Service Authority had \$209,366 outstanding accrued vacation pay.

**NOTE 12--DEFINED BENEFIT PENSION PLAN:**

*COUNTY EMPLOYEES:*

Plan Description

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

## COUNTY OF PULASKI, VIRGINIA

### Notes to Financial Statements As of June 30, 2001

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#### NOTE 12--DEFINED BENEFIT PENSION PLAN:(Continued)

##### *COUNTY EMPLOYEES: (Continued)*

##### Plan Description (Continued)

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Participating local law enforcement officers, firefighters and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing the System at P.O. Box 2500, Richmond, VA 23218-2500.

##### 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 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 contribution rates for the fiscal year ended 2001 was 7.69% of annual covered payroll.

##### Annual Pension Cost

For fiscal year 2001, the County's annual pension cost of \$196,462 (does not include the employee share of \$365,170, which was assumed by the County) was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 1999 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases ranging between 4% and 6.15% per year, and (c) 3.5% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4%. The actuarial value of the County's 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. The County's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis within a period of 27 years or less.



## COUNTY OF PULASKI, VIRGINIA

### Notes to Financial Statements As of June 30, 2001

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#### **NOTE 13--DEFERRED REVENUE:**

##### Deferred Property Tax Revenue

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 \$1,628,971 is comprised of the following:

Deferred Property Tax Revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,511,223;

Prepaid Property Taxes due subsequent to June 30, 2001 but paid in advance by taxpayers totaled \$117,748.

#### **NOTE 14--ADVANCES TO VARIOUS AUTHORITIES:**

##### Pulaski County Service Authority:

Advances to the Pulaski County Public Service Authority amounted to \$578,341 at June 30, 2001 as follows: Initially, a \$179,599 advance was provided on October 9, 1980, bearing interest at the rate of five percent (5%) per annum and is payable on demand;

A \$76,400 advance, bearing same terms;

A \$50,000 advance, bearing same terms;

On March 27, 1985 \$150,000 was advanced for the purpose of satisfying escrow requirements of United States Financial Guaranty Insurance Company on the 1985 Series of Peppers Ferry Regional Waste Water Treatment Authority Revenue bonds. This advance was made with no repayment terms;

The remaining loan balance of \$122,342 is an interest free loan receivable in 360 monthly payments of \$1,667 which began on July 1, 1984. In November 1985, the monthly payment increased to \$1,879.

##### Pulaski County Industrial Development Authority:

During the fiscal year ended June 30, 1991, \$500,000 was advanced to the Industrial Development Authority for construction of a building for Renfro, Inc. said advance was made with no repayment terms or stated interest rate.

#### **NOTE 15--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 of this circular 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.

**COUNTY OF PULASKI, VIRGINIA**

**Notes to Financial Statements  
As of June 30, 2001**

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**NOTE 16--DESIGNATED AND RESTRICTED FUND EQUITY:**

Fund Equity has been designated and restricted as follows:

*PRIMARY GOVERNMENT:*

General Fund:

Designated for future capital outlay . . . . .	\$	4,706,514
Designated for general fund carryover . . . . .		143,230
Designated for social services carryovers . . . . .		37,000
Designated for school carryovers . . . . .		366,560
Designated for school construction . . . . .		<u>660,101</u>

Reserved for PSA and IDA advances . . . . .	\$	<u>1,078,341</u>
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Total reserved and designated fund balances		
Primary Government . . . . .	\$	<u><u>6,991,746</u></u>

*DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD:*

Special Revenue Funds:

School Fund:

Designated for operation of school cafeterias . . . . .	\$	<u><u>614,622</u></u>
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**NOTE 17--LEGAL COMPLIANCE:**

There were no excess of expenditures over appropriations for the fiscal year ended June 30, 2001.

**NOTE 18--DEFERRED COMPENSATION PLAN:**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the County of Pulaski and Public Employees Benefit Services Corporation (PebSCO).

The Plan, available to all full-time County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In compliance with revisions to Section 457 of the Internal Revenue Code, the assets are held for the exclusive benefit of County employees. Accordingly, assets and the resulting liabilities of the Deferred Compensation Plan are no longer recorded in the County's financial statements.

**NOTE 19--FUND BALANCE/RETAINED EARNINGS DEFICIT:**

*PRIMARY GOVERNMENT:*

The Internal Services Fund had a negative retained earnings balance and the County Capital Projects Fund had a negative fund balance.

**COUNTY OF PULASKI, VIRGINIA**

**Notes to Financial Statements  
As of June 30, 2001**

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**NOTE 20--ACCOUNTS RECEIVABLE:**

*COMPONENT UNIT - PUBLIC SERVICE AUTHORITY:*

Water and sewer	\$	307,527
Garbage		312,217
Other		75,854
Unbilled receivables		<u>356,495</u>
Sub-total	\$	1,052,093
Less: allowance for uncollectible accounts		<u>(372,289)</u>
Net accounts receivable	\$	<u><u>679,804</u></u>

**NOTE 21--RESTRICTED CASH:**

*COMPONENT UNIT:*

Public Service Authority:

Debt service reserves:

Pursuant to bond resolution, Pepper's Ferry Regional Waste Water Treatment Authority	\$	<u><u>304,236</u></u>
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**NOTE 22--LANDFILL CLOSURE:**

State and federal laws and regulations require the County to place a final cover on its Cloyd's Mountain landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure or until leachate ceases to exist. The County closed its landfill in 1989. \$5,527,656 is reported as landfill postclosure care liability at June 30, 2001. These amounts are based on what it would cost to perform all postclosure care in 2001. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 23--NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT (GASB):**

GASB has issued Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for state and local governments, which establishes specific standards for the basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information other than MD&A. This statement will become effective for the County in fiscal year 2003. Management has not yet determined the impact of this statement on the financial statements.





# COMBINING FINANCIAL STATEMENTS

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COUNTY OF PULASKI, VIRGINIA

FIDUCIARY FUNDS

Combining Balance Sheet  
At June 30, 2001

	Performance Bond <u>Fund</u>	Special Welfare <u>Fund</u>	Local Sales Tax <u>Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash	\$ 50,444	\$ 34,944	\$ 0	\$ 85,388
Due from other governmental units	0	0	424,140	424,140
Total assets	<u>\$ 50,444</u>	<u>\$ 34,944</u>	<u>\$ 424,140</u>	<u>\$ 509,528</u>
<b>LIABILITIES</b>				
Due to other governmental units	\$ 0	\$ 0	\$ 76,764	\$ 76,764
Due to other funds	0	0	347,376	347,376
Amounts held for others	50,444	34,944	0	85,388
Total liabilities	<u>\$ 50,444</u>	<u>\$ 34,944</u>	<u>\$ 424,140</u>	<u>\$ 509,528</u>









**SUPPORTING SCHEDULES**

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COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PRIMARY GOVERNMENT:</b>			
<b>General Funds:</b>			
<i>General Fund:</i>			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 7,300,000	\$ 7,403,503	\$ 103,503
Real and personal public service corporation taxes	450,000	530,876	80,876
Personal property taxes	3,328,281	3,328,281	0
Machinery and tools taxes	2,275,000	2,346,108	71,108
Merchants capital taxes	350,000	346,317	(3,683)
Mobile home taxes	60,000	51,165	(8,835)
Penalties	129,500	127,211	(2,289)
Interest	95,500	105,812	10,312
 Total general property taxes	 \$ 13,988,281	 \$ 14,239,273	 \$ 250,992
Other local taxes:			
Local sales and use tax	\$ 2,100,000	\$ 2,041,795	\$ (58,205)
Consumer's utility tax	1,050,000	1,016,562	(33,438)
Local consumption tax	100,000	159,537	59,537
Franchise license tax	50,000	47,755	(2,245)
Business licenses	0	8,483	8,483
Motor vehicle licenses	415,000	421,784	6,784
Meals tax	570,000	597,191	27,191
Bank stock tax	25,000	20,795	(4,205)
E-911 tax	140,000	96,736	(43,264)
Taxes on recordation and wills	75,000	97,644	22,644
Transient occupancy tax	250,000	170,008	(79,992)
 Total other local taxes	 \$ 4,775,000	 \$ 4,678,290	 \$ (96,710)
Permits, privilege fees and regulatory licenses:			
Animal licenses	\$ 26,000	\$ 21,768	\$ (4,232)
Land use application fees	1,000	807	(193)
Transfer fees	1,000	1,222	222
Erosion and sediment control permits	12,818	10,078	(2,740)
Zoning and subdivision permits	4,182	3,295	(887)
Building permits	85,000	98,128	13,128
 Total permits, privilege fees and regulatory licenses	 \$ 130,000	 \$ 135,298	 \$ 5,298
Fines & forfeitures:			
Court fines & forfeitures	\$ 15,000	\$ 38,019	\$ 23,019
Revenue from use of money and property:			
Revenue from use of money	\$ 150,000	\$ 640,646	\$ 490,646
Revenue from the use of property	35,380	0	(35,380)
 Total revenue from the use of money and property	 \$ 185,380	 \$ 640,646	 \$ 455,266

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PRIMARY GOVERNMENT: (Continued)</b>			
<b>General Funds: (Continued)</b>			
<i>General Fund: (Continued)</i>			
Revenue from local sources: (Continued)			
Charges for Services:			
Charges for law enforcement and traffic control	\$ 2,500	\$ 2,449	\$ (51)
Commonwealth's Attorney fees	1,700	2,280	580
Sale of maps and publications	1,700	1,311	(389)
Courthouse maintenance fees	20,000	23,800	3,800
Clerk's copy fees	6,000	2,212	(3,788)
Library fees	6,500	8,215	1,715
Law library fees	7,000	5,300	(1,700)
History book fees	0	1,022	1,022
Charges for animal control	6,000	4,469	(1,531)
Town tax book preparation	400	220	(180)
Other charges for services	0	4	4
Total charges for services	<u>\$ 51,800</u>	<u>\$ 51,282</u>	<u>\$ (518)</u>
Miscellaneous:			
Miscellaneous	\$ 1,800	\$ 92,264	\$ 90,464
Sale of property	4,620	80,000	75,380
Total miscellaneous	<u>\$ 6,420</u>	<u>\$ 172,264</u>	<u>\$ 165,844</u>
Recovered costs:			
Prisoners medical copayment	\$ 0	\$ 120	\$ 120
Town of Dublin-Recreation	25,000	0	(25,000)
Jury costs	12,000	23,460	11,460
Health department reimbursements	9,300	13,351	4,051
Town of Pulaski-reimbursements	22,000	28,439	6,439
Pulaski County PSA-reimbursements	103,547	63,000	(40,547)
Welfare reimbursements-supplies	39,450	3,151	(36,299)
City of Radford-landfill	18,200	14,362	(3,838)
Prisoner extradition	0	39,903	39,903
Resource officer	0	51,718	51,718
Court reporter	11,600	11,947	347
Giles County reimbursements	0	3,841	3,841
Seized property	0	7,940	7,940
New River Criminal Justice Academy	0	21,403	21,403
Emergency services	0	3,850	3,850
Other reimbursements	0	16,540	16,540
Total recovered costs	<u>\$ 241,097</u>	<u>\$ 303,025</u>	<u>\$ 61,928</u>
Total revenue from local sources	<u>\$ 19,392,978</u>	<u>\$ 20,258,097</u>	<u>\$ 865,119</u>

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>PRIMARY GOVERNMENT: (Continued)</b>			
<b>General Funds: (Continued)</b>			
<i>General Fund: (Continued)</i>			
Revenue from the Commonwealth:			
Non-categorical aid:			
ABC profits	\$ 60,000	\$ 48,320	\$ (11,680)
Wine taxes	30,000	26,782	(3,218)
Rolling stock tax	45,000	39,719	(5,281)
Motor vehicle rental tax	2,000	2,693	693
Mobile home titling taxes	200,000	118,781	(81,219)
Grantor's tax	0	35,546	35,546
Personal property tax relief	851,719	963,265	111,546
State recordation tax	100,000	70,815	(29,185)
 Total non-categorical aid	 \$ 1,288,719	 \$ 1,305,921	 \$ 17,202
Categorical aid:			
Shared expenses:			
Commonwealth's Attorney	\$ 358,261	\$ 353,330	\$ (4,931)
Sheriff	1,674,725	1,637,659	(37,066)
Commissioner of the Revenue	148,002	144,806	(3,196)
Treasurer	126,378	124,147	(2,231)
Medical Examiner	600	780	180
Registrar and Electoral Board	43,500	46,597	3,097
Clerk of the Circuit Court	283,485	300,967	17,482
 Total shared expenses	 \$ 2,634,951	 \$ 2,608,286	 \$ (26,665)
Other categorical aid:			
Public assistance and welfare administration	\$ 871,016	\$ 864,970	\$ (6,046)
Comprehensive Services Act	670,142	629,374	(40,768)
Library grant	138,949	138,879	(70)
Litter control	12,059	12,965	906
Department of environmental quality	0	1,556	1,556
Fire programs	29,400	31,953	2,553
Juvenile crime control	60,606	60,606	0
Victims assistance grant	0	20,064	20,064
Crime deterrence	40,420	44,014	3,594
DMV Grant	0	542	542
DJCP Crime Control Plan	0	310,486	310,486
Emergency services grant	18,500	0	(18,500)
DCJS Pretrial Services Grant	0	50,000	50,000
Arts grant	0	5,000	5,000
 Total other categorical aid	 \$ 1,841,092	 \$ 2,170,409	 \$ 329,317
 Total categorical aid	 \$ 4,476,043	 \$ 4,778,695	 \$ 302,652
 Total revenue from the Commonwealth	 \$ 5,764,762	 \$ 6,084,616	 \$ 319,854



COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>COMPONENT UNIT - SCHOOL BOARD</b>			
<b>Special Revenue Funds:</b>			
<i>School Fund:</i>			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the use of money	\$ 22,000	\$ 29,921	\$ 7,921
Revenue from the use of property	10,000	3,000	(7,000)
Total revenue from the use of money and property	<u>\$ 32,000</u>	<u>\$ 32,921</u>	<u>\$ 921</u>
Charges for services:			
Cafeteria sales	\$ 1,180,997	\$ 930,281	\$ (250,716)
Summer school fees	15,000	20,739	5,739
Substitute teacher fees	0	129,421	129,421
Tuition from private sources	0	10,304	10,304
Total charges for services	<u>\$ 1,195,997</u>	<u>\$ 1,090,745</u>	<u>\$ (105,252)</u>
Miscellaneous revenue:			
Miscellaneous	\$ 28,100	\$ 209,351	\$ 181,251
Recovered costs:			
Title I reimbursements	\$ 13,000	\$ 3,628	\$ (9,372)
School activity reimbursements	23,900	58,295	34,395
Governor's school	0	220,327	220,327
School nursing services	0	3,692	3,692
Comprehensive services reimbursement	0	85,479	85,479
Total recovered costs	<u>36,900</u>	<u>371,421</u>	<u>334,521</u>
Total revenue from local sources	<u>\$ 1,292,997</u>	<u>\$ 1,704,438</u>	<u>\$ 411,441</u>
Revenue from the Commonwealth:			
Categorical aid:			
Share of state sales and use taxes	\$ 3,560,021	\$ 3,484,925	\$ (75,096)
Basic school aid	10,327,859	10,273,866	(53,993)
Incentive payment	11,315	11,199	(116)
Enrollment loss	34,675	15,847	(18,828)
SOL teaching materials	33,789	33,695	(94)
Gifted and talented children	121,641	121,301	(340)
Special education	1,311,020	1,307,357	(3,663)
Reduced K-3 class sizes	381,071	369,634	(11,437)
Report card grant	0	2,196	2,196
Free/rental textbooks	206,959	206,380	(579)
Vocational education	475,139	470,113	(5,026)
Early reading intervention	76,555	34,206	(42,349)
Maintenance	50,684	50,542	(142)
Magnet school	0	221,218	221,218
Dropout prevention	68,483	68,483	0
GED funding	15,717	16,085	368

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>COMPONENT UNIT - SCHOOL BOARD (Continued)</b>			
<b>Special Revenue Funds:(Continued)</b>			
<i>School Fund: (Continued)</i>			
Revenue from the Commonwealth: (Continued)			
Categorical aid: (Continued)			
Foster children	\$ 7,392	\$ 0	\$ (7,392)
Homebound	36,029	70,013	33,984
Share of fringe benefits	1,348,671	1,319,368	(29,303)
School food	37,000	33,529	(3,471)
Remediation assistance	89,142	84,866	(4,276)
Remedial education	327,404	318,422	(8,982)
Teacher training	75,165	24,495	(50,670)
Additional teacher	145,762	147,219	1,457
Salary supplements	179,083	178,582	(501)
Lottery proceeds	656,862	654,555	(2,307)
School construction	350,544	348,462	(2,082)
General adult education	6,164	0	(6,164)
Technology payment	336,000	177,582	(158,418)
Administrative software	11,379	11,379	0
High school credit program	0	53,400	53,400
Composite index	62,510	62,510	0
At risk	293,499	291,174	(2,325)
 Total revenue from the Commonwealth	 \$ 20,637,534	 \$ 20,462,603	 \$ (174,931)
Revenue from the Federal Government:			
Categorical aid:			
Title I	\$ 727,213	\$ 751,607	\$ 24,394
Chapter II	35,292	37,437	2,145
Title VI	46,073	0	(46,073)
Title VI-B	542,502	477,848	(64,654)
Adult basic education	51,615	54,900	3,285
Vocational education	107,461	100,881	(6,580)
Forest reserve funds	8,000	15,142	7,142
School lunch	517,400	532,528	15,128
School breakfast	132,600	136,527	3,927
Summer feeding program	0	14,157	14,157
Drug free schools	18,474	17,876	(598)
Literacy challenge grant	0	58,525	58,525
Goals 2000	0	49,389	49,389
Education for economic security	0	9,416	9,416
School to work	0	36,568	36,568
IDEA grant	0	43,320	43,320
 Total revenue from the Federal Government	 \$ 2,186,630	 \$ 2,336,121	 \$ 149,491
 Total School Fund	 \$ 24,117,161	 \$ 24,503,162	 \$ 386,001

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Revenues-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Major and Minor Revenue Source</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>COMPONENT UNIT - SCHOOL BOARD (Continued)</i>			
<b>Capital Projects Funds:</b>			
<i>School Construction Fund:</i>			
Revenue from local sources:			
Revenue from the use of money and property:			
Revenue from the money	\$ 0	\$ 164,136	\$ 164,136
	<hr/>	<hr/>	<hr/>
Revenue from the Commonwealth:			
Categorical aid:			
Literary fund subsidy	\$ 0	\$ 130,109	\$ 130,109
	<hr/>	<hr/>	<hr/>
Total School Construction Fund	\$ 0	\$ 294,245	\$ 294,245
	<hr/>	<hr/>	<hr/>
 Grand Total Revenues-Component Unit-School Board	 \$ 24,117,161	 \$ 24,797,407	 \$ 680,246
	<hr/>	<hr/>	<hr/>







COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Expenditures-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Function, Activity and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>PRIMARY GOVERNMENT: (Continued)</b>			
<b>General Funds: (Continued)</b>			
<i>General Fund: (Continued)</i>			
Parks, Recreation and Cultural: (Continued)			
Library:			
Library	\$ 470,432	\$ 543,979	\$ (73,547)
Total Parks, Recreation and Cultural	<u>\$ 896,240</u>	<u>\$ 839,076</u>	<u>\$ 57,164</u>
Planning and Community and Development:			
Planning	\$ 69,559	\$ 67,968	\$ 1,591
Economic Development	55,075	74,285	(19,210)
Community Development	0	6,226	(6,226)
Chamber of Commerce	10,000	10,000	0
New River Highlands	700	700	0
New River Planning District	17,319	17,319	0
Industrial Park Maintenance	10,000	4,939	5,061
Total Planning and Community Development	<u>\$ 162,653</u>	<u>\$ 181,437</u>	<u>\$ (18,784)</u>
Environmental Management:			
Skyline Soil Conservation	\$ 4,542	\$ 4,542	\$ 0
Cooperative Extension Program:			
VPI Extension Office	\$ 93,589	\$ 79,015	\$ 14,574
Total Community Development	<u>\$ 260,784</u>	<u>\$ 264,994</u>	<u>\$ (4,210)</u>
Total General Fund	<u>\$ 13,180,113</u>	<u>\$ 13,576,663</u>	<u>\$ (396,550)</u>
<b>Capital Project Fund:</b>			
<i>Capital Improvements Fund:</i>			
Capital Projects	\$ 1,491,250	\$ 6,049,575	\$ (4,558,325)
Debt Service:			
Principal of Bonds	\$ 1,118,779	\$ 615,000	\$ 503,779
Interest on Bonds and other Debt Service Costs	271,008	149,119	121,889
Total Debt Service	<u>\$ 1,389,787</u>	<u>\$ 764,119</u>	<u>\$ 625,668</u>
Total Capital Improvements Fund	<u>\$ 2,881,037</u>	<u>\$ 6,813,694</u>	<u>\$ (3,932,657)</u>
Grand Total Expenditures, Primary Government	<u>\$ 16,061,150</u>	<u>\$ 20,390,357</u>	<u>\$ (4,329,207)</u>

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT SCHOOL BOARD

Schedule of Expenditures-Budget and Actual  
Year Ended June 30, 2001

<u>Fund, Function, Activity and Element</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>COMPONENT UNIT - SCHOOL BOARD</b>			
<b>Special Revenue Funds:</b>			
<i>School Fund:</i>			
Education:			
Administration of Schools	\$ 1,312,895	\$ 1,509,098	\$ (196,203)
Instruction Costs:			
Instructional Costs	\$ 25,597,542	\$ 26,002,023	\$ (404,481)
Operating Costs:			
Pupil Transportation	\$ 1,320,136	\$ 1,375,426	\$ (55,290)
School Food	1,894,997	1,703,685	191,312
Operation and Maintenance of School Plant	2,967,155	3,506,343	(539,188)
Total Operating Costs	\$ 6,182,288	\$ 6,585,454	\$ (403,166)
Total Education	\$ 33,092,725	\$ 34,096,575	\$ (1,003,850)
Capital Projects			
Facilities	\$ 693,975	\$ 1,335,673	\$ (641,698)
Total School Fund	\$ 33,786,700	\$ 35,432,248	\$ (1,645,548)
<b>Capital Projects Funds:</b>			
<i>School Construction Fund:</i>			
Capital Projects	\$ 0	\$ 131,548	\$ (131,548)
Debt Service:			
Principal of Bonds	\$ 0	\$ 6,500,000	\$ (6,500,000)
Interest on Bonds and other Debt Service Costs	0	114,367	(114,367)
Total Debt Service	\$ 0	\$ 6,614,367	\$ (6,614,367)
Total School Construction Fund	\$ 0	\$ 6,745,915	\$ (6,745,915)
Grand Total Expenditures- Component Unit-School Board	\$ 33,786,700	\$ 42,178,163	\$ (8,391,463)

**COUNTY OF PULASKI, VIRGINIA**

**Statement of the Treasurer's Accountability  
At June 30, 2001**

**Assets held by the Treasurer:**

Cash on hand	\$	1,290
Petty cash		330
Cash in banks:		
Checking:		
First Union:		
River Bend		8,973
Premier Bank:		
General (reconciled overdraft)		(2,114,260)
Certificates of Deposit		
Community National Bank		1,371,982
First Virginia Bank		3,000,000
First National Bank		1,000,000
Investments:		
Local Government Investment Pool		2,985,710
SNAP		4,172
Repurchase Agreements:		
Community National Bank		8,611,910
Total assets	\$	<u>14,870,107</u>

**Liabilities of the Treasurer:**

Balance of County funds (Schedule 4)	\$	14,510,543
Regional Emergency Medical Services, Inc. (Schedule 5)		362,046
Current Debit Account		(2,482)
Total Liabilities	\$	<u>14,870,107</u>

Note: This schedule is recorded on a cash basis. Assets and liabilities reflected in the other supplementary data and basic financial statements are recorded on the accrual and/or modified accrual basis, except as otherwise noted.



**COUNTY OF PULASKI, VIRGINIA**

**Statement of the Treasurer's Accountability to Regional Emergency  
Medical Services, Incorporated (REMSI)  
Year Ended June 30, 2001**

Balance July 1, 2000	\$ 369,303
Receipts:	
Revenue from local governments	209,176
Membership Fees	55,390
Patient fees	498,589
Revenue from the Commonwealth of Virginia	15,707
Miscellaneous donations	11,071
Other	2,632
Total receipts	\$ 792,565
Disbursements:	
Warrants issued	\$ 799,822
Balance June 30, 2001	\$ 362,046

These receipts and disbursements are recorded on a cash basis.

**COUNTY OF PULASKI, VIRGINIA**

**Statement of the Treasurer's Accountability to the Commonwealth  
Year Ended June 30, 2001**

	Balance July 1, <u>2000</u>	<u>Receipts</u>	<u>Remittances</u>	Balance June 30, <u>2001</u>
<b>2001 Taxes:</b>				
Estimated income taxes	\$ 0	\$ 473,041	\$ 473,041	\$ 0
<b>2000 Taxes:</b>				
Taxable year income taxes	0	814,121	814,121	0
Estimated income taxes	12,346	649,898	662,244	0
<b>1999 Taxes:</b>				
Taxable year income taxes	719	78,268	78,987	0
<b>Other Collections:</b>				
Penalty	34	3,068	3,102	0
Interest	3	408	411	0
Sheriff's fees	0	35,214	35,214	0
<b>Total</b>	<u>\$ 13,102</u>	<u>\$ 2,054,018</u>	<u>\$ 2,067,120</u>	<u>\$ 0</u>

These receipts and disbursements are recorded on a cash basis.

**COUNTY OF PULASKI, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Funding Progress for**  
**Defined Pension Benefit Plan**  
**Year Ended June 30, 2001**

**A. COUNTY EMPLOYEES**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 1996	\$ 12,568,140	\$ 12,717,263	\$ 149,123	98.83%	\$ 5,129,842	2.91%
June 30, 1998	\$ 17,520,709	\$ 16,680,706	\$ (840,003)	105.04%	\$ 5,982,695	-14.04%
June 30, 1999	\$ 20,376,990	\$ 18,493,251	\$ (1,883,739)	110.19%	\$ 6,226,051	-30.26%
June 30, 2000	\$ 23,794,948	\$ 19,858,219	\$ (3,936,729)	119.82%	\$ 7,014,923	-56.12%

**Pension Cost Trend Information**  
**Year Ended June 30, 2001**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1998	\$ 801,993	100%	\$ 0
June 30, 1999	\$ 766,590	100%	\$ 0
June 30, 2000	\$ 808,766	100%	\$ 0
June 30, 2001	\$ 561,631	100%	\$ 0

**B. SCHOOL BOARD EMPLOYEES - NON-PROFESSIONAL**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 1996	\$ 3,034,458	\$ 3,325,324	\$ 290,866	91.25%	\$ 1,185,460	24.54%
June 30, 1998	\$ 4,081,695	\$ 4,235,099	\$ 153,404	96.38%	\$ 1,330,416	11.53%
June 30, 1999	\$ 4,614,073	\$ 4,379,390	\$ (234,683)	105.36%	\$ 1,292,279	-18.16%
June 30, 2000	\$ 5,257,394	\$ 4,320,249	\$ (937,145)	121.69%	\$ 1,450,731	-64.60%

**Pension Cost Trend Information**  
**Year Ended June 30, 2001**

*COMPONENT UNIT - SCHOOL BOARD:*

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1998	\$ 131,566	100%	\$ 16,641
June 30, 1999	\$ 141,122	100%	\$ 28,496
June 30, 2000	\$ 158,137	100%	\$ 35,408
June 30, 2001	\$ 127,871	100%	\$ 91,046

COUNTY OF PULASKI, VIRGINIA

GOVERNMENTAL REVENUES BY SOURCE (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
1991-92	\$ 8,809,480	\$ 3,116,397	\$ 84,785	\$ 11,108	\$ 467,131	\$ 923,068	\$ 220,136	\$ 566,920	\$ 20,802,209	\$ 35,001,234
1992-93	9,244,558	3,208,425	83,679	12,621	355,919	867,530	193,785	739,048	21,168,188	35,873,753
1993-94	9,558,371	3,392,102	96,757	16,636	324,760	906,157	353,929	675,256	20,671,651	35,995,619
1994-95	10,275,269	3,624,547	110,225	12,417	454,342	991,850	203,636	717,674	22,684,395	39,074,355
1995-96	11,128,680	3,608,249	104,067	10,085	426,346	972,202	205,408	608,574	22,931,872	39,995,483
1996-97	11,831,246	3,733,762	114,058	15,823	533,078	914,100	224,051	748,933	24,904,799	43,019,850
1997-98	12,743,838	3,875,764	123,981	26,146	568,071	1,058,113	206,707	701,142	25,300,597	44,604,359
1998-99	13,456,639	4,080,244	141,220	25,315	914,904	1,182,938	502,028	1,411,420	28,568,410	50,283,118
1999-00	13,260,604	4,542,349	123,444	31,285	671,504	1,124,342	417,522	1,360,291	29,627,199	51,158,540
2000-01	14,239,273	4,678,290	135,298	38,019	837,703	1,142,027	381,615	674,446	30,909,876	53,036,547

Note: (1) Includes General and Discretely Presented Component Unit School Board. (exclusive of Capital Projects)

GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
Last Ten Fiscal Years

Fiscal Year	General Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation & Culture	Community Development	Debt Service(2)	Total
1991-92	\$ 1,137,440	\$ 400,909	\$ 3,046,654	\$ 638,965	\$ 2,729,296	\$ 23,645,139	\$ 420,192	\$ 113,935	\$ 1,079,685	\$ 33,212,215
1992-93	1,165,689	420,960	3,219,689	705,276	2,837,084	24,099,512	490,137	142,483	1,263,049	34,343,879
1993-94	1,152,492	503,663	3,292,073	680,556	2,751,518	25,058,796	442,211	131,647	1,102,392	35,115,348
1994-95	1,219,838	642,635	3,310,842	682,927	3,019,460	25,613,409	441,290	135,835	741,595	35,807,831
1995-96	1,299,768	680,473	3,389,456	732,907	3,188,926	26,898,070	488,580	146,958	738,770	37,563,908
1996-97	1,336,446	694,099	3,478,996	699,873	3,565,819	27,858,782	578,680	182,371	318,674	38,713,740
1997-98	1,381,513	742,788	4,060,438	730,075	4,290,272	29,294,776	588,213	210,271	354,925	41,653,271
1998-99	1,494,837	769,614	4,150,915	767,231	4,412,173	29,556,247	629,655	204,879	1,700,886	43,686,437
1999-00	1,569,733	843,389	3,912,238	943,359	4,638,541	32,006,561	679,843	239,358	1,391,790	46,224,812
2000-01	1,515,680	915,141	4,404,944	885,355	4,736,900	34,111,148	839,076	264,994	7,378,486	55,051,724

Note (1): Includes General and Discretely Presented Component Unit School Board. (exclusive of Capital Projects)

Note (2): For fiscal year 2001, the School Board refunded \$6,500,000 in bonds.







# COMPLIANCE

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This report is intended for the information of management, the County's Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified users. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Salmer, Co Associates*

Radford, Virginia

October 5, 2001

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER FINANCIAL REPORTING IN ACCORDANCE WITH OMB CIRCULAR A-133

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### TO THE MEMBERS OF THE BOARD COUNTY OF PULASKI PULASKI, VIRGINIA

#### Compliance

We have audited the compliance of the County of Pulaski 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 its major federal programs for the year ended June 30, 2001. The County's major federal programs are identified in the summary of auditor's results section in the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the County's major federal assistance programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County of Pulaski, complied in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2001.

#### Internal Control Over Compliance:

The management of the County of Pulaski 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 our audit, we 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 our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants 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. We noted no matters

involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the County's Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified users. However, this report is a matter of public record and its distribution is not limited.

*Robinson, Farmer, & Associates*

Radford, Virginia

October 5, 2001



**COUNTY OF PULASKI, VIRGINIA**

**Schedule of Expenditure of Federal Awards  
Year Ended June 30, 2001**

<u>Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number</u>	<u>Federal Catalogue Number</u>	<u>Federal Disbursements</u>
<b>DEPARTMENT OF JUSTICE:</b>		
Pass Through Payments:		
Department of Criminal Justice Services:		
Drug Control and System Improvement Grant	16.579	\$ 19,785
COPS Grant	16.710	80,252
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Total Department of Justice		\$ 100,037
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<b>DEPARTMENT OF TRANSPORTATION:</b>		
Pass Through Payments:		
Department of Motor Vehicles:		
State and Community Highway Safety	20.600	\$ 4,560
BAC Incentive	20.605	5,702
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Total Department of Transportation		\$ 10,262
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<b>FEDERAL EMERGENCY MANAGEMENT AGENCY:</b>		
Pass Through Payments:		
Department of Emergency Services:		
Emergency Management Preparedness Grant	83.552	\$ 14,982
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<b>DEPARTMENT OF EDUCATION:</b>		
Pass Through Payments:		
<i>Department of Education:</i>		
Education Consolidation and Improvement Act of 1981:		
Adult Education	84.002	\$ 54,900
Title I:		
Financial Assistance to Meet Special Educational Needs of Disadvantaged Children - Programs Operated by Local Education Agencies	84.010	751,607
Chapter II:		
Improving School Programs State Block Grant	84.151	0
Title II-D and E Projects	84.298	37,437
Title VI-B:		
Assistance to States for Education of Handicapped Children:		
Handicapped Preschool and School Programs	84.027	477,848
Preschool Grant	84.173	43,320
Vocational Education:		
Basic Grants to States	84.048	100,881
Special Projects:		
Goals 2000	84.276	49,389
Literacy Challenge Grant	84.318	58,525
Drug Free Schools and Communities	84.186	17,876
Education for Economic Security	84.281	9,416
		<hr/>
Total Department of Education		\$ 1,601,199
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**COUNTY OF PULASKI, VIRGINIA**

**Schedule of Expenditure of Federal Awards  
Year Ended June 30, 2001**

<u>Federal Granting Agency/ Recipient State Agency/ Grant Program/Grant Number</u>	<u>Federal Catalogue Number</u>		<u>Federal Disbursements</u>
<b>DEPARTMENT OF LABOR:</b>			
Pass Through Payments:			
<i>Department of Education:</i>			
School to Work Program	17.249	\$	36,568
Total Federal Financial Assistance		\$	5,991,947

**NOTE A--BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pulaski County, Virginia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B-- FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2001, the Pulaski County School Board had food commodities totaling \$9,419 in inventory.

**NOTE C-- FOOD STAMP DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the food stamps received and disbursed. At June 30, 2001, the Pulaski County Department of Social Services had food stamps totaling \$460,498 in inventory.

