

**COUNTY OF PULASKI, VIRGINIA**  
**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2008**

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**County of Pulaski, Virginia  
Annual Financial Report  
Fiscal Year Ended June 30, 2008**

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**COUNTY OF PULASKI, VIRGINIA**

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**Board of Supervisors**

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Frank R. Conner  
Charles R. Bopp

Joseph L. Sheffey, Chair

Ranny L. Akers  
Dean K. Pratt

Gena Hanks, Clerk

**County School Board**

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John Wenrich  
Jeff Bain

Paul Phillips, Chair

Rodell Cruise  
Pamela Chitwood

Jean Cox, Clerk

**Social Services Board**

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Jack White  
Joseph L. Sheffey

Ronald Chaffin, Chair

Jeanne Whitman  
Rev. Vicki Houk

Faith Chumbley, Clerk

**Library Board**

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Judy Barr  
Angie Hall  
Mason Vaughan, Jr.  
Sandy Smith

Jill Sandidge, Chair

Phillip Baker  
Marva Hickman  
Don Fariss  
Donald Stowers

Dorothy Ogburn, Librarian

# COUNTY OF PULASKI, VIRGINIA

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## Other Officials

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Judge of the Circuit Court..... R. W. Grubbs  
Judge of the Circuit Court..... C. R. Gibb  
Judge of the Circuit Court..... Josiah T. Showalter, Jr  
Judge of the Circuit Court..... Brett L. Geisler  
Judge of the Circuit Court..... Robert M.D. Turk  
Clerk of the Circuit Court..... Maetta H. Crewe  
Judge of the General District Court..... R. G. Lookabill  
Judge of the General District Court..... Edward M. Turner, III  
Judge of the General District Court..... Randal J. Duncan  
Judge of the General District Court..... J.D. Bolt  
Judge of the General District Court..... Gino W. Williams  
Judge of the Juvenile and Domestic Relations Court..... Howard L. Chitwood  
Judge of the Juvenile and Domestic Relations Court..... Robert C. Viar, Jr  
Judge of the Juvenile and Domestic Relations Court..... M. Keith Blankenship  
Judge of the Juvenile and Domestic Relations Court..... Marcus H. Long, Jr  
Commonwealth's Attorney..... K. Mike Fleenor  
Commissioner of the Revenue..... Trina Rupe  
Treasurer..... Melinda Worrell  
Sheriff..... James A. Davis  
Superintendent of Schools..... Donald Stowers

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Director of Social Services..... James C. Wallis  
County Administrator..... Peter M. Huber  
County Attorney..... Thomas J. McCarthy, Jr

## **FINANCIAL SECTION**

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Independent Auditors' Report

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### THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF PULASKI, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Pulaski, Virginia's management. Our responsibility is to express opinions 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of June 30, 2008, and the respective changes in

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009, on our consideration of the County of Pulaski, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis, the budgetary comparison information and the Schedule of Funding Progress Defined Benefit Plan as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

*Robinson, Fauser, Cox Associates*

Christiansburg, Virginia  
March 16, 2009

**COUNTY OF PULASKI, VIRGINIA**  
Management's Discussion and Analysis

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The discussion and analysis of the Pulaski County finances for the fiscal year ending June 30, 2008 (FY08) is offered as a way to broaden understanding of the County finances and the impact of those finances on services provided to Pulaski County residents. This report should be read in conjunction with the County's financial statements, which follow this section. By GASB 34 accounting standards, this report includes all County government functions including the Board of Supervisors, Discretely Presented Component Units School Board, Pulaski County Public Service Authority (PSA) and the Industrial Development Authority of Pulaski County (IDA).

**Financial Highlights for Fiscal Year 2007-08**

- Total net assets value of the primary government was \$36.4 million at the end of FY08 based on total assets of \$80.6 million and total liabilities of \$44.2 million (Exhibit 1). As noted in Exhibit 1, these liabilities include total payout of long-term debt associated with school construction and remodeling, lease purchase agreements, landfill post-closure monitoring costs and compensated absences while the total assets reflect the depreciated value of existing county owned facilities.
- For FY08 combined program and general revenues of \$41.5 million exceeded primary government expenses of \$37.2 million by approximately \$4.3 million (Exhibit 2). The increase in net assets is explained in the Statement of Activities analysis of the Financial Analysis of the County as a Whole section on page 7.
- As described in Exhibit 11, total general fund revenues were \$2.2 million or 7.1% more than the budgeted \$39.7 million revenue estimate while expenditures were \$8.5 million, or 18.1% less than the \$47.1 million budgeted expenditures (including transfers). Most of the revenue difference can be explained by increases in local sales tax, telecommunication tax, and restaurant food tax, interest income or revenue from the use of money, and an increase in funds from the Commonwealth of Virginia. On the expenditure side a large portion of the difference can be explained through the unused portion of the contribution to the School Board and amounts unused in the transfer to the County CIP fund. It should be noted that this statement is on the budgetary (cash) basis and most of the unused amounts were designated to carry forward to fiscal year ending June 30, 2009 (FY09). The combined effect of these trends is that the general fund balance increased by \$11.3 million on the budgetary basis.
- The County's total outstanding debt for school improvements, school construction, economic development, compensated absences and landfill monitoring increased by \$5.6 million from \$32.9 million on July 1, 2008 to \$38.5 million on June 30, 2008 (Note 7). In addition, more than \$6.5 million was invested in various capital improvements, which can be attributed to the new Riverlawn Elementary School (Exhibit 11).
- As described in Note 15, the undesignated fund balance as of June 30, 2008 for the primary government/general fund was \$18.4 million, or 19.4% of FY08 total County General and CIP funds and Component Unit, School Board operating expenditures in the amount of \$95 million. The Board of Supervisors has historically maintained an undesignated general fund balance of at least 10% of general, special revenue and component unit fund expenditures in order to ensure adequate cash flow throughout the budget cycle and in accordance with good management practices.
- As described in Exhibit 5, the general fund balance increased by approximately \$3.9 million. That amount is explained further in the Analysis of the County Funds section on page 11.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County of Pulaski's basic financial statements which comprise three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the County is improving or deteriorating when considering both financial condition and physical assets.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, judicial administration, public safety, public works, health and welfare, education, parks, recreation and cultural, and community development. Business-type activities include the operation of the water, sewer and refuse services by the Public Service Authority; and leasing of industrial buildings by the Industrial Development Authority.

The government-wide financial statements include the County (known as the *primary government*), as well as funds of the Pulaski County School Board, the Pulaski County Public Service Authority and the Industrial Development Authority of Pulaski County (known as the *component units*). Financial information for component units are reported separately from the financial information presented for the primary government.

### **Fund Financial Statements**

Traditional users of governmental financial statements will find this portion of the audit report more familiar. The focus of this section of the audit report is on the County's most significant funds, and the fund financial statements provide more information about these funds – not the County as a whole.

The County has three kinds of funds:

**Governmental funds** – Most of the County's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year end that are available for spending. Consequently, the governmental funds statements report financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in separate exhibits (4&6) that explains the relationship (or difference) between them.

**COUNTY OF PULASKI, VIRGINIA**  
**Management's Discussion and Analysis (continued)**

Proprietary funds – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported utilizing the full accrual accounting method as are all activities reported in the Statement of Net Assets and Statement of Activities. The County's Internal Service Fund, one type of proprietary fund, is the same as the government-wide business-type activities; however, the fund financial statements provide more detail and additional information, such as cash flows. The County's proprietary funds include the Pulaski County Public Service Authority, the Industrial Development Authority of Pulaski County and the Internal Service Fund.

Fiduciary funds – The County is the trustee, or fiduciary, for the County's agency funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. The County's fiduciary funds include special welfare, performance bond, the employee flexible benefits and local sales tax funds.

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

Required supplementary information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary comparisons and progress in funding its obligation to provide pension benefits to its employees.

**Financial Analysis of the County as a Whole**

A comparative analysis of government-wide information is as follows:

**Summary of Net Assets:**

Details in the government-wide financial statements for FY08 can be found in Exhibit 1. The following table reflects the condensed Statement of Net Assets (in millions) comparing FY08 to FY07.

**Summary of Net Assets:**

	Total Primary Government		Component Unit School Board	
	2008	2007	2008	2007
Current and other assets	\$ 39.5	\$ 38.3	\$ 4.3	\$ 4.4
Capital assets, net	41.2	30.3	6.4	5.9
<b>Total assets</b>	<b>\$ 80.7</b>	<b>\$ 68.6</b>	<b>\$ 10.7</b>	<b>\$ 10.3</b>
Other liabilities	\$ 5.7	\$ 3.6	\$ 4.4	\$ 3.9
Long term liabilities	38.5	32.9	1.4	1.6
<b>Total liabilities</b>	<b>\$ 44.2</b>	<b>\$ 36.5</b>	<b>\$ 5.8</b>	<b>\$ 5.5</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	\$ 14.4	\$ 14.7	\$ 6.3	\$ 5.9
Restricted	0.0	0.0	-	-
Unrestricted	22.0	17.4	(1.4)	(1.1)
<b>Total net assets</b>	<b>\$ 36.4</b>	<b>\$ 32.1</b>	<b>\$ 4.9</b>	<b>\$ 4.8</b>

**COUNTY OF PULASKI, VIRGINIA**  
Management's Discussion and Analysis (continued)

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The County's combined net assets increased from \$32.1 million to \$36.4 million as explained in the Statement of Activities section below. Unrestricted net assets, the portion of net assets that can be used to finance the day-to-day activities of the County, totaled \$22.0 million. Net assets invested in capital assets, net of related debt, represents the amount of capital assets owned by the County and total \$14.4 million. Net assets are reported as restricted when contributions are restricted to the investment for

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creditors, grantors, contributors, regulators, or imposed by law through constitutional provisions or enabling legislation. Seized asset funds are restricted so that they can be used for specific law enforcement purposes. Governmental net assets increased by \$0.9 million, from 4.7 million in FY07 to

**COUNTY OF PULASKI, VIRGINIA**  
**Management's Discussion and Analysis (continued)**

**Component Unit-School Board:**  
**Changes in Capital Assets:**

	Balance, June 30, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2008</u>
<b>Non-Depreciable Assets:</b>				
Land	\$ 0.6	\$ 0.0	\$ 0.0	\$ 0.6
Construction in Progress	0.0	0.0	0.0	0.0
<b>Other Capital Assets:</b>				
Buildings and systems	17.4	0.7	0.0	18.1
Machinery and Equipment	5.0	0.4	0.0	5.4
Accumulated Depreciation	(17.0)	(0.7)	0.0	(17.7)
<b>Totals</b>	<b>\$ 6.0</b>	<b>\$ 0.4</b>	<b>\$ 0.0</b>	<b>\$ 6.4</b>

Major projects that continued into FY08 included the construction on the new Riverlawn Elementary School. The amount of the additions related to this project was \$1.6 million, including \$0.7 million in land acquisition and \$0.9 in construction in progress in FY07 and 12 million in FY08. These amounts are part of the Primary Government's capital assets because long-term debt financed these additions.

Additional detailed capital asset information can be found in Note 11 in the "Notes to Financial Statements" section of the report.

**Long-Term Debt**

The following table displays the County and Schools (Component Unit) Outstanding Debt at June 30, 2008, in millions of dollars:

	Primary Government		Component Unit School Board	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$ 10.9	\$ 11.6	\$ -	\$ -
Literary Loans	4.9	5.3	-	-
Lease Revenue Note	21.2	14.3	-	-
Capital Leases	0.5	0.7	-	-
Landfill Post Closure Liability	0.3	0.4	-	-
Compensated Absences	0.7	0.6	1.4	1.6
<b>Total</b>	<b>\$ 38.5</b>	<b>\$ 32.9</b>	<b>\$ 1.4</b>	<b>\$ 1.6</b>

Long-term debt obligations increased by \$5.6 million in FY08. The increase is due to the addition of debt related to the new Riverlawn Elementary School. Additional detailed information on long-term debt activity can be found in Note 7 in the "Notes to Financial Statements" section of the report.

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**COUNTY OF PULASKI, VIRGINIA**  
**Management's Discussion and Analysis (continued)**

**Statement of Activities:**

The following comparative table shows the revenues and expenses of the governmental activities for FY08 and the fiscal year ended June 30, 2007(FY07) (in millions):

Summary of Activities:	Total Primary Government		Component Unit School Board	
	2008	2007	2008	2007
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 0.5	\$ 0.6	\$ 1.1	\$ 1.1
Operating grants and contributions	11.4	10.3	32.7	32.7
Capital grants and contributions	0.0	0.1	0.2	0.2
<b>General Revenues:</b>				
General property taxes	19.5	18.8	0.0	0.0
Other local taxes	6.7	6.6	0.0	0.0
Other	3.4	3.1	0.1	0.3
Payments from County	0.0	0.0	10.7	10.5
<b>Total Revenues</b>	<b>\$ 41.5</b>	<b>\$ 39.5</b>	<b>\$ 44.8</b>	<b>\$ 44.8</b>
<b>Expenses:</b>				
General government	\$ 2.2	\$ 2.1	\$ -	\$ -
Judicial administration	1.3	1.2	-	-
Public safety	7.4	7.3	-	-
Public works	0.2	0.7	-	-
Health and welfare	9.7	8.6	-	-
Education	12.0	10.5	44.6	44.7
Parks, recreation and cultural	1.4	1.4	-	-
Community development	1.6	1.0	-	-
Interest on long term debt	1.4	0.8	-	-
<b>Total Expenses</b>	<b>\$ 37.2</b>	<b>\$ 33.6</b>	<b>\$ 44.6</b>	<b>\$ 44.7</b>
<b>Changes in Net Assets:</b>	<b>4.3</b>	<b>5.9</b>	<b>0.2</b>	<b>0.1</b>
Transfers	0.0	0.0	0.0	0.0

**COUNTY OF PULASKI, VIRGINIA**  
**Management's Discussion and Analysis (continued)**

**Expenses**

For FY08, expenses for governmental activities totaled \$37.2 million an increase of \$3.6 million over the prior year. Health and Welfare, Education, and Community development saw significant increases during FY08.

Education is a very high priority in the Pulaski County; consequently the Board of Supervisors contributed \$10.7 million to the operation of the Pulaski County schools excluding debt service costs for the construction of a new school. This accounts for more than 28% of the County's total expenses. It should also be noted that the Board of Supervisors has carried over any unused portion of the FY08 contribution to FY09 to use towards School operations.

**Financial Analysis of the County's Funds**

For FY08, the governmental funds reflect a combined fund balance of \$33.2 million, a decrease of \$1.2 million from FY07. Of the \$1.2 million decrease, a \$5.2 million decrease can be attributed to the school construction fund for construction of Riverlawn Elementary School and its corresponding debt, while the general fund's increase was \$4.0 million. The following table shows a comparison between the fiscal year ended June 30, 2007 amounts to the FY 2008 amounts for the general fund.

**Statement of Revenues, Expenditures and Changes in Fund Balance**

	<b>General Fund</b>		
	<b>2008</b>	<b>2007</b>	<b>Change</b>
<b>Revenues:</b>			
General Property Taxes	\$ 19.2	\$ 18.8	\$ 0.4
Other Local Taxes	6.8	6.6	0.2
Permits, Privilege Fees and Regulatory Licenses	0.7	0.1	0.6
Fines and Forfeitures	0.0	0.0	0.0
Revenue from Use of Money and Property	1.0	0.8	0.2
Charges for Services	0.5	0.5	0.0
Miscellaneous	0.0	0.1	(0.1)
Recovered Costs	0.4	0.5	(0.1)
Revenue from the Commonwealth	10.2	9.1	1.1
Revenue from the Federal Government	3.1	3.1	0.0
<b>Total Revenues</b>	<b>\$ 41.9</b>	<b>\$ 39.6</b>	<b>\$ 2.3</b>
<b>Expenditures:</b>			
General Government Administration	\$ 2.0	\$ 1.9	\$ 0.1
Judicial Administration	1.3	1.3	0.0
Public Safety	6.6	6.8	(0.2)
Public Works	1.0	1.1	(0.1)
Health and Welfare	9.7	8.5	1.2
Education	10.7	9.6	1.1
Parks, Recreation and Cultural	1.3	1.3	0.0
Community Development	1.6	0.9	0.7
Principal	1.3	1.2	0.1
Interest	1.4	0.8	0.6
<b>Total Expenditures</b>	<b>\$ 36.9</b>	<b>\$ 33.4</b>	<b>\$ 3.5</b>
Excess	5.0	6.2	(1.2)
Other Financing Sources (Uses)	(1.0)	(1.3)	0.3
<b>Net Change in Fund Balance</b>	<b>4.0</b>	<b>4.9</b>	<b>(0.9)</b>
Fund Balance, Beginning of Year	20.3	15.4	4.9
<b>Fund Balance End of Year</b>	<b>\$ 24.3</b>	<b>\$ 20.3</b>	<b>\$ 4.0</b>

The increase in general property taxes of \$0.4 million can be attributed to an increase in real estate taxes of approximately \$0.2 million. New development has taken place and a net increase in merchant's

**COUNTY OF PULASKI, VIRGINIA**  
**Management's Discussion and Analysis (continued)**

capital tax. The increase in other local taxes of \$0.2 million was caused by an increase in local sales taxes of \$0.3 and increases in meals tax and communications tax. Revenue from use of money and revenues from the Commonwealth also saw significant increases. These five functional areas of revenue explain much of the \$2.3 million increase.

On the expenditure side, most the increase of approximately \$3.5 million can be explained in the following three areas. First, health and welfare costs increased by \$1.2 million due to an increasing need for public assistance. In addition, the amount paid to the Schools increased by approximately \$1.1 million as a result of construction of Riverlawn Elementary School. Lastly, community development expenditures increased by approximately \$0.7 million due to increases in transfers to the IDA and economic stimulus payments. Finally, debt service principal and interest payments increased by approximately \$0.1 million due to the additional debt related to Riverlawn Elementary School. These amounts were offset by decreases in public safety and public works expenditures which bring the total increase in expenditures to \$3.5 million.

The large increases in expenditures explain the decrease of approximately \$0.9 million in net changes to fund balance. All capital and school board unused appropriations from the 2008 fiscal year were carried over by the Board of Supervisors for use in FY 2009.

**General Fund Budgetary Highlights**

The following table presents revenues and expenditures for the General Fund only for FY08 (in millions):

	Original Budget	Amended Budget	Actual	Variance
<b>Revenues:</b>				
Property Taxes	\$ 19.7	\$ 19.7	\$ 19.2	\$ -0.5
Other Local Taxes	6.0	6.0	6.7	0.7
Permits, Fees and Licenses	0.6	0.6	0.7	0.1
Fines and Forfeitures	0.1	0.1	0.1	0.0
Revenue from Use of Money and Property	0.6	0.6	1.0	0.4
Charges for Services	0.4	0.4	0.4	0.0
Miscellaneous	0.0	0.0	0.0	0.0
Recovered Costs	0.2	0.2	0.5	0.3
Intergovernmental	12.1	12.1	13.3	1.2
<b>Total</b>	<b>\$ 39.7</b>	<b>\$ 39.7</b>	<b>\$ 41.9</b>	<b>\$ 2.2</b>
<b>Expenditures and transfers:</b>				
General Government Administration	\$ 2.0	\$ 2.3	\$ 2.0	\$ 0.3
Judicial Administration	1.5	1.5	1.3	0.2
Public Safety	6.8	7.1	6.6	0.5
Public Works	1.0	1.2	1.0	0.2
Health and Welfare	9.4	10.3	9.7	0.6
Education	10.8	11.4	10.7	0.7
Parks, Recreation and Cultural	1.3	1.3	1.3	0.0
Community Development	0.5	0.7	1.6	-0.9
Non-departmental	0.2	0.0	0.0	0.0
Debt Service	1.7	1.7	2.6	-0.9
Transfers	5.0	9.5	1.7	7.8
<b>Total</b>	<b>\$ 40.2</b>	<b>\$ 47.0</b>	<b>\$ 38.5</b>	<b>\$ 8.5</b>

It should be noted that this schedule is shown on the budgetary basis. In comparing the original budget to the amended budget the obvious change is in the amount of expenditures. Most of this change can be attributed to carry-over appropriations for County construction projects, as noted in the transfers. The trend will continue until building space needs are met by the purchase and construction of the Maple Shade shopping mall and the renovation of the County Administration building and Commonwealth Attorney's building. In comparing actual revenues to amended budget one notices that much of the variance is made up of conservative estimates on property taxes, other local taxes and interest income or



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## **Basic Financial Statements**

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**County of Pulaski, Virginia**  
**Statement of Net Assets**  
**June 30, 2008**

	Primary Government	Component Units		
	Governmental Activities	School Board	Public Service Authority	Industrial Development Authority
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 18,379,016	\$ 686,121	\$ -	\$ 2,724,728
Cash in Custody of Others	-	-	1,939,744	-
Investments	16,534,399	-	-	-
Receivables (Net of Allowance for Uncollectibles):				
Taxes	1,384,231	-	-	-
Accounts Receivable	182,420	-	998,134	3,494
Other Local Taxes and Fees	230,714	-	-	-
Note Receivable	-	-	-	25,926,428
Interest Receivable	-	-	-	324,156
Due from Other Funds	126,396	-	-	-
Due from Primary Government	-	2,146,014	-	-
Due from Other Governmental Units	1,841,678	1,531,399	-	-
Advances to Component Units	772,393	-	-	-
Restricted Assets:				
Temporarily Restricted:				
Cash and Cash Equivalents (in Custody of Others)	-	-	376,066	-
Organization Expense (Net of Accumulated Amortization)	-	-	5,502	-
Capital Assets:				
Land	2,219,420	564,527	127,700	868,985
Building and System	23,143,113	3,903,391	-	4,073,926
Machinery and Equipment	2,933,347	1,911,839	1,224,330	-
Infrastructure	-	-	14,414,614	-
Construction in Progress	12,930,821	-	195,220	-
Total Assets	<u>\$ 80,677,948</u>	<u>\$ 10,743,291</u>	<u>\$ 19,281,310</u>	<u>\$ 33,921,717</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,417,294	\$ 443,540	\$ 239,074	\$ 4,342
Reconciled Overdraft	1,266,254	-	-	-
Contracts Payable	-	3,731,235	-	-
Customer Deposits	-	-	87,663	-
Interest Payable	586,450	-	47,382	317,906
Due to Other Funds	54,106	-	-	-
Due to Component Units	2,218,304	-	-	-
Advances Due to Primary Government	-	-	272,393	500,000
Unearned Revenue	124,309	244,550	-	-
Long-term Liabilities:				
Due Within One Year	1,779,615	-	317,699	857,264
Due in More Than One Year	36,783,864	1,391,306	6,354,522	26,000,046
Total Liabilities	<u>\$ 44,230,196</u>	<u>\$ 5,810,631</u>	<u>\$ 7,318,733</u>	<u>\$ 27,679,558</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	\$ 14,385,231	\$ 6,379,757	\$ 9,411,393	\$ 2,058,535
Restricted for:				
Rural Development Debt Reserves	-	-	376,066	-
Construction	148,097	-	-	-
Seized Assets	3,725	-	-	-
Unrestricted (deficit)	21,910,699	(1,447,097)	2,175,118	4,183,624
Total Net Assets	<u>\$ 36,447,752</u>	<u>\$ 4,932,660</u>	<u>\$ 11,962,577</u>	<u>\$ 6,242,159</u>

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

**County of Pulaski, Virginia  
Statement of Activities  
For the Fiscal Year Ended June 30, 2008**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Public Service Authority	Industrial Development Authority
<b>PRIMARY GOVERNMENT:</b>						
Governmental Activities:						
General Government Administration	\$ 2,103,387	\$ 559,049	\$ -	\$ -	\$ -	\$ -
Judicial Administration	1,304,784	152,600	1,716,560	(1,196,988)		
Public Safety	7,155,481	157,512	1,966,869	584,396		
Public Works	1,320,776	1,265	13,312	(5,031,100)		
Health and Welfare	9,652,813	-	7,176,860	(1,306,199)		
Education	12,024,573	-	-	(2,475,953)		
Parks, Recreation and Cultural	1,396,044	335,878	168,593	(12,024,573)		
Community Development	1,642,552	9,362	21,000	(891,573)		
Interest	1,378,323	-	-	(1,612,190)		
Total Primary Government	\$ 37,978,733	\$ 1,215,666	\$ 11,410,564	\$ -	\$ -	\$ -
Component Units:						
School Board	\$ 44,570,251	\$ 1,091,286	\$ 32,700,023	\$ 170,664	\$ -	\$ -
Public Service Authority	7,014,331	7,098,510	-	-	84,179	-
Industrial Development Authority	1,345,793	802,142	1,000,000	-	-	456,349
Total Component Units	\$ 52,930,375	\$ 8,991,938	\$ 33,700,023	\$ 170,664	\$ 84,179	\$ 456,349
General Revenues:						
General Property Taxes				\$ 19,521,566	\$ -	\$ -
Other Local Taxes				2,910,829		
Local Sales and Use Taxes				937,621		
Communication Sales Taxes				637,926		
Consumers' Utility Taxes				97,686		
Consumption Taxes				560,893		
Motor Vehicle Licenses				59,694		
Bank Stock Taxes				258,836		
Taxes on Recordation and Wills				306,192		
Hotel and Motel Room Taxes				1,005,941		
Restaurant Food Taxes				1,498,977		
Unrestricted Revenues from Use of Money and Property				18,634		
Miscellaneous				1,863,623		
Payments from Primary Government				8,000		
Grants and Contributions not Restricted to Specific Programs				29,686,418		
Gain on Disposal of Capital Assets				4,333,915		
Total General Revenues				\$ 161,151	\$ 245,068	\$ 1,275,746
Change in Net Assets				\$ 4,771,509	\$ 11,633,330	\$ 1,732,095
Net Asset - Beginning				\$ 4,932,960	\$ 11,962,577	\$ 4,510,064
Net Asset - Ending				\$ 9,664,469	\$ 23,595,907	\$ 6,242,159

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

**County of Pulaski, Virginia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

	<u>General</u>	<u>School Construction</u>	<u>Other Governmental</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 18,379,016	\$ -	\$ -	\$ 18,379,016
Investments	5,494,748	11,039,651	-	16,534,399
Receivables (Net of Allowance for Uncollectibles):				
Taxes	1,384,231	-	-	1,384,231
Other Local Taxes and Fees	230,714	-	-	230,714
Due from Other Funds	72,290	-	67,290	139,580
Due from Other Governmental Units	1,841,678	-	-	1,841,678
Advances to Component Units	772,393	-	-	772,393
Total Assets	<u>\$ 28,175,070</u>	<u>\$ 11,039,651</u>	<u>\$ 67,290</u>	<u>\$ 39,282,011</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 309,753	\$ 930,121	\$ 67,290	\$ 1,307,164
Reconciled Overdraft	-	1,266,254	-	1,266,254
Due to Other Funds	67,290	-	-	67,290
Due to Component Units	2,146,014	-	-	2,146,014
Deferred Revenue	1,339,159	-	-	1,339,159
Total Liabilities	<u>\$ 3,862,216</u>	<u>\$ 2,196,375</u>	<u>\$ 67,290</u>	<u>\$ 6,125,881</u>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Construction	\$ -	\$ 8,843,276	\$ -	\$ 8,843,276
Seized Assets	3,725	-	-	3,725
<b>Unreserved:</b>				
Designated	5,883,291	-	-	5,883,291
Undesignated (deficit)	18,425,838	-	-	18,425,838
Total Fund Balances	<u>\$ 24,312,854</u>	<u>\$ 8,843,276</u>	<u>\$ -</u>	<u>\$ 33,156,130</u>
Total Liabilities and Fund Balances	<u>\$ 28,175,070</u>	<u>\$ 11,039,651</u>	<u>\$ 67,290</u>	<u>\$ 39,282,011</u>

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

**County of Pulaski, Virginia**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Assets**  
**June 30, 2008**

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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	33,156,130
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		41,226,701
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,214,850
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		<u>(39,149,929)</u>
Net Assets of Governmental Activities	\$	<u><u>36,447,752</u></u>

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

**County of Pulaski, Virginia**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

	<u>General Fund</u>	<u>School Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>				
General Property Taxes	\$ 19,158,479	\$ -	\$ -	19,158,479
Other Local Taxes	6,775,619	-	-	6,775,619
Permits, Privilege Fees and Regulatory Licenses	704,918	-	-	704,918
Fines and Forfeitures	34,685	-	-	34,685
Revenue from Use of Money and Property	1,008,702	490,275	-	1,498,977
Charges for Services	476,063	-	-	476,063
Miscellaneous	1,133	-	17,501	18,634
Recovered Costs	446,661	-	-	446,661
Intergovernmental Revenues:				
Commonwealth	10,192,947	-	-	10,192,947
Federal Government	3,081,240	-	-	3,081,240
Total Revenues	<u>\$ 41,880,447</u>	<u>\$ 490,275</u>	<u>\$ 17,501</u>	<u>\$ 42,388,223</u>

**EXPENDITURES:**

Current:

General Government Administration	\$ 1,002,084	\$ -	\$ 128,222	\$ 2,131,207
<b>Capital Projects</b>				
Judicial Administration	1,330,527	-	-	1,330,527
Public Safety	6,624,671	-	406,143	7,030,814
Public Works	1,061,168	-	207,342	1,268,510
Health and Welfare	9,669,237	-	-	9,669,237
Education	10,735,799	-	610,105	11,345,904
Parks, Recreation and Cultural	1,281,884	-	118,073	1,399,957
Community Development	1,581,849	-	14,836	1,596,685
Capital Projects	-	11,986,314	-	11,986,314
Debt Service				

**County of Pulaski, Virginia**  
**Reconciliation of Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2008**

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

Net changes in fund balance - total governmental funds	\$	(1,273,224)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		10,908,147
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		363,087
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts



and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		(5,555,112)
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Some expenses reported in the Statement of Activities do not require the use

**County of Pulaski, Virginia**  
**Statement of Net Assets**  
**Proprietary Fund**  
**June 30, 2008**

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	<b>Internal Service Fund</b>
<b>ASSETS</b>	
Current Assets:	
Receivables (Net of Allowance for Uncollectibles):	
Accounts Receivable	\$ 182,420
Total Assets	\$ 182,420
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 110,130
Due to Other Funds	72,290
Total Liabilities	\$ 182,420
<b>NET ASSETS</b>	
Unrestricted	\$ -
Total Net Assets	\$ -

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

**County of Pulaski, Virginia**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2008**

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	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Information Technology Charges	\$ 240,730
Garage Charges	946,054
Communication Charges	119,416
Total Operating Revenues	<u>\$ 1,306,200</u>
<b>OPERATING EXPENSES</b>	
Information Technology	\$ 289,624
Central Garage	1,035,968
Communications	169,623
Total Operating Expenses	<u>\$ 1,495,215</u>
Operating Income (Loss)	<u>\$ (189,015)</u>
Transfer In	\$ 189,015
Change in Net Assets	-
Net Assets - Beginning	-
Net Assets - Ending	<u><u>\$ -</u></u>

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

**County of Pulaski, Virginia**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2008**

	<b>Internal Service Fund</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Charges to County Department and other organizations	\$ 1,276,105
Other Receipts (Payments)	-
Payments to suppliers for goods and services	(1,026,230)
Payments to employees for services	(438,890)
Total cash provided (used) by operating activities	<u>\$ (189,015)</u>
<b>CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers from Other Funds	<u>\$ 189,015</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>\$ -</u>
Cash and Cash Equivalents - Beginning	<u>\$ -</u>
Cash and Cash Equivalents - Ending	<u><u>\$ -</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	<u>\$ (189,015)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	\$ (30,095)
Increase (Decrease) in Accounts Payable	30,095
Total Adjustments	<u>\$ -</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (189,015)</u></u>

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

**County of Pulaski, Virginia**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

		<u>Agency Funds</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$	210,126
<del>Due from Other Governmental Units</del>		<del>0</del>
Total Assets	\$	<u>210,126</u>
Amounts Held for Others:		
Social Services Clients	\$	23,284
<del>Other</del>		<del>0</del>
Total amounts held for others	\$	<u>210,126</u>
Total Liabilities	\$	<u>210,126</u>

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

## COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements  
June 30, 2008

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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. Reporting Entity

The County of Pulaski, Virginia is a political subdivision governed by an elected five-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities, for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is emphasized that it is legally separate from the government.

Blended Component Units - None

Discretely Presented Component Units - The component unit columns in the financial statements include the financial data of the County's discretely presented component units. The component units 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 schools in the County. School Board members are elected by popular vote. 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 School Board is presented as a governmental fund type. The School Board does not issue a separate report.

The Pulaski County Public Service Authority provides water, sewer and garbage service to County residents. The Public Service Authority is fiscally dependent upon the County because the County has issued several bonds payable by the Authority. In addition, the County Board of Supervisors appoints the Board of Directors. A copy of the Public Service Authority's report can be obtained from the Public Service Authority.

The Pulaski County Industrial Development Authority encourages and provides financing for industrial development in the County. The Authority is fiscally dependent upon the County. In addition, the Authority's Board is appointed by the County Board of Supervisors. A copy of the Industrial Development Authority's report can be obtained from the Industrial Development Authority.

Related Organizations – The County Board appoints board members to outside organizations, but the County's accountability for these organizations do not extend beyond making the appointments.



COUNTY OF PULASKI, VIRGINIA

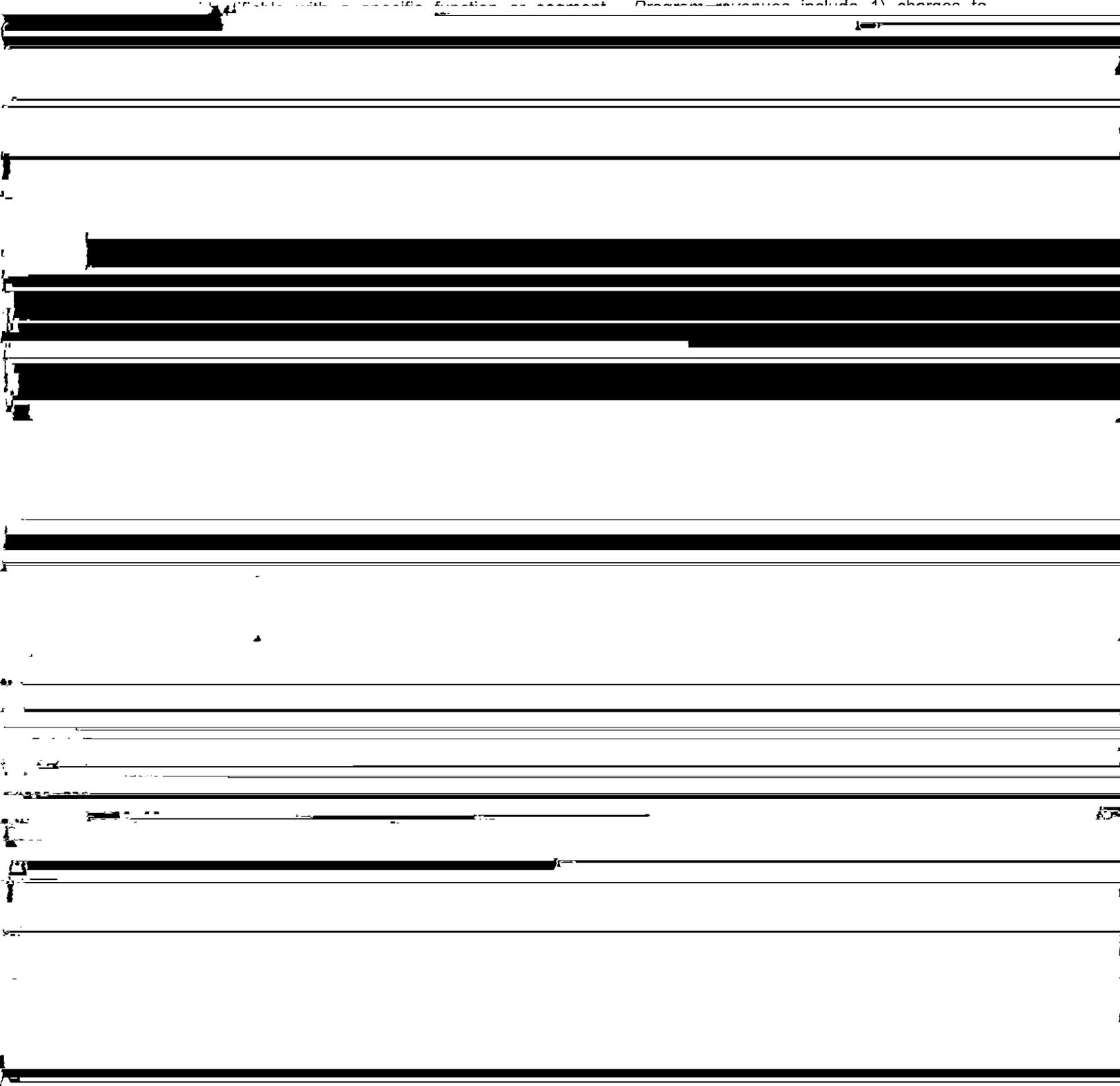
Notes to the Financial Statements (continued)  
June 30, 2008

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**Note 1- Summary of Significant Accounting Policies: (continued)**

B. Government-wide and Fund Financial Statements: (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to



COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

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**Note 1- Summary of Significant Accounting Policies: (continued)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (continued)

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific

from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Virginia Public Assistance, Prepaid Taxes, Comprehensive Services Act funds, and Debt Service funds for both the County and School Board.

## COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

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### **Note 1- Summary of Significant Accounting Policies: (continued)**

C. Measurement focus, basis of accounting, and financial statement presentation: (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity:

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government, as well as for its component unit school board, are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

Note 4. Government of Significant Accounting Policies (continued)

3. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1 of the following year if they remain unpaid. Real estate taxes are

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

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**Note 1- Summary of Significant Accounting Policies: (continued)**

D. Assets, liabilities, and net assets or equity: (continued)

7. 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. In accordance with the provisions of Government Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The County accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

8. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuances costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances

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are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
 June 30, 2008

**Note 2- Reconciliation of Government-Wide and Fund Financial Statements:**

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not

reported in the funds. The details of these \$(39,149,929) and \$(1,391,306) differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government	Component Unit- School Board
General obligation bonds	\$ (10,529,435)	\$ -
General obligation bond premium	(327,631)	-
Lease revenue note	(20,555,000)	-
Lease revenue note premium	(697,003)	-
Literary loans	(4,875,000)	-
Lease purchases	(512,597)	-

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 2- Reconciliation of Government-Wide and Fund Financial Statements: (continued)**

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (continued)

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(5,555,112) difference in the primary government, is as follows:

	<u>Primary Government</u>
Debt issued or incurred:	
Lease revenue note	\$ (6,555,000)
Lease revenue note-premium	(348,754)
Principal payments:	
General obligation bonds	699,498
Lease purchases	194,951
Literary loans	375,000
Landfill post-closure monitoring costs	57,351
Amortization of premium	<u>21,842</u>

Net adjustment to increase (decrease) net changes in fund balances total

governmental funds to arrive at changes in net assets of governmental activities \$ (5,555,112)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these \$(108,983) and \$(180,711) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
(Increase) decrease in component unit	(74,200)	(180,711)



COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

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Note 4: Deposits and Investments

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Deposits:

All cash of the County of Pulaski, Virginia and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool). Section 2.2-4400 et. seq. of the Code of

Virginia covered by federal depository insurance. 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. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

Investments:

Statutes authorize 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 of Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the State

**COUNTY OF PULASKI, VIRGINIA**

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 5- Due From Other Governmental Units:**

The following amounts represent receivables from other governments at year-end:

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 513,903	\$ -
Communication sales tax	151,877	-
Other taxes	77,071	755,281
Non-categorical aid		-
Categorical aid-shared expenses	314,504	-
Categorical aid-other	27,545	-
Categorical aid-VPA funds	138,549	-
Categorical aid-CSA funds	397,482	-
Federal Government:		
Categorical aid-VPA funds	220,747	-
Categorical aid-other	-	776,118
Totals	\$ 1,841,678	\$ 1,531,399

**Note 6- Interfund/Component-Unit Obligations:**

<u>Fund</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:		
General Fund	\$ 2,146,014	\$ -
Internal Service Fund	182,420	182,420
Component Unit - School Board		
School Fund	-	2,146,014
Totals	\$ 2,328,434	\$ 2,328,434

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**COUNTY OF PULASKI, VIRGINIA**

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 7- Long-Term Debt:**

Primary Government- Governmental Activity Indebtedness:

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

Year Ending June 30,	General Obligation Bonds		Literary Loans		Lease Revenue Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 704,644	\$ 470,041	\$ 375,000	\$ 146,250	\$ 470,148	\$ 891,474
2010	710,088	440,902	375,000	135,000	8,142,359	960,538
2011	715,755	411,540	375,000	123,750	669,781	559,030
2012	721,507	382,093	375,000	112,500	957,423	534,483
2013	727,345	351,879	375,000	101,250	1,960,289	1,398,280
2014-2018	3,732,637	1,236,525	1,875,000	337,500	2,945,000	1,795,420
2019-2023	3,217,459	360,368	1,125,000	67,500	3,240,000	964,138
2024-2028					1,760,000	328,137
2029-2033					410,000	9,430
Totals	\$ 10,529,435	\$ 3,653,348	\$ 4,875,000	\$ 1,023,750	\$ 20,555,000	\$ 7,440,930

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2008.

	Balance July 1, 2007	Issuances	Retirements	Balance June 30, 2008
General obligation bonds	\$ 11,228,933	\$ -	\$ (699,498)	\$ 10,529,435
Literary loans	5,250,000	-	(375,000)	4,875,000
Lease revenue note	14,000,000	6,555,000	-	20,555,000
Lease purchase	707,548	-	(194,951)	512,597
Unamortized bond premiums	697,722	348,754	(21,842)	1,024,634
Landfill post-closure monitoring costs	422,466	-	(57,351)	365,115
Compensated absences	627,399	74,299	-	701,698
Total	\$ 32,934,068	\$ 6,978,053	\$ (1,348,642)	\$ 38,563,479

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**COUNTY OF PULASKI, VIRGINIA**

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 7- Long-Term Debt:**

Primary Government- Governmental Activity Indebtedness:

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

Year Ending June 30,	General Obligation Bonds		Literary Loans		Lease Revenue Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 704,644	\$ 470,041	\$ 375,000	\$ 146,250	\$ 470,148	\$ 891,474
2010	710,088	440,902	375,000	135,000	8,142,359	960,538
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2019-2023	3,217,459	360,368	1,125,000	67,500	3,240,000	964,138
2024-2028					1,760,000	328,137
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Totals	\$ 10,529,435	\$ 3,653,348	\$ 4,875,000	\$ 1,023,750	\$ 20,555,000	\$ 7,440,930

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2008.

	Balance July 1, 2007	Issuances	Retirements	Balance June 30, 2008
General obligation bonds	\$ 11,228,933	\$ -	\$ (699,498)	\$ 10,529,435
Literary loans	5,250,000	-	(375,000)	4,875,000
Lease revenue note	14,000,000	6,555,000	-	20,555,000
Lease purchase	707,548	-	(194,951)	512,597
Unamortized bond premiums	697,722	348,754	(21,842)	1,024,634
Landfill post-closure monitoring costs	422,466	-	(57,351)	365,115
Compensated absences	627,399	74,299	-	701,698
Total	\$ 32,934,068	\$ 6,978,053	\$ (1,348,642)	\$ 38,563,479

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**COUNTY OF PULASKI, VIRGINIA**

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 8- Long-Term Debt- Component Unit School Board:**

Discretely Presented Component Unit- School Board-Indebtedness:

The following is a summary of long-term debt transactions of the Component-Unit School Board for the year ended June 30, 2008.

	<u>Balance</u> <u>July 1, 2007</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Compensated absences	\$ 1,572,017	\$ -	\$ (180,711)	\$ 1,391,306

Details of Long-Term Indebtedness:

	<u>Interest</u> <u>Rates</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u> <u>Date</u>	<u>Amount of</u> <u>Original</u> <u>Issue</u>	<u>Balance</u> <u>Governmental</u> <u>Activities</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Other obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 1,391,306	\$ -

**Note 9- Capital Leases:**

Primary Government:

The County has entered into a lease agreement to finance the acquisition of the telephone equipment for the School Board. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the minimum lease payment at the date of inception.

The asset acquired through capital lease is as follows:

	<u>Telephone</u> <u>System</u>
Machinery and equipment	\$ 1,240,492
Accumulated depreciation	<u>(933,597)</u>
Net Asset	\$ <u>306,895</u>

The computers related to the issuance of the capital lease issued during the current year did not meet the minimum capitalization threshold and therefore were not capitalized.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 9- Capital Leases: (continued)**

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

<u>Year Ending June 30,</u>	<u>Telephone System</u>	<u>Computers</u>
2009	\$ 168,345	\$ 68,823
2010	168,344	68,823
2011	84,303	-
2012	-	-
Sub-total	\$ 420,992	\$ 137,646
Amount representing interest	(33,049)	(12,993)
Present value of lease agreement	\$ 387,943	\$ 124,653

**Note 10- Employee Retirement System and Pension Plan:**

A. Plan Description:

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

The County contributes to the Virginia Retirement System (VRS). 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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 10- Employee Retirement System and Pension Plan: (continued)**

B. Funding Policy:

Primary Government:

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 Pulaski, Virginia 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 Pulaski, Virginia's contribution rate for the fiscal year ended 2008 was 6.92% of annual covered payroll.

Discretely Presented Component Unit- School Board (Non-Professional Employees):

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 Pulaski, Virginia 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 Pulaski, Virginia's contribution rate for the fiscal year ended 2008 was 6.98% of annual covered payroll.

C. Annual Pension Cost:

For fiscal year 2008, the County of Pulaski, Virginia's annual pension cost of \$607,653 and \$157,695 was equal to the County of Pulaski, Virginia's required and actual contributions for the County and the School Board Non-Professionals, respectively.

Three-Year Trend Information

	Year Ending June 30,	Annual Pension Cost (APC){1}	Percentage of APC Contributed	Net Pension Obligation
Primary Government:				
County	2006	\$ 305,558	100%	\$ -
	2007	526,609	100%	-
	2008	607,653	100%	-
Component Unit - School Board:				
School Board Non-professional	2006	\$ 30,593	100%	\$ -
	2007	148,368	100%	-
	2008	157,695	100%	-

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

Note 40 Employee Retirement System and Pension Plan (continued)

D. Funded Status and Funding Progress

Primary Government:

As of June 30, 2007, the most recent actuarial valuation date, the plan was 95.02% funded. The actuarial accrued liability for benefits was \$34,006,650, and the actuarial value of assets was \$32,314,708, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,691,942. The covered payroll (annual payroll of active employees covered by the plan) was \$8,255,132, and ratio of the UAAL to the covered payroll was 20.50%.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

As of June 30, 2007, the most recent actuarial valuation date, the plan was 94.42% funded. The actuarial accrued liability for benefits was \$7,332,902, and the actuarial value of assets was \$6,923,881, resulting in an unfunded actuarial accrued liability (UAAL) of \$409,021. The covered payroll (annual payroll of active employees covered by the plan) was \$2,192,595, and ratio of the UAAL to the covered payroll was 18.65%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Discretely Presented Component Unit - School Board (Professional Employees)

Plan Description

The Pulaski County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 11- Capital Assets:**

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,219,420	\$ -	\$ -	\$ -	\$ 2,219,420
Construction in progress	891,044	11,961,770	78,007	-	12,930,821
Total capital assets not being depreciated	<u>\$ 3,110,464</u>	<u>\$ 11,961,770</u>	<u>\$ 78,007</u>	<u>\$ -</u>	<u>\$ 15,150,241</u>
Capital assets, being depreciated:					
Buildings and systems	\$ 30,197,016	\$ -	\$ 133,744	\$ -	\$ 30,330,760
Machinery and equipment	9,102,378	-	339,040	(20,278)	9,421,140
Total capital assets being depreciated	<u>\$ 39,299,394</u>	<u>\$ -</u>	<u>\$ 472,784</u>	<u>\$ (20,278)</u>	<u>\$ 39,751,900</u>
Accumulated depreciation for:					
Buildings and systems	\$ (6,442,203)	\$ -	\$ (745,444)	\$ -	\$ (7,187,647)
Machinery and equipment	(5,649,101)	-	(858,970)	20,278	(6,487,793)
Total accumulated depreciation	<u>\$ (12,091,304)</u>	<u>\$ -</u>	<u>\$ (1,604,414)</u>	<u>\$ 20,278</u>	<u>\$ (13,675,440)</u>
Total capital assets being depreciated, net	<u>\$ 27,208,090</u>	<u>\$ -</u>	<u>\$ (1,131,630)</u>	<u>\$ -</u>	<u>\$ 26,076,460</u>
Governmental activities capital assets, net	<u>\$ 30,318,554</u>	<u>\$ 11,961,770</u>	<u>\$ (1,053,623)</u>	<u>\$ -</u>	<u>\$ 41,226,701</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government administration	\$ 4,067
Judicial administration	13,685
Public safety	530,192
Public works	192,710
Health and welfare	32,751
Education	654,125
Parks, recreation and cultural	76,949
Community development	99,935
Total depreciation expense-governmental activities	<u>\$ 1,604,414</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
 June 30, 2008

**Note 11- Capital Assets: (continued)**

Capital asset activity for the School Board for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 564,527	\$ -	\$ -	\$ 564,527
Construction in progress	-	-	-	-
Total capital assets not being depreciated	\$ 564,527	\$ -	\$ -	\$ 564,527
Capital assets, being depreciated:				
Buildings and improvements	\$ 17,364,639	\$ 781,506	\$ -	\$ 18,146,145
Machinery and equipment	4,989,751	460,507	(35,590)	5,414,668
Total capital assets being depreciated	\$ 22,354,390	\$ 1,242,013	\$ (35,590)	\$ 23,560,813
Accumulated depreciation for:				
Buildings and improvements	\$ (12,904,752)	\$ (247,001)	\$ -	\$ (13,151,753)

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)  
June 30, 2008

**Note 14- Surety Bonds:**

Primary Government:

Primary Government:

<b>Fidelity and Deposit Company of Maryland-Surety</b>	
Maetta H. Crewe, Clerk of the Circuit Court	\$ 145,000
Rose Marie Tickle, Treasurer	500,000
John J. Gill, Commissioner of the Revenue	3,000
James A. Davis, Sheriff	30,000
The above constitutional officers' employees - blanket bond	50,000
All Social Services employees - blanket bond	100,000
<b>VACo Risk Management Programs</b>	
All County employees - blanket bond	\$ 250,000
<b>United States Fidelity and Guaranty</b>	
Peter M. Huber, County Administrator	\$ 2,000

Component Unit - School Board:

<b>VACo Risk Management Programs</b>	
All School Board employees - blanket bond	\$ 250,000

**Note 15- Designated and Reserved Fund Balances/Restricted Net Assets:**

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
Total Fund Balance	\$ 33,156,130	\$ (55,791)
Designated fund balances:		
Various capital projects	5,553,167	-
School fund carry-over	114,367	-
General fund carry-overs	169,233	-
Wireless fund carry-over	39,244	-
IDA fund carry-over	7,280	-
Food service	-	553,140
Reserved fund balances:		
School construction	8,843,276	-
Sheriff seized assets	3,725	-
Total designated/reserved fund balances	<u>\$ 14,730,292</u>	<u>\$ 553,140</u>
Undesignated (deficit) fund balances	<u>\$ 18,425,838</u>	<u>\$ (608,931)</u>
Restricted net assets:		
Sheriff seized assets	\$ 3,725	\$ -
Total restricted net assets	<u>\$ 3,725</u>	<u>\$ -</u>



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**Required Supplementary Information**

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County of Pulaski, Virginia  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2008

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
<b>REVENUES</b>				
General Property Taxes	\$ 19,655,000	\$ 19,655,000	\$ 19,158,479	\$ (496,521)
Other Local Taxes	6,045,000	6,045,000	6,775,619	730,619
Permits, Privilege Fees and Regulatory Licenses	610,000	610,000	704,918	94,918
Fines and Forfeitures	39,000	39,000	34,685	(4,315)
Revenue from Use of Money and Property	600,000	600,000	1,008,702	408,702
Charges for Services	352,600	352,600	476,063	123,463
Miscellaneous	22,500	22,500	1,133	(21,367)
Recovered Costs	230,750	230,750	446,661	215,911
Intergovernmental Revenues:				
Commonwealth	8,037,301	8,037,301	10,192,947	2,155,646
Federal Government	4,121,898	4,121,898	3,081,240	(1,040,658)
Total Revenues	<u>\$ 39,714,049</u>	<u>\$ 39,714,049</u>	<u>\$ 41,880,447</u>	<u>\$ 2,166,398</u>

**EXPENDITURES:**

Current:

Judicial Administration	1,447,772	1,547,491	1,330,527	216,964
Public Safety	6,829,673	7,067,465	6,624,671	442,794
Public Works	1,029,394	1,218,729	1,061,168	157,561
Health and Welfare	9,419,831	10,349,356	9,669,237	680,119
Education	10,775,162	11,412,547	10,735,799	676,748
Parks, Recreation and Cultural	1,257,331	1,344,243	1,281,884	62,359
Community Development	503,667	667,012	1,581,849	(914,837)
Non-Departmental	172,513	12,051	-	12,051

**County of Pulaski, Virginia**  
**Required Supplementary Information**  
**Schedule of Funding Progress - Defined Benefit Plan**  
**For the Fiscal Year Ended June 30, 2008**

**Primary Government: County Retirement Plan**

<u>Valuation as of</u> (1)	<u>Actuarial Value of Assets</u> (2)	<u>Actuarial Accrued Liability (AAL)</u> (3)	<u>Unfunded AAL (UAAL) (3)-(2)</u> (4)	<u>Funded Ratio Assets as % of AAL (2)/(3)</u> (5)	<u>Annual Covered Payroll</u> (6)	<u>UAAL as a % of Covered Payroll (4)/(6)</u> (7)
June 30, 2007 \$	32,314,708 \$	34,006,650 \$	1,691,942	95.02% \$	8,255,132	20.50%
June 30, 2006	29,098,356	30,221,028	1,122,672	96.29%	7,491,892	14.99%
June 30, 2005	27,663,695	29,984,402	2,320,707	92.26%	7,447,645	31.16%

Discretely Presented Component Unit:

**School Board Non-professional Retirement Plan**

<u>Valuation as of</u> (1)	<u>Actuarial Value of Assets</u> (2)	<u>Actuarial Accrued Liability (AAL)</u> (3)	<u>Unfunded AAL (UAAL) (3)-(2)</u> (4)	<u>Funded Ratio Assets as % of AAL (2)/(3)</u> (5)	<u>Annual Covered Payroll</u> (6)	<u>UAAL as a % of Covered Payroll (4)/(6)</u> (7)
June 30, 2007 \$	6,923,881 \$	7,332,902 \$	409,021	94.42% \$	2,192,595	18.65%
June 30, 2006	6,114,738	6,609,721	494,983	92.51%	2,070,658	23.90%
June 30, 2005	5,889,319	6,636,324	747,005	88.74%	1,904,761	39.22%

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## Other Supplementary Information

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**County of Pulaski, Virginia**  
**Major Capital Projects-School Construction Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 490,275	\$ 490,275
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,275</u>	<u>\$ 490,275</u>
<b>EXPENDITURES:</b>				
Capital Projects	\$ -	\$ 21,481,915	\$ 11,986,314	\$ 9,495,601
	<u>\$ -</u>	<u>\$ 21,481,915</u>	<u>\$ 11,986,314</u>	<u>\$ 9,495,601</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (21,481,915)</u>	<u>\$ (11,496,039)</u>	<u>\$ 9,985,876</u>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ -	\$ -	\$ (665,883)	\$ (665,883)
Proceeds of Indebtedness	-	-	6,555,000	6,555,000
Premium on bond issuance			348,754	
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,237,871</u>	<u>\$ 5,889,117</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (21,481,915)</u>	<u>\$ (5,258,168)</u>	<u>\$ 16,223,747</u>
Fund Balance - Beginning	-	21,481,915	14,101,444	(7,380,471)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,843,276</u>	<u>\$ 8,843,276</u>

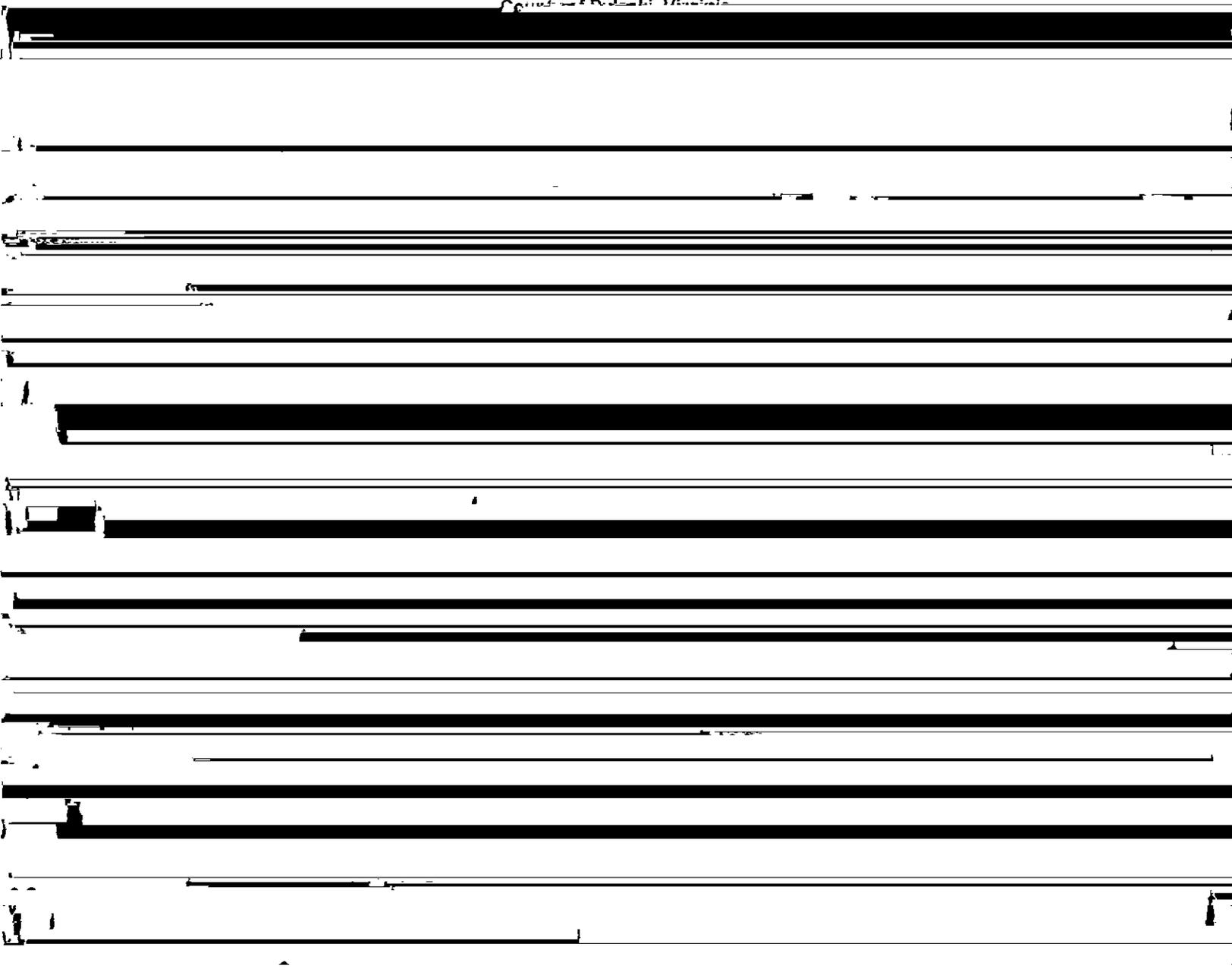
**County of Pulaski, Virginia**  
**Non-Major Capital Projects Fund-County CIP Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 17,501	\$ 17,501
Total Revenues	\$ -	\$ -	\$ 17,501	\$ 17,501
<b>EXPENDITURES:</b>				
Current:				
General Government Administration	\$ 230,000	\$ 492,023	\$ 128,223	\$ 363,800
Public Safety	638,914	1,398,005	406,143	991,862
Public Works	1,070,000	3,763,013	207,342	3,555,671
Education	290,460	611,105	610,105	1,000
Parks, Recreation and Cultural	121,840	306,640	118,073	188,567
Community Development	7,500	35,789	14,836	20,953
Total Expenditures	\$ 2,368,714	\$ 6,606,575	\$ 1,484,722	\$ 5,121,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,368,714)	\$ (6,606,575)	\$ (1,467,221)	\$ 5,139,354
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ -	\$ -	\$ 1,467,221	\$ 1,467,221
Transfers Out	-	-	-	-
Proceeds of Indebtedness	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 1,467,221	\$ 1,467,221
Net Change in Fund Balance	\$ (2,368,714)	\$ (6,606,575)	\$ -	\$ 6,606,575
Fund Balance - Beginning	2,368,714	6,714,075	-	(6,714,075)
Fund Balance - Ending	\$ -	\$ 107,500	\$ -	\$ (107,500)

**County of Pulaski, Virginia**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

	<u>Agency Funds</u>				<u>Total</u>
	<u>Special Welfare</u>	<u>Performance Bonds</u>	<u>Employee Flexible Benefits</u>	<u>Sales Tax Fund</u>	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 23,284	\$ 80,525	\$ 106,317	\$ -	\$ 210,126
Total Assets	<u>\$ 23,284</u>	<u>\$ 80,525</u>	<u>\$ 106,317</u>	<u>\$ -</u>	<u>\$ 210,126</u>
Amounts Held for Others:					
Social Services Clients	\$ 23,284	\$ -	\$ -	\$ -	\$ 23,284
Contractors	-	80,525	-	-	80,525
County Employees	-	-	106,317	-	106,317
Total amounts held for others	<u>\$ 23,284</u>	<u>\$ 80,525</u>	<u>\$ 106,317</u>	<u>\$ -</u>	<u>\$ 210,126</u>
Total Liabilities	<u>\$ 23,284</u>	<u>\$ 80,525</u>	<u>\$ 106,317</u>	<u>\$ -</u>	<u>\$ 210,126</u>

Continued on Next Page



	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents:				
Special Welfare Fund	\$ 30,797	\$ -	\$ 7,513	\$ 23,284
Performance Bond Fund	85,520	3,005	8,000	80,525
Employee Flexible Benefits Fund	79,124	27,193	-	106,317
Total cash and cash equivalents	<u>\$ 195,441</u>	<u>\$ 30,198</u>	<u>\$ 15,513</u>	<u>\$ 210,126</u>
Due from Other Governmental Units:				
Local Sales Tax Fund	\$ -	\$ 3,574,699	\$ 3,574,699	\$ -
Total Assets	<u>\$ 195,441</u>	<u>\$ 3,604,897</u>	<u>\$ 3,590,212</u>	<u>\$ 210,126</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Due to Other Governmental Units:				
Local Sales Tax Fund	\$ -	\$ 3,574,699	\$ 3,574,699	\$ -

**DISCRETELY PRESENTED COMPONENT UNIT-  
SCHOOL BOARD**

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**MAJOR GOVERNMENTAL FUND**

School Operating Fund - The School Operating Fund is a special revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund of the County. The Cafeteria and Governor's School Funds have been merged for reporting purposes.

**County of Pulaski, Virginia**  
**Special Revenue Fund - Discretely Presented Component Unit - School Board**  
**Balance Sheet**  
**June 30, 2008**

	<b>School Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 686,121
Due from Primary Government	2,146,014
Due from Other Governmental Units	1,531,399
Total Assets	\$ 4,363,534
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts Payable	\$ 443,540
Contracts Payable	3,731,235
Deferred Revenue	244,550
Total Liabilities	\$ 4,419,325
Fund Balances:	
Unreserved:	
Designated	\$ 553,140
Undesignated (deficit)	(608,931)
Total Fund Balances	\$ (55,791)
Total Liabilities and Fund Balances	\$ 4,363,534
Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:	
Total fund balances - per above	\$ (55,791)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,379,757
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds	(1,391,306)
Net assets of governmental activities - component unit school board	\$ 4,932,660

**County of Pulaski, Virginia**  
**Special Revenue Fund-Discretely Presented Component Unit-School Board**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2008**

	<u>School Fund</u>
<b>REVENUES</b>	
Revenue from Use of Money and Property	\$ 41,534
Charges for Services	1,091,286
Miscellaneous	7,517
Recovered Costs	773,324
Intergovernmental Revenues:	
Local Government	10,720,378
Commonwealth	28,818,924
Federal Government	4,051,763
Total Revenues	<u>\$ 45,504,726</u>
<b>EXPENDITURES:</b>	
Current:	
Education	\$ 46,020,621
Total Expenditures	<u>\$ 46,020,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (515,895)</u>
Net Change in Fund Balance	\$ (515,895)
Fund Balance - Beginning	460,104
Fund Balance - Ending	<u><u>\$ (55,791)</u></u>
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:	
Net change in fund balance - total governmental funds - per above	\$ (515,895)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.	496,335
Some expenses reported in the Statement of Activities do not require the use of current	400,744

**County of Pulaski, Virginia**  
**Major Special Revenue Fund-Discretely Presented Component Unit-School Board**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2008**

	<u>Budget Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from Use of Money and Property	\$ 4,000	\$ 4,000	\$ 41,534	\$ 37,534
<hr/>				
Miscellaneous	19,100	19,100	7,517	(11,583)
Recovered Costs	346,900	346,900	773,324	426,424
Intergovernmental Revenues:				
Local Government	10,759,741	11,397,126	10,720,378	(676,748)
Commonwealth	29,765,132	29,765,132	28,818,924	(946,208)
Federal Government	4,195,630	4,195,630	4,051,763	(143,867)
Total Revenues	<u>\$ 46,280,503</u>	<u>\$ 46,917,888</u>	<u>\$ 45,504,726</u>	<u>\$ (1,413,162)</u>
<b>EXPENDITURES:</b>				
Current:				
Education	\$ 48,289,049	\$ 48,276,029	\$ 46,020,621	\$ 2,255,408
Total Expenditures	<u>\$ 48,289,049</u>	<u>\$ 48,276,029</u>	<u>\$ 46,020,621</u>	<u>\$ 2,255,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,008,546)</u>	<u>\$ (1,358,141)</u>	<u>\$ (515,895)</u>	<u>\$ 842,246</u>
Net Change in Fund Balance	<u>\$ (2,008,546)</u>	<u>\$ (1,358,141)</u>	<u>\$ (515,895)</u>	<u>\$ 842,246</u>
Fund Balance - Beginning	-	-	460,104	460,104
Fund Balance - Ending	<u>\$ (2,008,546)</u>	<u>\$ (1,358,141)</u>	<u>\$ (55,791)</u>	<u>\$ 1,302,350</u>

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## Supporting Schedules

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**County of Pulaski, Virginia**  
**Schedule of Revenues-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
Revenue from Local Sources:				
General Property Taxes:				
Real property taxes	\$ 11,230,000	\$ 11,230,000	\$ 11,808,707	\$ 578,707
Real and personal public service corporation taxes	580,000	580,000	593,309	13,309
Personal property taxes	4,760,000	4,760,000	3,648,576	(1,111,424)
Mobile home taxes	40,000	40,000	43,848	3,848
Machinery and tools taxes	2,500,000	2,500,000	2,527,481	27,481
Merchandise capital taxes	275,000	275,000	242,493	(32,507)
<hr/>				
Penalties	160,000	160,000	148,510	(11,490)
Interest	110,000	110,000	133,141	23,141
Collection fees	-	-	12,414	12,414
Total General Property Taxes	<u>\$ 19,655,000</u>	<u>\$ 19,655,000</u>	<u>\$ 19,158,479</u>	<u>\$ (496,521)</u>
<hr/>				
Other Local Taxes:				
Local sales and use taxes	\$ 2,750,000	\$ 2,750,000	\$ 2,910,829	\$ 160,829
Telecommunication taxes	572,000	572,000	937,622	365,622
Consumers' utility taxes	660,000	660,000	637,926	(22,074)
Consumption taxes	118,000	118,000	97,686	(20,314)
Motor vehicle licenses	520,000	520,000	560,893	40,893
Bank stock taxes	6,500	6,500	59,694	53,194
Taxes on recordation and wills	223,500	223,500	258,836	35,336
Hotel and motel room taxes	315,000	315,000	306,192	(8,808)
Restaurant food taxes	880,000	880,000	1,005,941	125,941
Total Other Local Taxes	<u>\$ 6,045,000</u>	<u>\$ 6,045,000</u>	<u>\$ 6,775,619</u>	<u>\$ 730,619</u>
<hr/>				
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 24,993	\$ 19,993
Business licenses	500,000	500,000	559,049	59,049
Land use application fees	500	500	649	149
Transfer fees	1,000	1,000	1,265	265
Zoning and subdivision permits	3,000	3,000	2,688	(312)
Erosion and sediment control permits	3,000	3,000	2,550	(450)
Building permits	97,500	97,500	113,724	16,224

County of Pulaski, Virginia  
Schedule of Revenues-Budget and Actual  
Governmental Funds  
For the Fiscal Year Ended June 30, 2008

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget- Pos (Neg)
Revenue from Local Sources: (continued)				
Charges for Services: (continued)				
Charges for law library	\$ -	\$ -	\$ 4,349	\$ 4,349
Charges for library	18,200	18,200	30,374	12,174
Total Charges for Services	<u>\$ 352,600</u>	<u>\$ 352,600</u>	<u>\$ 476,063</u>	<u>\$ 123,463</u>
Miscellaneous:				
Miscellaneous	\$ 22,500	\$ 22,500	\$ 1,133	\$ (21,367)
Recovered Costs:				
Administrative fees	\$ 63,000	\$ 63,000	\$ 65,713	\$ 2,713
Juror costs	3,000	3,000	9,730	6,730
Circuit court secretary	12,250	12,250	12,788	538
Town reimbursement-fire works	-	-	9,250	9,250
CSA recoveries	-	-	32,947	32,947
Insurance recoveries	-	-	21,372	21,372
Parks and recreation	-	-	9,088	9,088
Landfill recoveries	33,000	33,000	39,550	6,550
Public safety recoveries	113,000	113,000	188,312	75,312
Health department recoveries	6,500	6,500	7,050	550
Welfare recoveries	-	-	12,953	12,953
Hazardous material response	-	-	5,570	5,570
Other recoveries	-	-	32,329	32,329
Total Recovered Costs	<u>\$ 230,750</u>	<u>\$ 230,750</u>	<u>\$ 446,661</u>	<u>\$ 215,911</u>
Total Revenue from Local Sources	<u>\$ 27,554,850</u>	<u>\$ 27,554,850</u>	<u>\$ 28,806,260</u>	<u>\$ 1,051,410</u>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
ABC profits	\$ 13,600	\$ 13,600	\$ -	\$ (13,600)
Wine liter	14,300	14,300	-	(14,300)
Motor vehicle carriers' tax	32,300	32,300	37,412	5,112
Mobile home titling tax	59,800	59,800	60,934	1,134
Motor vehicle rental tax	35,000	35,000	34,525	(475)
State recordation tax	135,000	135,000	136,223	1,223
Personal services - Governmental funds	-	-	1,504,520	1,504,520

**County of Pulaski, Virginia**  
**Schedule of Revenues-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Other Categorical Aid: (continued)				
Commission on the arts	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Bulletproof vest grant	-	-	8,925	8,925
Fire programs	51,000	51,000	64,596	13,596
Virginia Juvenile Commission Crime Control	29,796	29,796	29,051	(745)
Domestic violence DCJS grant	40,000	40,000	40,000	-
National forest lands grant	-	-	19,767	19,767
Public safety answer grant	46,500	46,500	44,795	(1,705)
DEQ grant	587	587	-	(587)
Homeland security grant	-	-	16,888	16,888
Total Other Categorical Aid	<u>\$ 4,688,910</u>	<u>\$ 4,688,910</u>	<u>\$ 5,366,293</u>	<u>\$ 677,383</u>
Total Revenue from the Commonwealth	<u>\$ 8,037,301</u>	<u>\$ 8,037,301</u>	<u>\$ 10,192,947</u>	<u>\$ 2,155,646</u>
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ (25,000)</u>
Categorical Aid:				
Public assistance and welfare administration	\$ 4,079,994	\$ 4,079,994	\$ 2,945,010	\$ (1,134,984)
Emergency services grant	16,904	16,904	16,904	-
State Homeland security grant	-	-	2,002	2,002
Crime victim assistance	-	-	96,324	96,324
Community facilities grant	-	-	21,000	21,000
Total Categorical Aid	<u>\$ 4,096,898</u>	<u>\$ 4,096,898</u>	<u>\$ 3,081,240</u>	<u>\$ (1,015,658)</u>
Total Revenue from the Federal Government	<u>\$ 4,121,898</u>	<u>\$ 4,121,898</u>	<u>\$ 3,081,240</u>	<u>\$ (1,040,658)</u>
Total General Fund	<u>\$ 39,714,049</u>	<u>\$ 39,714,049</u>	<u>\$ 41,880,447</u>	<u>\$ 2,166,398</u>
Total Primary Government	<u>\$ 39,714,049</u>	<u>\$ 39,714,049</u>	<u>\$ 41,880,447</u>	<u>\$ 2,166,398</u>
Discretely Presented Component Unit-School Board:				
Major Special Revenue Fund:				
School Operating Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 26,040	\$ 26,040
Revenue from use of property	4,000	4,000	15,494	11,494
Total Revenue from Use of Money and Property	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 41,534</u>	<u>\$ 37,534</u>

**County of Pulaski, Virginia**  
**Schedule of Revenues-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Discretely Presented Component Unit-School Board: (continued)				
Major Special Revenue Fund: (continued)				
School Operating Fund: (continued)				
Revenue from Local Sources: (continued)				
Charges for Services:				
Charges for education	\$ 15,000	\$ 15,000	\$ 2,350	\$ (12,650)
Cafeteria sales	1,175,000	1,175,000	1,088,936	(86,064)
Total Charges for Services	<u>\$ 1,190,000</u>	<u>\$ 1,190,000</u>	<u>\$ 1,091,286</u>	<u>\$ (98,714)</u>
Miscellaneous:				
Miscellaneous	\$ 19,100	\$ 19,100	\$ 7,517	\$ (11,583)
Recovered Costs:				
Medicaid reimbursements	\$ -	\$ -	\$ 160,865	\$ 160,865
Insurance recoveries	-	-	29,725	29,725
E-Rate	200,000	200,000	110,936	(89,064)
Easements	-	-	7,500	7,500
Salary reimbursements	100,000	100,000	121,256	21,256
School activity reimbursements	36,900	36,900	60,567	23,667
Other recoveries	10,000	10,000	282,475	272,475
Total Recovered Costs	<u>\$ 346,900</u>	<u>\$ 346,900</u>	<u>\$ 773,324</u>	<u>\$ 426,424</u>
Total Revenue from Local Sources	<u>\$ 1,560,000</u>	<u>\$ 1,560,000</u>	<u>\$ 1,913,661</u>	<u>\$ 353,661</u>
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from County of Pulaski, Virginia-General Fund	\$ 10,759,741	\$ 11,397,126	\$ 10,720,378	\$ (676,748)
Total Revenues from Local Governments	<u>\$ 10,759,741</u>	<u>\$ 11,397,126</u>	<u>\$ 10,720,378</u>	<u>\$ (676,748)</u>
Revenue from the Commonwealth:				
Categorical Aid:				
At risk four-year olds	\$ 207,628	\$ 207,628	\$ 207,628	\$ -
At risk payments	332,379	332,379	320,660	(11,719)
Basic school aid	15,021,839	15,021,839	14,514,331	(507,508)
Career technology education	48,573	48,573	36,712	(11,861)
Compensation supplements	993,186	993,186	967,745	(25,441)
Early reading intervention	100,022	100,022	94,252	(5,770)
English as a second language	21,062	21,062	21,062	-
Enrollment loss	-	-	325,889	325,889
General adult education	6,164	6,164	-	(6,164)
Gifted and talented	141,391	141,391	136,349	(5,042)
GLI instructional	44,831	44,831	43,233	(1,598)
GOSAP	-	-	11,227	11,227
Governor's School	771,231	771,231	614,147	(157,084)
Homebound education	42,677	42,677	19,294	(23,383)
ISAEF	15,717	15,717	15,717	-
Jail budget	-	-	4,187	4,187
JMU Grant	6,000	6,000	-	(6,000)
Mentor teaching program	-	-	8,061	8,061
National board certified teacher bonus	-	-	7,500	7,500
Preschool social services	-	-	2,106	2,106
Primary class size	506,173	506,173	484,392	(21,781)
Project graduation	-	-	14,463	14,463
Remedial education	362,099	362,099	349,187	(12,912)
Remedial summer education	218,232	218,232	171,304	(46,928)
Retirement	1,238,034	1,238,034	1,193,885	(44,149)
School construction	170,534	170,534	170,664	130
School food	-	-	28,875	28,875
Share of state sales tax	4,800,062	4,800,062	4,552,501	(247,561)
Social security	824,206	824,206	794,815	(29,391)
Special education	1,803,598	1,803,598	1,739,281	(64,317)

**County of Pulaski, Virginia**  
**Schedule of Revenues-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Discretely Presented Component Unit-School Board: (continued)				
Major Special Revenue Fund: (continued)				
School Operating Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Standards of learning algebra readiness	\$ 49,309	\$ 49,309	\$ 47,291	\$ (2,018)
State lottery payments	762,098	762,098	740,941	(21,157)
Textbook payment	345,822	345,822	333,490	(12,332)
Vocational education-equipment	-	-	16,567	16,567
Vocational standards of quality payments	496,593	496,593	478,884	(17,709)
VPSA technology grant	349,363	349,363	268,825	(80,538)
VTSF Virginia tobacco settlement	86,309	86,309	83,459	(2,850)
Total Categorical Aid	<u>\$ 29,765,132</u>	<u>\$ 29,765,132</u>	<u>\$ 28,818,924</u>	<u>\$ (946,208)</u>
Total Revenue from the Commonwealth	<u>\$ 29,765,132</u>	<u>\$ 29,765,132</u>	<u>\$ 28,818,924</u>	<u>\$ (946,208)</u>
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ -	\$ -	\$ 10,794	\$ 10,794
Advanced placement grant	-	-	583	583
Gear up access Virginia	22,334	22,334	19,250	(3,084)
Blue Ridge West	-	-	1,000	1,000
Title I	2,192,895	2,192,895	1,519,886	(673,009)
<del>Title II, Part A-Special education flow-through</del>	<del>1,122,342</del>	<del>1,122,342</del>	<del>848,767</del>	<del>(273,575)</del>
Vocational education	94,960	94,960	38,279	(56,681)
Special education-pre-school	38,981	38,981	39,490	509
Drug free schools	29,826	29,826	29,255	(571)
Title III, LEP	4,400	4,400	6,567	2,167
Title II, Part A-Teacher quality grant	349,177	349,177	249,108	(100,069)
Literacy challenge grant	11,321	11,321	10,555	(766)
School Improvement	46,690	46,690	-	(46,690)
Title IV, Part 21	263,017	263,017	208,127	(54,890)
Title V, Part A-Innovative programs	19,687	19,687	19,930	243
School food	-	-	993,994	993,994
<del>Other food Summer program</del>	<del>-</del>	<del>-</del>	<del>56,178</del>	<del>56,178</del>

**County of Pulaski, Virginia**  
**Schedule of Expenditures-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Primary Government:				
General Fund:				
General Government Administration:				
Legislative:				
Board of Supervisors	\$ 125,609	\$ 164,596	\$ 163,210	\$ 1,386
General and Financial Administration:				
County Administrator	\$ 222,240	\$ 241,663	\$ 240,074	\$ 1,589
Assistant County Administrator	150,819	156,519	154,339	2,180
County Attorney	64,500	72,400	57,577	14,823
Operations	105,471	105,471	77,871	27,600
Independent Auditor	33,372	33,372	30,885	2,487
Commissioner of the Revenue	464,085	455,399	422,005	33,394
Treasurer	422,111	467,263	449,101	18,162
Management Services	97,018	98,090	95,869	2,221
Director of Finance	115,840	115,840	114,934	906
Public Relations	63,217	63,217	-	63,217
Other General and Financial Administration	50,700	60,115	39,372	20,743
Total General and Financial Administration	\$ 1,789,373	\$ 1,869,349	\$ 1,682,027	\$ 187,322
Board of Elections:				
Electoral Board	\$ 49,491	\$ 62,372	\$ 62,371	\$ 1
Registrar	86,163	148,935	85,476	63,459
Total Board of Elections	\$ 135,654	\$ 211,307	\$ 147,847	\$ 63,460
Total General Government Administration	\$ 2,050,636	\$ 2,245,252	\$ 1,993,084	\$ 252,168
Judicial Administration:				
Courts:				
Circuit Court	\$ 54,232	\$ 56,813	\$ 58,311	\$ (1,498)
General District Court	3,790	4,089	3,618	471
Magistrate	100	100	100	-
Juvenile and Domestic Relations Court	4,540	5,240	4,370	870
Clerk of the Circuit Court	532,598	614,659	522,935	91,724
Law Library	5,000	10,200	10,964	(764)
Victim's Witness Assistance	140,344	140,344	133,397	6,947
Domestic Relations Legal Services	40,000	40,000	40,000	-
Total Courts	\$ 780,604	\$ 871,445	\$ 773,695	\$ 97,750
Commonwealth's Attorney:				
Commonwealth's Attorney	\$ 667,168	\$ 676,046	\$ 556,832	\$ 119,214
Total Judicial Administration	\$ 1,447,772	\$ 1,547,491	\$ 1,330,527	\$ 216,964
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,095,452	\$ 3,181,453	\$ 3,154,261	\$ 27,192
Fire and Rescue Services:				
E-911	\$ 178,695	\$ 178,695	\$ 161,205	\$ 17,490
Wireless E-911	46,500	46,500	13,944	32,556
Forest Fire Protection	4,500	4,500	3,981	519
Town of Pulaski Fire Protection	-	-	33,000	(33,000)
Volunteer Fire Departments	274,484	324,136	234,423	89,713
Western Virginia EMS	-	-	7,352	(7,352)
Total Fire and Rescue Services	\$ 504,179	\$ 553,831	\$ 453,905	\$ 99,926
Correction and Detention:				
Regional Jail Payments	\$ 1,812,175	\$ 1,812,175	\$ 1,506,052	\$ 306,123
Court Services	5,500	9,575	6,733	2,842

**County of Pulaski, Virginia**  
**Schedule of Expenditures-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Public Safety (continued)				
Correction and Detention: (continued)				
NRV Juvenile Detention Home	\$ 183,659	\$ 183,659	\$ 183,784	\$ (125)
Pretrial Services Grant	712,989	712,989	212,215	500,774
Community Corrections	-	-	409,088	(409,088)
Total Correction and Detention	<u>\$ 2,714,323</u>	<u>\$ 2,718,398</u>	<u>\$ 2,317,872</u>	<u>\$ 400,526</u>
Inspections:				
Building Inspections	\$ 137,154	\$ 154,414	\$ 152,936	\$ 1,478
Code Enforcement	57,618	64,086	60,070	4,016
Total Inspections	<u>\$ 189,772</u>	<u>\$ 218,500</u>	<u>\$ 213,006</u>	<u>\$ 5,494</u>
Other Protection:				
Animal Control	\$ 245,138	\$ 261,245	\$ 257,825	\$ 3,420
Medical Examiner	1,800	3,600	660	2,940
Emergency Management	79,009	100,363	96,518	3,845
Emergency Services Grants	-	30,075	23,643	6,432
Contribution to REMSI	-	-	106,981	(106,981)
Total Other Protection	<u>\$ 325,947</u>	<u>\$ 395,283</u>	<u>\$ 485,627</u>	<u>\$ (90,344)</u>
Total Public Safety	<u>\$ 6,829,673</u>	<u>\$ 7,067,465</u>	<u>\$ 6,624,671</u>	<u>\$ 442,794</u>
Public Works:				
Sanitation and Waste Removal:				
General Engineering	\$ 124,636	\$ 124,636	\$ 120,001	\$ 4,635
Landfill	81,080	93,080	87,082	5,998
Clean Community Council	69,525	134,901	34,361	100,540
Total Sanitation and Waste Removal	<u>\$ 275,241</u>	<u>\$ 352,617</u>	<u>\$ 241,444</u>	<u>\$ 111,173</u>
Maintenance of General Building and Grounds:				
General Properties	\$ 680,346	\$ 644,229	\$ 598,686	\$ 45,543
Cleaning Services	-	124,252	123,408	844
NRV Airport Maintenance Contribution	73,807	97,631	97,630	1
Total Maintenance of General Buildings and Grounds	<u>\$ 754,153</u>	<u>\$ 866,112</u>	<u>\$ 819,724</u>	<u>\$ 46,388</u>
Total Public Works	<u>\$ 1,029,394</u>	<u>\$ 1,218,729</u>	<u>\$ 1,061,168</u>	<u>\$ 157,561</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 333,338	\$ 295,885	\$ 295,885	-
Mental health and mental Retardation:				
Community Services Board	\$ 83,781	\$ 83,781	\$ 83,781	-
Welfare:				
Public Assistance	\$ 2,273,517	\$ 2,664,517	\$ 5,367,139	(2,702,622)
Welfare Administration	3,397,631	3,397,631	71,369	3,326,262
Comprehensive Services Act-Administration	108,063	108,063	89,490	18,573
Comprehensive Services Act-Administration	2,850,000	2,204,000	2,205,014	38,014

**County of Pulaski, Virginia**  
**Schedule of Expenditures-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Health and Welfare: (continued)				
Welfare: (continued)				
Crossroads Shelter	\$ 2,000	\$ 2,000	\$ 2,000	-
Children's Advocacy Program	1,000	1,000	1,000	-
NRV Cares	3,789	3,789	3,789	-
Free Clinic of Pulaski County	31,500	31,500	31,500	-
Literacy Volunteers of America	3,084	3,084	-	3,084
Goodwill Industries	12,000	12,000	12,000	-
Total Welfare	<u>\$ 9,002,712</u>	<u>\$ 9,969,690</u>	<u>\$ 9,289,571</u>	<u>\$ 680,119</u>
Total Health and Welfare	<u>\$ 9,419,831</u>	<u>\$ 10,349,356</u>	<u>\$ 9,669,237</u>	<u>\$ 680,119</u>
Education:				
Other Instructional Costs:				
Contribution to New River Community College	\$ 15,421	\$ 15,421	\$ 15,421	-
Contribution to Pulaski County School Board	10,759,741	11,397,126	10,720,378	676,748
Total Education	<u>\$ 10,775,162</u>	<u>\$ 11,412,547</u>	<u>\$ 10,735,799</u>	<u>\$ 676,748</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Parks	\$ 24,100	\$ 25,341	\$ 26,542	(1,201)
Recreation	317,877	319,617	318,643	974
Friends of Claytor Lake	13,758	42,817	40,967	1,850
Randolph Park	278,772	279,347	270,595	8,752
Claytor Lake Celebration	5,000	5,000	5,000	-
Total Parks and Recreation	<u>\$ 639,507</u>	<u>\$ 672,122</u>	<u>\$ 661,747</u>	<u>\$ 10,375</u>
Cultural Enrichment:				
Fine Arts Center	\$ 16,000	\$ 28,314	\$ 16,000	12,314
Historical Landmarks	6,000	10,618	6,000	4,618
County Celebration	21,000	32,500	32,500	-
County History Publication	-	-	40	(40)
Jamestown 2007 Celebration	3,750	6,636	2,857	3,779
Transportation Museum	500	885	-	885
Total Cultural Enrichment	<u>\$ 47,250</u>	<u>\$ 78,952</u>	<u>\$ 57,397</u>	<u>\$ 21,555</u>
Library:				
Library Administration	\$ 570,574	593,169	562,740	30,429
Total Parks, Recreation and Cultural	<u>\$ 1,257,331</u>	<u>\$ 1,344,243</u>	<u>\$ 1,281,884</u>	<u>\$ 62,359</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 80,253	\$ 84,053	\$ 83,029	1,024
Economic Development	70,652	162,393	107,701	54,692
Chamber of Commerce	10,000	21,128	10,000	11,128
Industrial Park Maintenance	5,100	10,775	4,094	6,681
Visitors' Center	82,676	83,676	76,458	7,218
Planning and Zoning	109,113	110,921	110,183	738
NRV Planning District Commission	30,785	65,043	30,785	34,258
Rt. 100 Improvements	500	1,056	-	1,056
NR Highland	700	700	700	-
SE Rural Community Assistance Program	-	-	500	(500)
Smith Mtn. Lake 4-H Conference Center	500	500	-	500
Economic Stimulus	-	-	525,318	(525,318)
Contribution to Pulaski County IDA	-	-	404,066	(404,066)
Contribution to Pulaski County PSA	-	-	134,388	(134,388)
Total Planning and Community Development	<u>\$ 390,279</u>	<u>\$ 540,246</u>	<u>\$ 1,487,222</u>	<u>\$ (946,976)</u>

**County of Pulaski, Virginia**  
**Schedule of Expenditures-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Community Development: (continued)				
Environmental Management:				
Contribution to Soil and Water District	\$ 12,078	\$ 25,466	\$ 12,028	\$ 13,428
Cooperative Extension Program:				
Extension Office	\$ 101,310	\$ 101,310	\$ 82,599	\$ 18,711
Total Community Development	\$ 503,667	\$ 667,012	\$ 1,581,849	\$ (914,837)
Non-departmental:				
Contingency	\$ 167,013	\$ 11,667	-	\$ 11,667
Erroneous Assessments	500	35	-	35
Revenue Refunds	5,000	349	-	349
Total Non-departmental	\$ 172,513	\$ 12,051	-	\$ 12,051
Debt Service:				
Principal Retirement	\$ 1,074,500	\$ 1,074,500	\$ 1,269,450	\$ (194,950)
Interest and Other Fiscal Charges	657,383	657,383	1,365,481	(708,098)
Total Debt Service	\$ 1,731,883	\$ 1,731,883	\$ 2,634,931	\$ (903,048)
Total General Fund	\$ 25,247,882	\$ 27,508,828	\$ 28,048,459	\$ (82,871)

Major Capital Project Fund:				
School Construction Fund:				
Capital Projects:				
Riverlawn Elementary School	\$ -	\$ 21,481,915	\$ 11,986,314	\$ 9,495,601
Total Capital Projects	\$ -	\$ 21,481,915	\$ 11,986,314	\$ 9,495,601
Total School Construction Fund	\$ -	\$ 21,481,915	\$ 11,986,314	\$ 9,495,601

Non-Major Capital Project Fund:

**County of Pulaski, Virginia**  
**Schedule of Expenditures-Budget and Actual**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2008**

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Non-Major Capital Project Fund: (continued)				
County CIP Fund: (continued)				
Public Works:				
Maintenance of General Building and Grounds:				
General Properties	\$ 1,040,000	\$ 3,662,601	\$ 139,137	\$ 3,523,464
County Administration Building Renovations	30,000	100,412	68,205	32,207
Total Maintenance of General Buildings and Grounds	<u>\$ 1,070,000</u>	<u>\$ 3,763,013</u>	<u>\$ 207,342</u>	<u>\$ 3,555,671</u>
Total Public Works	<u>\$ 1,070,000</u>	<u>\$ 3,763,013</u>	<u>\$ 207,342</u>	<u>\$ 3,555,671</u>
Education:				
Other Instructional Costs:				
Contribution to Pulaski County School Board	\$ 290,460	\$ 611,105	\$ 610,105	\$ 1,000
Parks, Recreational and Cultural:				
Parks and Recreation:				
Recreation	\$ 24,000	\$ 24,000	\$ 7,082	\$ 16,918
Randolph Park	20,000	83,682	75,269	8,413
NRV Fair	-	11,118	11,118	-
Total Parks and Recreation	<u>\$ 44,000</u>	<u>\$ 118,800</u>	<u>\$ 93,469</u>	<u>\$ 25,331</u>
Library:				
Library Administration	\$ 87,840	\$ 187,840	\$ 24,604	\$ 163,236
Total Parks, Recreation and Cultural	<u>\$ 131,840</u>	<u>\$ 306,640</u>	<u>\$ 118,073</u>	<u>\$ 188,567</u>
Community Development:				
Planning and Community Development:				
County entrance signs	\$ -	\$ 9,117	\$ 4,111	\$ 5,006
Rt. 100 Improvements	-	14,272	-	14,272
Planning and Zoning	7,500	12,400	10,725	1,675
Total Planning and Community Development	<u>\$ 7,500</u>	<u>\$ 35,789</u>	<u>\$ 14,836</u>	<u>\$ 20,953</u>
Total County CIP Fund	<u>\$ 2,368,714</u>	<u>\$ 6,606,575</u>	<u>\$ 1,484,722</u>	<u>\$ 5,121,853</u>
Total Primary Government	<u>\$ 37,586,576</u>	<u>\$ 65,684,519</u>	<u>\$ 50,384,186</u>	<u>\$ 15,300,333</u>

Discretely Presented Component Unit-School Board:  
Major Special Revenue Fund:

~~Other Special Revenue Fund~~

Education:				
Administration of schools:				
Administration, health and attendance	\$ 4,468,647	\$ 3,540,050	\$ 3,345,268	\$ 194,782
Instructional:				
Instruction	\$ 33,197,363	\$ 33,185,725	\$ 31,334,243	\$ 1,851,482
Other operating costs				
Pupil transportation	\$ 1,850,192	2,213,718	2,134,110	\$ 79,608
Operation and maintenance of school plant	4,597,520	4,753,935	4,933,354	(179,419)
Food services	2,196,000	2,196,000	2,200,698	(4,698)
Technical resources	1,427,618	1,669,892	1,499,703	170,189
Facilities	551,709	716,709	573,245	143,464
Total other operating costs	<u>\$ 10,623,039</u>	<u>\$ 11,550,254</u>	<u>\$ 11,341,110</u>	<u>\$ 209,144</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 48,289,049</u>	<u>\$ 48,276,029</u>	<u>\$ 46,020,621</u>	<u>\$ 2,255,408</u>

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**Statistical Section**

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Table 1

**County of Pulaski, Virginia**  
**Government-wide Expenses by Function**  
**Last Five Fiscal Years**

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2007-08 \$	2,232,051 \$	1,292,617 \$	7,349,363 \$	208,747 \$	9,705,772 \$	12,024,573 \$	1,405,132 \$	1,642,552 \$	1,376,323 \$	37,239,130
2006-07	2,103,757	1,238,375	7,335,947	682,855	8,562,139	10,531,127	1,411,041	963,542	764,711	33,593,494
2005-06	1,796,526	1,122,413	7,157,316	1,265,365	8,297,944	11,595,909	1,352,900	4,467,301	677,076	37,732,750
2004-05	1,631,622	1,054,657	5,942,439	983,789	7,647,508	11,941,747	1,351,666	1,758,886	748,392	33,060,706
2003-04	1,915,680	956,609	5,461,400	973,451	7,206,259	10,826,692	1,282,212	2,124,508	821,066	31,567,877

Table 2

County of Pulaski, Virginia  
Government-wide Revenues  
Last Five Fiscal Years

Fiscal Year	Program Revenues				General Revenues					Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	
2007-08	\$ 476,063	\$ 11,410,564	\$ -	\$ -	\$ 19,521,565	\$ 6,775,619	\$ 1,498,977	\$ 18,634	\$ 1,863,623	\$ 41,565,045
2006-07	640,715	10,311,656	81,476		18,839,172	6,580,583	1,167,434	57,658	1,868,491	39,547,185
2005-06	649,254	9,904,124	168,817		17,049,730	5,972,264	678,035	85,237	2,014,456	36,521,917
2004-05	652,274	9,453,881	244,127		17,993,697	5,393,167	294,452	178,333	1,886,557	36,096,488
2003-04	633,778	8,831,964	-		17,064,682	5,281,449	222,137	271,273	2,103,491	34,408,774

Table 3

Year
1981
1982
1983
1984
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1986
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2029
2030

Table 4

**County of Pulaski, Virginia**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2007-08	\$ 19,158,479	\$ 6,775,619	\$ 704,918	\$ 34,685	\$ 1,540,511	\$ 1,567,349	\$ 26,151	\$ 1,219,985	\$ 46,144,874	\$ 77,172,571
2006-07	18,762,559	6,580,583	125,564	46,158	804,624	1,571,533	337,750	1,523,869	45,088,763	74,841,403
2005-06	18,162,045	5,972,264	131,295	41,858	443,408	1,546,531	248,459	1,087,512	41,256,945	68,890,317
2004-05	18,104,757	5,393,167	128,038	42,290	132,667	1,451,416	324,965	988,947	39,864,833	66,431,080
2003-04	16,938,019	5,281,449	125,968	42,329	82,074	1,882,954	392,137	1,113,046	34,960,933	60,818,909
2002-03	15,197,779	5,091,930	110,761	41,060	123,122	1,454,088	510,807	1,046,559	33,061,944	56,638,050
2001-02	14,656,188	4,736,025	107,427	48,290	182,732	2,325,279	310,985	604,413	32,720,051	55,691,390
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
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
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

(1) Includes Primary Government (excluding School Construction) and its Discretely Presented Component Unit-School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit-School Board.

Table 5

Amount of quent as to Levy
2.19%
1.45%
2.60%
3.76%
5.74%
6.59%
4.79%
3.93%
2.00%
2.29%

Table 6

**County of Pulaski, Virginia**  
**Assessed Value (1) of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property and Mobile Home	Machinery and Tools	Merchants' Capital	Public Service (2)	Total
-08	\$ 1,984,287,485	\$ 288,718,297	\$ 174,231,700	\$ 5,330,647	\$ 95,857,158	\$ 2,548,425,287
-07	1,913,504,855	273,746,922	177,909,011	5,089,159	104,176,431	2,474,426,378
-06	1,814,259,150	288,658,112	153,283,772	5,202,461	104,039,526	2,365,443,021
-05	1,780,786,569	248,618,931	170,603,751	6,246,179	123,962,648	2,330,218,078
-04	1,529,881,242	250,882,360	190,311,291	7,619,766	80,403,745	2,059,098,404
-03	1,286,185,921	253,395,027	193,718,350	6,053,385	83,318,494	1,822,671,177
-02	1,263,351,827	256,306,443	180,434,300	6,940,767	79,355,700	1,786,389,037
-01	1,216,537,254	243,929,790	156,636,700	7,649,710	86,547,367	1,711,300,821
-00	1,203,723,178	224,149,419	152,479,740	7,085,390	86,520,951	1,673,958,678
-99	1,226,465,162	218,636,615	145,169,133	5,208,979	55,697,903	1,651,177,792

Assessments at 100% of fair market value.

Assessed values are established by the State Corporation Commission.

Table 7

County of Pulaski, Virginia  
 Property Tax Rates (1)  
 Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchants' Capital	Mobile Homes
2007-08	\$ 0.62	2.00	1.50	\$ 4.80	0.62
2006-07	0.62	2.00	1.50	4.80	0.62
2005-06	0.62	2.00	1.50	4.80	0.62
2004-05	0.62	2.00	1.50	4.80	0.62
2003-04 (3)	0.66/0.62	2.00	1.50	4.80	0.66/0.62
2002-03	0.66	2.00	1.50	4.80	0.66
2001-02 (2)	0.62/0.66	2.00	1.50	4.80	0.62/0.66
2000-01	0.62	2.00	1.50	4.80	0.62
1999-00	0.62	1.50	1.50	4.80	0.62
1998-99	0.62	1.50	1.50	4.80	0.62

(1) Per \$100 of assessed value.

(2) Real estate/mobile home rates increased from \$0.62 to \$0.66 beginning with the first half 2002.

(3) Real estate/mobile home rates decreased from \$0.66 to \$0.62 beginning with the first half 2004.

Table 8

**Net Debt per Capita**

	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
170	1.45%	\$ 1,053
133	1.23%	868
157	0.65%	441
163	0.73%	482
74	0.90%	525
166	1.09%	568
140	0.56%	283
122	0.64%	320
100	0.59%	287
100	0.60%	287

and literary fund loans. Excludes  
ces.

Table 9

County of Pulaski, Virginia  
 Expenditures for General Bonded Debt to Total General  
 Governmental Expenditures (1)  
 Last Ten Fiscal Years

Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Governmental Expenditures
1,365,481	2,634,931	73,698,115	3.58%
\$ 805,564	2,003,993	70,112,516	2.86%
722,096	2,295,970	69,616,418	3.30%
791,030	2,452,233	62,669,374	3.91%
945,117	2,563,189	56,805,451	4.51%
346,881	1,286,574	55,600,116	2.31%
664,980	2,947,262	51,264,695	5.75%
263,486	7,378,486	55,051,724	13.40%
362,447	1,391,790	46,224,812	3.01%
264,504	1,708,319	43,686,437	3.91%

(Including School Construction) and its Discretely Presented Component Unit-

## **COMPLIANCE SECTION**

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF PULASKI, VIRGINIA

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County of Pulaski, Virginia's basic financial statements, and have issued our report thereon dated March 10, 2009. We

conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of members of the Board, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robinson T. A. Assistant*

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Christiansburg, Virginia  
March 16, 2009

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF PULASKI, VIRGINIA

### Compliance

We have audited the compliance of the County of Pulaski, 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, 2008. The County of Pulaski, Virginia'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 County of Pulaski, Virginia's management. Our responsibility is to express an opinion on County of Pulaski, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we 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 County of Pulaski, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Pulaski, Virginia's compliance with those requirements.

In our opinion, the County of Pulaski, 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, 2008.

### **Internal Control Over Compliance**

The management of the County of Pulaski, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Pulaski, Virginia's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Pulaski, Virginia's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined

above.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than

**County of Pulaski, Virginia**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2008**

Federal Grantor/State Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)	Federal Catalog Number	Federal Awards
Department of Health and Human Services:		
Pass-through Payments:		
Department of Social Services:		
Family Preservation and Support	93.556	\$ 74,740
Temporary Assistance to Needy Families (TANF)	93.558	643,043
Refugee and Entrant Assistance - Discretionary Grants	93.566	1,599
Low Income Home Energy Assistance	93.568	10,066
Payments to States for Child Care Assistance	93.575	100,595
Child Care and Development Fund	93.596	152,382
Child Welfare Services-State Grants	93.645	2,804
Foster Care - Title IV-E	93.658	682,872
Adoption Assistance	93.659	48,202
Social Services Block Grant	93.667	470,689
Chafee Foster Care Independence Program	93.674	12,926
State Children's Insurance Program	93.767	24,259
Medical Assistance Program (Title XIX)	93.778	298,498
Chafee Education and Training Vouchers Program	93.599	<u>17,279</u>
Total Department of Health and Human Services		<u>\$ 2,539,954</u>
Department of Agriculture:		
Pass-through Payments:		
Department of Agriculture:		
Food Distribution (Note 2)	10.555	\$ 163,481
Summer Feeding Program	10.559	<u>750</u>
Total Department of Agriculture		<u>\$ 164,231</u>
Department of Education:		
National School Breakfast Program	10.553	\$ 217,232
National School Lunch Program	10.555	776,762
Summer Feeding Program	10.550	56,178
Forest Reserve Payments	10.665	<u>10,794</u>
Total Department of Education		<u>\$ 1,060,966</u>
Department of Social Services:		
State Admin Matching Grants for Food Stamp Program	10.561	<u>\$ 405,056</u>
Direct Payments:		
Community Facilities Grant	10.766	<u>\$ 21,000</u>
Total Department of Agriculture		<u>\$ 1,651,253</u>

**County of Pulaski, Virginia**  
**Schedule of Expenditures of Federal Awards (continued)**  
**For the Fiscal Year Ended June 30, 2008**

Federal Grantor/State Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)	Federal Catalog Number	Federal Awards
Department of Justice:		
Pass-through Payments:		
Department of Criminal Justice Services:		
Crime Victim Assistance	16.575	\$ 96,324
Bullet Proof Vest Grant	16.607	<u>8,925</u>
Total Department of Justice:		<u>\$ 105,249</u>
Department of Education:		
Pass-through Payments:		
Department of Education:		
Title I: Educationally Deprived Children	84.010	\$ 1,519,866
Title VI-B: Handicapped State Grants	84.027	848,767
Vocational Education: Basic Grants to States	84.048	38,279
Title VI-B: Handicapped Preschool Incentive Grant	84.173	39,490
Drug Free Schools and Communities	84.186	29,255
Title IV, Part 21	84.287	208,127
Title V, Part A: Innovative Programs	84.298	19,930
Technology Literacy Challenge Funds	84.318	10,555
Advanced Placement Grant	84.330	583
GEAR Up Access Virginia	84.334	19,250
Title III, LEP	84.365	6,567
Title II, Part A: Improving Teacher Quality	84.367	<u>249,108</u>
Total Department of Education		<u>\$ 2,989,777</u>
Department of Homeland Security:		
Pass-through Payments:		
Department of Emergency Management:		
Emergency Management Preparedness Grant	97.042	\$ 18,906
State Homeland Security Grant	97.004	<u>10,888</u>
Total Department of Homeland Security		<u>\$ 29,794</u>
Total Federal Assistance		<u>\$ 7,316,027</u>

**Note 1 -- 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 the amounts presented in, or used in the preparation of, the basic financial statements.

**County of Pulaski, Virginia**  
**Schedule of Expenditures of Federal Awards (continued)**  
**For the Fiscal Year Ended June 30, 2008**

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Note 3 -- Relationship to the Financial Statements:

follows:

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund total	\$ 3,101,803
Less: Payment in lieu of taxes	<u>-</u>

Total Primary Government	<u>\$ 3,101,803</u>
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Component Unit Schools:

School Operating Fund total	\$ 4,050,743
Add: Non-cash expenditures - value of donated commodities	<u>163,481</u>

Total Component Unit Schools	<u>\$ 4,214,224</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 7,316,027</u></u>
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**County of Pulaski, Virginia**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2008

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**Section II - Financial Statement Findings**

There are no financial statement findings to report.

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

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

**Section IV - Status of Prior Audit Findings and Questioned Costs**

There were no prior audit findings related to federal awards.