

COUNTY OF PULASKI, VIRGINIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

**County of Pulaski, Virginia
Annual Financial Report
Fiscal Year Ended June 30, 2013**

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INTRODUCTORY SECTION

COUNTY OF PULASKI, VIRGINIA

Board of Supervisors

Charles R. Bopp Ranny E. O'Dell	Joseph L. Sheffey, Chair Gena Hanks, Clerk	Andy McCready Dean K. Pratt
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County School Board

Jeff Bain, Vice Chair Linda F. Hill	Michael Barbour, Chair Heather Freeman, Clerk	Joseph W. Guthrie Frances P. Viars
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Social Services Board

Charles Bopp Joseph L. Sheffey	Rev. Vicki Houk, Chair Faith Chumbley, Clerk	Rev. Randy Winn Faye Powell
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Library Board

Laura Walters, Vice Chair Nancy Hudson Hattie Haulsee	John Freeman, Chair Parks Lanier	Robert Bopp Martha Jackson Margaret Spradlin
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COUNTY OF PULASKI, VIRGINIA

Other Officials

Judge of the Circuit Court..... C. R. Gibb
Judge of the Circuit Court..... Marcus H. Long Jr.
Clerk of the Circuit Court..... Maetta H. Crewe
Judge of the General District Court.....H. Lee Harrell
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
Clerk of the General District Court Terri Powers
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 Monica D. Cox
Judge of the Juvenile and Domestic Relations Court Bradley W. Finch
Clerk of the Juvenile and Domestic Relations Court..... Judith C. Childress
Commonwealth’s AttorneyK. Mike Fleenor
Commissioner of the Revenue Trina Rupe
Treasurer Melinda Worrell
SheriffJames A. Davis
Superintendent of SchoolsDr. Thomas Brewster
Director of Social Services James C. Wallis
County Administrator Peter M. Huber
County Attorney..... Thomas J. McCarthy, Jr

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Supervisors
County of Pulaski, Virginia
Pulaski, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Pulaski, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Pulaski, Virginia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 discretely presented component units, each major fund, and the aggregate remaining fund information of County of Pulaski, Virginia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 19 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-14, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Pulaski, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

Other Information (continued)

The combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2014, on our consideration of County of Pulaski, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Pulaski, Virginia's internal control over financial reporting and compliance.

Robinson, Jaimes, Co. Associates
Blacksburg, Virginia
May 14, 2014

COUNTY OF PULASKI, VIRGINIA
Management's Discussion and Analysis

The discussion and analysis of the Pulaski County finances for the fiscal year ending June 30, 2013 (FY13) 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 2012-13

- Total net position value of the primary government was \$39.4 million at the end of FY 13 based on total assets of \$72.1 million, total liabilities of \$32.7 million, and deferred inflows of resources of \$34,145 (Exhibit 1). As noted in Exhibit 1, these liabilities include total payout of long-term obligations associated with school construction and remodeling, lease purchase agreements, landfill post-closure monitoring costs, compensated absences, and other post employment benefits while the total assets reflect the depreciated value of existing County owned facilities.
- For FY 13 combined program and general revenues of \$47.3 million exceeded general expenditures of \$44.5 million by approximately \$2.8 million (Exhibit 2). The increase in net position is explained further in the Statement of Activities analysis of the Financial Analysis of the County as a Whole section below.
- As described in Exhibit 11, total general fund revenues were \$0.26 million or 0.6% less than the budgeted \$47.6 million revenue estimate while expenditures were \$5.9 million, or 11.9% less than the \$49.4 million budgeted expenditures (including transfers). The net change in fund balance was a decrease of \$0.27 million.
- The County's total outstanding obligations for school improvements, school construction, economic development, compensated absences and landfill monitoring decreased by \$2.1 million from \$31.3 million on July 1, 2012 to \$29.2 million on June 30, 2013 (Note 6). Included is \$23,200 which was reduced as a net OPEB (Other Post Employment Benefits) expense in accordance with GASB Statement 45 (Note 10).
- As described in Note 18, the unassigned fund balance as of June 30, 2013 for the primary government was \$5.7 million. The Board of Supervisors has historically tried to maintain a reserve of the 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 decreased by approximately \$0.27 million. That amount is explained further in the Analysis of the County Funds section below.

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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 required and 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 position* presents information on all of the County's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position 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 County's *net position* changed during the recent fiscal year. All changes in net position 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.

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 Position 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 Health Insurance Premiums Fund and Information Technology, Garage, and Communication 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 position and a statement of changes in fiduciary net position. 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, and the Employee Flexible Benefits.

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 Position:

Details in the government-wide financial statements for FY 13 can be found in Exhibit 1. The following table reflects the condensed Statement of Net Position (in millions) comparing FY 12 to FY 13.

	Total Primary Government		Component Unit School Board	
	2013	2012	2013	2012
Current and other assets	\$ 25.2	\$ 24.9	\$ 5.0	\$ 4.8
Capital assets, net	46.9	46.2	6.9	7.7
Total assets	<u>\$ 72.1</u>	<u>\$ 71.1</u>	<u>\$ 11.9</u>	<u>\$ 12.5</u>
Other liabilities	\$ 3.5	\$ 3.6	\$ 4.0	\$ 3.9
Long-term liabilities	29.2	31.3	2.4	2.3
Total liabilities	<u>\$ 32.7</u>	<u>\$ 34.9</u>	<u>\$ 6.4</u>	<u>\$ 6.2</u>
Net Position:				
Net investment in capital assets	\$ 20.2	\$ 17.4	\$ 6.9	\$ 7.6
Restricted	0.2	0.2	-	-
Unrestricted	19.0	18.5	(1.4)	(1.3)
Total net position	<u>\$ 39.4</u>	<u>\$ 36.1</u>	<u>\$ 5.5</u>	<u>\$ 6.3</u>

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

The County's Primary Government net position increased from \$36.7 million to \$39.4 million as explained in the Statement of Activities section below. Unrestricted net position, the portion of net position that can be used to finance the day-to-day activities of the County, totaled \$19 million. Net position invested in capital assets, net of related debt, represents the amount of capital assets owned by the County and Component Units total \$20.1 million. Net position is reported as restricted when constraints on asset use are externally imposed by 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. Component unit (School Board) net position decreased by \$0.4 million, from \$5.8 million in FY 12 to \$5.5 million in FY 13.

Capital Assets

The following tables display the County's and School Board's (Component Unit) capital assets at June 30, 2013, as well as the change in capital assets for FY 12 in millions of dollars:

Capital Assets:

	Total Primary Government		Component Unit School Board	
	2013	2012	2013	2012
Non-Depreciable Assets:				
Land	\$ 2.6	\$ 2.5	\$ 0.5	\$ 0.6
Construction in Progress	1.6	0.4	0.1	1.1
Other Capital Assets:				
Buildings and systems	53.7	53.5	19.8	19.4
Machinery and Equipment	11.7	11.3	7.8	7.4
Accumulated Depreciation	(22.7)	(21.0)	(21.3)	(20.8)
Totals	\$ 46.9	\$ 46.7	\$ 6.9	\$ 7.7

**Primary Government:
 Changes in Capital Assets:**

	Balance, June 30, 2012		Additions	Deletions	Balance, June 30, 2013	
Non-Depreciable Assets:						
Land	\$ 2.5	\$ 0.1	\$ 0.0	\$ 0.0	\$ 2.6	
Construction in Progress	0.4	1.3	(0.1)		1.6	
Other Capital Assets:						
Buildings and Improvements	53.6	0.1	0.0		53.7	
Machinery and Equipment	11.3	0.6	(0.2)		11.7	
Accumulated Depreciation	(21.0)	(1.9)	0.2		(22.7)	
Totals	\$ 46.8	\$ 0.2	\$ (0.1)	\$ (0.1)	\$ 46.9	

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

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

	Balance, June 30, <u>2012</u>		<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2103</u>	
Non-Depreciable Assets:						
Land	\$	0.6	\$	0.0	\$	0.6
Construction in Progress		1.2		(1.2)		0.1
Other Capital Assets:						
Buildings and systems		19.4		(1.3)		19.8
Machinery and Equipment		7.4		(0.1)		7.8
Accumulated Depreciation		(21.3)		1.0		(21.3)
Totals	\$	<u>7.3</u>	\$	<u>0.9</u>	\$	<u>7.0</u>

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 Obligations

The following table displays the County and Schools (Component Unit) Outstanding Obligations at June 30, 2013, in millions of dollars:

	Primary Government		Component Unit School Board	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$	13.9	\$	15.0
Literary Loans		3.0		3.4
Lease Revenue Note		9.9		10.6
Capital Leases		0.0		0.1
Notes Payable		0.4		0.4
Unamortized Bond Premium		0.7		0.7
Landfill Post Closure Liability		0.2		0.2
Net OPEB Obligation		0.3		0.2
Compensated Absences		0.7		0.7
Total	\$	<u>29.1</u>	\$	<u>31.3</u>
			\$	<u>2.4</u>
			\$	<u>2.3</u>

Long-term obligations decreased by \$2.1 million in FY 13. Additional detailed information on long-term obligation activity can be found in Note 6 and Note 7 in the "Notes to Financial Statements" section of the report for the County and Schools, respectively.

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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 FY 13 and FY 12 (in millions) as shown in Exhibit 2:

	Total Primary Government		Component Unit School Board	
	2013	2012	2013	2012
Revenues:				
Program Revenues:				
Charges for services	\$ 0.7	\$ 0.7	\$ 1.1	\$ 1.1
Operating grants and contributions	12.2	12.5	31.1	32.2
Capital grants and contributions	0.4	0.1	0.0	0.0
General Revenues:				
General property taxes	23.3	22.0	0.0	0.0
Other local taxes	6.6	6.5	0.0	0.0
Other	4.1	3.3	0.0	0.1
Payments from County	0.0	0.0	12.0	11.6
Total Revenues	\$ 47.3	\$ 45.1	\$ 44.2	\$ 45.0
Expenses:				
General government administration	\$ 3.0	\$ 2.7	\$ -	\$ -
Judicial administration	1.7	1.6	-	-
Public safety	8.3	8.1	-	-
Public works	2.4	1.7	-	-
Health and welfare	11.6	11.0	-	-
Education	12.8	14.7	44.6	43.8
Parks, recreation and cultural	1.7	1.5	-	-
Community development	1.9	7.5	-	-
Interest on long term debt	1.1	1.2	-	-
Total Expenses	\$ 44.5	\$ 50.0	\$ 44.6	\$ 43.8
Changes in Net Positions:	2.8	(4.9)	(0.4)	1.2
Net Position, Beginning of Year, as restated	36.6	41.0	5.8	5.1
Net Position, End of Year	\$ 39.4	\$ 36.1	\$ 5.4	\$ 6.3

Revenues

For FY 13, revenues from governmental funds totaled \$47.3 million. General property tax revenues, the County's largest revenue source, were \$23.3 million, an increase of \$1.5 million. Other local taxes (including local sales tax, communications tax, hotel and motel room taxes and meals tax) were \$6.6 million, an increase of approximately \$0.1 million over FY12.

Component unit (School Board) revenues totaled \$44.2 million for FY13, a decrease of \$0.8 million from FY 12 to FY 13. Component Unit State Revenues and Federal Revenues decreased by \$1.1 million resulting in an increase of local government contributions of \$0.4 million.

Expenses

For FY 13, expenses for primary governmental activities totaled \$44.5 million a decrease of \$5.5 million over the prior year as shown in Exhibit 2.

Education is a very high priority in the Pulaski County; consequently the Board of Supervisors contributed \$12.0 million to the operation of the Pulaski County schools excluding debt service costs. This accounts for 24% of the County's total budgeted expenditures. It should also be noted that the Board of Supervisors has carried over any unused portion of the FY 12 contribution to FY 13 to use towards School operations and School capital improvements.

Financial Analysis of the County's Funds

For FY13, the general fund reflects a fund balance of \$19.2 million, a decrease of \$0.3 million from FY12. The following table shows a comparison between the fiscal year ended June 30, 2012 amounts to the fiscal year ended June 30, 2013 amounts for the General Fund as shown in Exhibit 5.

Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund		
	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues:			
General Property Taxes	\$ 23.2	\$ 21.7	\$ 1.5
Other Local Taxes	6.6	6.5	0.1
Permits, Privilege Fees and Regulatory Licenses	0.1	0.2	(0.1)
Fines and Forfeitures	0.1	0.0	0.1
Revenue from Use of Money and Property	0.4	0.4	0.0
Charges for Services	0.5	0.6	(0.1)
Miscellaneous	0.1	0.1	0.0
Recovered Costs	1.1	0.6	0.5
Revenue from the Commonwealth	11.3	11.5	(0.2)
Revenue from the Federal Government	3.9	3.2	0.7
Total Revenues	<u>\$ 47.3</u>	<u>\$ 44.8</u>	<u>\$ 2.5</u>
Expenditures:			
General Government Administration	\$ 2.3	\$ 2.1	\$ 0.2
Judicial Administration	1.7	1.6	0.1
Public Safety	7.8	7.4	0.4
Public Works	1.7	1.7	0.0
Health and Welfare	11.3	10.6	0.7
Education	12.1	11.6	0.5
Parks, Recreation and Cultural	1.4	1.3	0.1
Community Development	1.9	6.4	(4.5)
Principal	2.2	2.1	0.1
Interest	1.2	1.3	(0.1)
Total Expenditures	<u>\$ 43.6</u>	<u>\$ 46.1</u>	<u>\$ (2.5)</u>
Excess	3.7	(1.3)	5.0
Other Financing Sources (Uses)	(4.0)	(4.3)	0.3
Net Change in Fund Balance	(0.3)	(5.6)	5.3
Fund Balance, Beginning of Year	19.5	25.1	(5.6)
Fund Balance End of Year	<u>\$ 19.2</u>	<u>\$ 19.5</u>	<u>\$ (0.3)</u>

The General Fund local revenues remained fairly constant from FY 12 to FY 13 with an increase of \$1.5 million in general property taxes due to an increase in the real estate tax rate from \$0.54 to \$0.59. There were no increases in other property taxes during FY13.

The general fund education expenditure was increased by \$0.5 million. Community Development expenditures decreased by \$4.5 million due to a reduction in transfers to the Pulaski County Industrial Development Authority for economic development. Overall, other expenditure categories remained fairly consistent with FY12 figures.

All capital and school board unused appropriations from the 2012 fiscal year were carried over by the Board of Supervisors for use in FY 2013.

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

General Fund Budgetary Highlights

The following table presents revenues and expenditures for the General Fund only for FY 13 (in millions):

	Original Budget	Amended Budget	Actual	Variance
Revenues:				
Property Taxes	\$ 21.5	\$ 22.7	\$ 23.2	0.5
Other Local Taxes	6.5	6.5	6.6	0.1
Permits, Fees and Licenses	0.1	0.1	0.1	-
Fines and Forfeitures	0.1	0.2	0.1	(0.1)
Revenue from Use of Money and Property	0.4	0.4	0.4	-
Charges for Services	0.4	0.4	0.5	0.1
Miscellaneous	0.0	0.0	0.1	0.1
Recovered Costs	0.5	1.0	1.1	0.1
Intergovernmental	14.6	16.2	15.2	(1.0)
Total	\$ 44.1	\$ 47.5	\$ 47.3	(0.2)
Expenditures and transfers:				
General Government Administration	\$ 2.4	\$ 2.5	\$ 2.3	0.2
Judicial Administration	1.7	1.7	1.7	0.0
Public Safety	7.6	8.4	7.8	0.6
Public Works	1.6	1.7	1.7	0.0
Health and Welfare	11.5	11.8	11.3	0.5
Education	12.6	12.6	12.1	0.5
Parks, Recreation and Cultural	1.3	1.5	1.4	0.1
Community Development	2.1	5.8	1.9	3.9
Non-departmental	0.2	0.1	0.0	0.1
Debt Service	3.0	3.3	3.4	-0.1
Transfers	0.0	0.0	0.0	0.0
Total	\$ 44.0	\$ 49.4	\$ 43.6	5.8

It should be noted that this schedule is shown on the budgetary basis. In comparing the original budget to the amended budget both revenues and expenditures increased. Most of this change can be attributed to carry-over appropriations for County construction projects and unused FY12 local funding for Component Unit (Schools). This trend will continue until building space needs are met by the renovation of the Maple Shade shopping mall, the renovation of the County Administration building, and the renovation of office space for the Sheriff's office.

Economic Factors and Future Budgets

The primary factors affecting the financial viability of Pulaski are limited options for revenue increases, continued fluctuations in state and federal revenues, and continued decline in the national economy.

Limited Revenue Options - Community needs and inflationary pressures require that revenues or governmental efficiency increase in order to maintain and improve the quality of public services currently enjoyed by county residents. Locally generated revenues have historically increased at a rate of approximately 3% excluding the impact of reassessments. During FY12, the rate of increase was the historical rate of 3%, but has increased to 6% for FY13. There are legal limits placed by the General Assembly on how counties can raise revenue to meet community needs. An analysis of options indicates that the primary remaining options for raising needed revenue are limited to real estate taxes and personal property taxes.

State Revenues - Currently, state funding is projected to account for 32%, or \$39 million, of the County and Component Unit (Schools) FY 2014 total budget, while local real estate taxes account for 40% percent of total County general fund revenues, increasing by 2% in FY14. A 1% change in state revenue

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

results in a \$0.39 million change in the local budget, or the equivalent of a \$0.015 cent change on the real estate tax rate. Thus, changes in State revenue have a direct impact on the financial picture of the County and on its ability to meet the needs of County residents.

Other factors that are expected to impact future budgets include:

1. Anticipated GASB Statement #45 increases for other post employment benefits.
2. Funding for the Capital Improvement Plan will need to address office space needs, funding of joint services, and replacement of leased network connections between buildings.
3. The ability to maintain increasing operational costs will be dependent on revenue growth from business activity in the County and/or finding better ways of providing needed community services through joint services and other innovations.
4. Funding of increasing healthcare costs and additional healthcare requirements in future budgets with the Affordable Care Act.
5. The County will need to invest in new economic development initiatives including the purchase of the next industrial park and conceptualization of future "shell" buildings making possible rapid response to business and industrial needs for new facilities.
6. There remains a long-term need for reducing operational costs through joint services, initiatives in the provision of public safety services, tax and utility bill collections and improved property maintenance.
7. The condition of the local, regional, state and national economies and a resulting increase in demand for services should economic conditions continue their slow improvement.
8. Anticipated GASB #68 implementation requirements of Accounting and Financial Reporting for Pensions.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional financial information should be directed to the County Administrator, or the Finance Director, at 143 Third Street, NW, Pulaski, Virginia 24301, telephone (540) 980-7705. The County's website address is www.pulaskicounty.org. We welcome the opportunity to present the financial status of the County to citizens, community groups and state agencies in that the resources of the County have a direct effect on the ability to improve the quality of life while addressing nationwide economic and social changes impacting the community.

Basic Financial Statements

County of Pulaski, Virginia
Statement of Net Position
June 30, 2013

	Primary Government		Component Units		
	Governmental Activities	School Board	Public Service Authority	Industrial Development Authority	
ASSETS					
Cash and Cash Equivalents	\$ 19,173,538	\$ 659,709	\$ 2,803,418	\$ -	
Investments	161,145	-	-	-	
Receivables (Net of Allowance for Uncollectibles):					
Taxes	2,316,816	-	-	-	
Accounts Receivable	333,117	-	1,011,276	14,458	
Other Local Taxes and Fees	290,868	-	-	-	
Note Receivable	-	-	1,413,190	20,863,224	
Rent Receivable	-	-	-	52,957	
Interest Receivable	-	-	-	106,396	
Prepaid Items	-	291,893	-	-	
Due from Primary Government	-	2,364,263	-	-	
Due from Other Governmental Units	2,196,421	1,684,565	-	-	
Advances to Component Units	507,858	-	-	-	
Restricted Assets:					
Temporarily Restricted:					
Cash and Cash Equivalents	160,548	-	-	2,186,357	
Cash and Cash Equivalents (in Custody of Others)	76,159	-	198,247	-	
Organization Expense (Net of Accumulated Amortization)	-	-	2,817	-	
Capital Assets:					
Land	2,564,600	533,184	127,700	1,114,527	
Buildings and Improvements	41,048,362	3,993,539	-	10,850,063	
Machinery and Equipment	1,618,822	2,262,166	23,302,391	-	
Infrastructure	-	-	1,305,881	-	
Construction in Progress	1,641,639	98,928	269,978	68,616	
Total Assets	<u>\$ 72,089,893</u>	<u>\$ 11,888,247</u>	<u>\$ 30,434,898</u>	<u>\$ 35,256,598</u>	
LIABILITIES					
Accounts Payable	\$ 620,383	\$ 333,847	\$ 734,173	\$ 85,009	
Accrued Wages	-	3,702,341	-	-	
Customer Deposits	-	-	116,910	-	
Accrued Interest Payable	461,347	-	37,173	106,396	
Due to Component Units	2,364,263	-	-	-	
Advances Due to Primary Government	-	-	-	507,858	
Long-Term Liabilities:					
Due Within One Year	2,069,335	156,855	504,304	1,225,595	
Due in More Than One Year	27,110,240	2,214,894	11,420,356	16,075,572	
Total Liabilities	<u>\$ 32,625,568</u>	<u>\$ 6,407,937</u>	<u>\$ 12,812,916</u>	<u>\$ 18,000,430</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 34,145	\$ -	\$ -	-	
NET POSITION					
Net Investment in Capital Assets	\$ 20,158,001	\$ 6,887,817	\$ 13,248,777	\$ 10,442,973	
Restricted	236,707	-	198,247	2,186,357	
Unrestricted (deficit)	19,034,372	(1,407,507)	4,174,958	4,626,838	
Total Net Position	<u>\$ 39,429,080</u>	<u>\$ 5,480,310</u>	<u>\$ 17,621,982</u>	<u>\$ 17,256,168</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, 2013**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units				
					Primary Governmental Activities	School Board	Public Service Authority	Industrial Development Authority	
Primary Government:									
Governmental Activities:									
General Government Administration	\$ 3,029,596	\$ 2,348	\$ 276,280	\$ -	\$ (2,750,968)	\$ -	\$ -	\$ -	\$ -
Judicial Administration	1,663,626	85,880	1,674,955	-	97,209	-	-	-	-
Public Safety	8,279,912	246,216	2,172,066	-	(5,861,630)	-	-	-	-
Public Works	2,457,115	73,136	14,549	-	(2,369,430)	-	-	-	-
Health and Welfare	11,585,645	-	7,981,681	-	(3,603,964)	-	-	-	-
Education	12,845,614	-	-	-	(12,845,614)	-	-	-	-
Parks, Recreation and Cultural	1,676,018	307,844	118,660	-	(1,249,514)	-	-	-	-
Community Development	1,872,699	-	-	366,974	(1,505,725)	-	-	-	-
Interest	1,135,681	-	-	-	(1,135,681)	-	-	-	-
Total Primary Government	\$ 44,545,906	\$ 715,424	\$ 12,238,191	\$ 366,974	\$ (31,225,317)	\$ -	\$ -	\$ -	\$ -
Component Units:									
School Board	\$ 44,603,749	\$ 1,111,327	\$ 31,060,057	\$ -	\$ -	\$ (12,432,365)	\$ -	\$ -	\$ -
Public Service Authority	8,657,235	8,167,749	1,476,485	-	-	-	986,999	-	-
Industrial Development Authority	1,998,770	886,571	540,140	250,225	-	-	-	-	(321,834)
Total Component Units	\$ 55,259,754	\$ 10,165,647	\$ 33,076,682	\$ 250,225	\$ -	\$ (12,432,365)	\$ 986,999	\$ -	\$ (321,834)
General Revenues:									
General Property Taxes					\$ 23,279,472				
Other Local Taxes									
Local Sales and Use Taxes									
Consumers' Utility Taxes					2,887,289				
Business Licenses					648,554				
Consumption Taxes					597,675				
Motor Vehicle Licenses					106,632				
Bank Stock Taxes					567,733				
Taxes on Recordation and Wills					28,831				
Hotel and Motel Room Taxes					167,155				
Restaurant Food Taxes					314,722				
Unrestricted Revenues from Use of Money and Property					1,262,857				
Miscellaneous					433,446				
Payments from Primary Government					118,247				
Grants and Contributions Not Restricted to Specific Programs					-				
Total General Revenues					\$ 33,985,229				
Change in Net Position					\$ 2,759,912				
Net Position - Beginning, as restated					\$ 36,670,268				
Net Position - Ending					\$ 39,430,180				

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

County of Pulaski, Virginia
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 19,015,695	\$ 751,946	\$ 19,767,641
Investments	107,882	53,263	161,145
Receivables (Net of Allowance for Uncollectibles):			
Taxes	2,316,816	-	2,316,816
Other Local Taxes and Fees	290,868	-	290,868
Due from Other Funds	162,976	153,077	316,053
Due from Other Governmental Units	1,921,052	275,369	2,196,421
Advances to Component Units	506,758	1,100	507,858
Total Assets	<u>\$ 24,322,047</u>	<u>\$ 1,234,755</u>	<u>\$ 25,556,802</u>
LIABILITIES			
Accounts Payable	\$ 360,261	\$ 205,007	\$ 565,268
Reconciled Overdraft	-	114,613	114,613
Due to Other Funds	280,834	-	280,834
Due to Component Units	2,364,263	-	2,364,263
Total Liabilities	<u>\$ 3,005,358</u>	<u>\$ 319,620</u>	<u>\$ 3,324,978</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 2,086,380	-	\$ 2,086,380
FUND BALANCE			
Nonspendable	\$ 506,758	\$ 1,100	\$ 507,858
Restricted	76,159	160,548	236,707
Committed	1,153,620	753,487	1,907,107
Assigned	11,833,472	-	11,833,472
Unassigned	5,660,300	-	5,660,300
Total Fund Balances	<u>\$ 19,230,309</u>	<u>\$ 915,135</u>	<u>\$ 20,145,444</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 24,322,047</u>	<u>\$ 1,234,755</u>	<u>\$ 25,556,802</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 Position
June 30, 2013

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	20,145,444	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.			
Land	\$	2,564,600	
Building and Improvements		41,048,362	
Machinery and Equipment		1,618,822	
Construction in Progress		1,641,639	46,873,423
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.			
			2,052,235
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.			
General Obligation Bonds	\$	(13,946,252)	
Literary Loans		(3,000,000)	
Lease Revenue Notes		(9,860,000)	
Note Payable		(363,357)	
Unamortized Bond Premiums		(712,402)	
Landfill Post-Closure Monitoring Costs		(252,324)	
Net OPEB Obligation		(296,300)	
Compensated Absences		(748,940)	
Accrued Interest Payable		(461,347)	(29,640,922)
		<u> </u>	<u> </u>
Net Position of Governmental Activities	\$		<u><u>39,430,180</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 Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	<u>General Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
REVENUES			
General Property Taxes	\$ 23,174,130	\$ -	\$ 23,174,130
Other Local Taxes	6,581,448	-	6,581,448
Permits, Privilege Fees and Regulatory Licenses	135,413	-	135,413
Fines and Forfeitures	72,758	-	72,758
Revenue from Use of Money and Property	433,076	370	433,446
Charges for Services	507,253	-	507,253
Miscellaneous	80,993	37,254	118,247
Recovered Costs	1,140,747	844,044	1,984,791
Intergovernmental Revenues:			
Commonwealth	11,292,989	171,318	11,464,307
Federal Government	3,888,789	824,685	4,713,474
Total Revenues	<u>\$ 47,307,596</u>	<u>\$ 1,877,671</u>	<u>\$ 49,185,267</u>
EXPENDITURES			
Current:			
General Government Administration	\$ 2,353,844	\$ 668,497	\$ 3,022,341
Judicial Administration	1,658,842	-	1,658,842
Public Safety	7,794,740	892,460	8,687,200
Public Works	1,717,309	1,227,748	2,945,057
Health and Welfare	11,297,249	536,702	11,833,951
Education	12,059,761	348,328	12,408,089
Parks, Recreation and Cultural	1,384,616	395,053	1,779,669
Community Development	1,863,525	124,454	1,987,979
Non-Departmental	48,676	-	48,676
Capital Projects	-	441,841	441,841
Debt Service:			
Principal Retirement	2,169,831	-	2,169,831
Interest and Other Fiscal Charges	1,222,812	-	1,222,812
Total Expenditures	<u>\$ 43,571,205</u>	<u>\$ 4,635,083</u>	<u>\$ 48,206,288</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 3,736,391</u>	<u>\$ (2,757,412)</u>	<u>\$ 978,979</u>
Other Financing Sources (Uses)			
Transfers In	\$ -	\$ 3,367,106	\$ 3,367,106
Transfers Out	(4,002,438)	-	(4,002,438)
Total Other Financing Sources (Uses)	<u>\$ (4,002,438)</u>	<u>\$ 3,367,106</u>	<u>\$ (635,332)</u>
Net Change in Fund Balance	\$ (266,047)	\$ 609,694	\$ 343,647
Fund Balance - Beginning, as restated	19,496,356	305,441	19,801,797
Fund Balance - Ending	<u>\$ 19,230,309</u>	<u>\$ 915,135</u>	<u>\$ 20,145,444</u>

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

County of Pulaski, Virginia
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

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

Net changes in fund balance - total governmental funds	\$	343,647
<p>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.</p>		
Capital outlays	\$ 2,061,522	
Depreciation expenses	<u>(1,914,780)</u>	146,742
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		105,342
<p>The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligation consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.</p>		
Debt issued or incurred:		
Accrued landfill post-closure care costs	\$ (4,218)	
Principal repayments:		
General obligation debt	1,017,779	
Literary loan	375,000	
Lease revenue note	720,409	
Notes payable	<u>56,643</u>	2,165,613
<p>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.</p>		
(Increase) Decrease in compensated absences	\$ (36,163)	
(Increase) Decrease in net OPEB obligation	(52,400)	
(Increase) Decrease in accrued interest payable	28,432	
Amortization of bond premiums	<u>58,699</u>	<u>(1,432)</u>
Change in net position of governmental activities	\$	<u><u>2,759,912</u></u>

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

County of Pulaski, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2013

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
ASSETS		
Current Assets:		
Receivables (Net of Allowance for Uncollectibles):		
Accounts Receivable	\$ 242,783	\$ 90,334
Total Assets	<u>\$ 242,783</u>	<u>\$ 90,334</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 55,115
Due to Other Funds	-	35,219
Reconciled Overdraft	242,783	-
Total Liabilities	<u>\$ 242,783</u>	<u>\$ 90,334</u>
NET POSITION		
Unrestricted	\$ -	\$ -
Total Net Position	<u>\$ -</u>	<u>\$ -</u>

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

County of Pulaski, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2013

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
OPERATING REVENUES		
Charges for Services:		
Information Technology Charges	\$ -	\$ 196,618
Garage Charges	-	1,008,938
Communication Charges	-	65,679
Other Revenues:		
Miscellaneous	-	2,939
Insurance Premiums	4,456,043	-
Total Operating Revenues	<u>\$ 4,456,043</u>	<u>\$ 1,274,174</u>
OPERATING EXPENSES		
Information Technology	\$ -	\$ 466,405
Central Garage	-	1,344,571
Communications	-	98,530
Insurance Claims and Expenses	4,456,043	-
Total Operating Expenses	<u>\$ 4,456,043</u>	<u>\$ 1,909,506</u>
Operating Income (Loss)	<u>\$ -</u>	<u>\$ (635,332)</u>
Transfer In	<u>\$ -</u>	<u>\$ 635,332</u>
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>
Net Position - Beginning	<u>-</u>	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>	<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, 2013

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges to County Department and other organizations	\$ -	\$ 1,295,822
Other receipts (payments)	-	2,939
Payments to suppliers for goods and services	-	(1,489,486)
Payments to employees for services	-	(444,607)
Receipts for insurance premiums	4,493,518	-
Payments for insurance premiums	(4,493,518)	-
Total cash provided by (used for) operating activities	\$ -	\$ (635,332)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ -	\$ 635,332
Net Increase (Decrease) in Cash and Cash Equivalents	\$ -	\$ -
Cash and Cash Equivalents - Beginning	\$ -	\$ -
Cash and Cash Equivalents - Ending	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ -	\$ (635,332)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (used for) Operating Activities:		
(Increase) Decrease in Accounts Receivable	\$ (35,315)	\$ 24,587
Increase (Decrease) in Accounts Payable	35,315	(30,436)
Increase (Decrease) in Due to Other Funds	-	5,849
Total Adjustments	\$ -	\$ -
Net Cash Provided By (Used For) Operating Activities	\$ -	\$ (635,332)

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

County of Pulaski, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ <u>208,363</u>
 LIABILITIES	
Current Liabilities:	
Amounts Held for Others:	
Social Services Clients	\$ 28,482
Contractors	98,776
County Employees	<u>81,105</u>
Total amounts held for others	<u>\$ 208,363</u>
Total Liabilities	<u>\$ 208,363</u>

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements
June 30, 2013

Note 1-Summary of Significant Accounting Policies:

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

A. Financial 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 County's operations.

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, 2013

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

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Net Position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

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

Budgetary comparison schedules demonstrate compliance with the adopted budget. It is an important component of a government’s accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

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

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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 expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when the government receives cash.

The County reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for and reports 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.

The County reports the following non-major governmental funds:

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than those dedicated for debt service or major capital projects. The Tornado Relief Fund and Highway Maintenance Fund are reported as a non-major special revenue funds.

The School Construction fund is reported as one of the County's non-major *capital projects fund*. The fund accounts for and reports financial resources that are restricted, committed or assigned to be used for the acquisition and construction of major school capital projects.

The County Capital Improvements fund is reported as another of the County's non-major *capital projects fund*. The fund accounts for and reports financial resources that are restricted, committed, or assigned to be used for the acquisition and construction of major County capital projects as well as acquisitions of other types of capital assets.

Additionally, the County reports the following fund types:

Internal service funds (Proprietary funds) account for and report the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The internal service funds consist of the Information Technology, Garage, and Communications Services Fund and the Health Insurance Premiums Fund.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

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

Fiduciary funds (Trust and Agency funds) account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. The Special Welfare, Performance Bond, and Employee Benefit Funds are reported as agency funds.

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.

The Pulaski County School Board reports the following major fund:

The school operating fund accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Pulaski and state and federal grants.

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position 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.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position or Equity: (continued)

1. Deposits and investments (continued)

Investments for the County, 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 nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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 payable on June 5th and December 5th. Personal property taxes are due and collectible annually on October 15th. The County bills and collects its own property taxes.

4. Allowance for Uncollectible Amounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$716,714 at June 30, 2013 and is comprised solely of real estate taxes delinquent for 20 years and personal property taxes delinquent for 5 years.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position or Equity: (continued)

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Buildings	40
Building improvements	20-40
Structures, lines and accessories	20-40
Machinery and equipment	4-30
Land improvements	10

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position or Equity: (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources.

9. 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.

10. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts 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.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position or Equity: (continued)

10. Long-Term Obligations (continued)

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

11. Fund Equity

The County of Pulaski, Virginia reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-spendable – amounts that cannot be spent because they are not in spendable form, such as prepaid items and inventory or are required to be maintained intact (corpus of a permanent fund).

Restricted - amounts that are restricted by external parties such as creditors or imposed by grants, law or legislation.

Committed - amounts that have been committed (establish, modify, or rescind) by formal action by the entity's "highest level of decision-making authority"; which the County of Pulaski, Virginia considers to be the Board of Directors.

Assigned - amounts that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. The County of Pulaski, Virginia considers this level of authority to be the Board of Directors or any Committee granted such authority by the Board of Directors.

Unassigned - this category is for any balances that have no restrictions placed upon them; positive amount are only reported in the general fund.

The County's highest decision making level is the Board of Supervisors. Action from the Board of Supervisors is required to commit or release funds from commitment.

The County's Board of Supervisors has authorized the County Administrator to assign fund balance to a specific purpose as approved within the County fund balance policy.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

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

D. Assets, Liabilities, Deferred Outflows/inflows, and Net Position or Equity: (continued)

12. Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

13. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 2- Stewardship, Compliance, and Accountability:

A. Budgetary Information:

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

1. Prior to April 1st, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. All non-fiduciary funds have legally adopted budgets.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 2- Stewardship, Compliance, and Accountability: (continued)

A. Budgetary Information: (continued)

4. The Appropriations Resolution places legal restrictions on expenditures at the functional level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's subcategories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the School Fund), Debt Service Funds, and the General Capital Projects Fund. The School Fund and School Capital Projects Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a modified accrual basis.
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

B. Excess of Expenditures Over Appropriations:

There were no departments that had an excess of expenditures over appropriations for fiscal year 2013.

C. Deficit Fund Equity:

At June 30, 2013, there were no funds that had deficit fund equity.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 3- Deposits and Investments:

Deposits:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board.

Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

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, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Custodial Credit Risk: (Investments)

The County's rated debt investments as of June 30, 2013 were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale.

County's Rated Debt Investments' Value	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>Aaam</u>
LGIP	\$ 107,882
SNAP	53,263

External Investment Pools:

The State Non-arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission

The fair value of the positions in the external investment pool, Local Government Investment Pool (LGIP), is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 4- 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>
Local governments		
Town of Dublin	\$ 119,101	\$ -
Commonwealth of Virginia:		
State sales tax	495,902	763,254
Communication sales tax	133,277	-
Categorical aid-shared expense	259,140	-
Categorical aid-other	345,760	-
Categorical aid-VPA funds	145,391	-
Categorical aid-CSA funds	371,455	-
Federal Government:		
Categorical aid-VPA funds	200,850	-
Categorical aid-other	125,545	921,311
Totals	<u>\$ 2,077,320</u>	<u>\$ 1,684,565</u>

Note 5- Component-Unit Obligations:

<u>Fund</u>	<u>Due to</u>	<u>Due from</u>
Primary Government:		
General Fund	\$ 2,645,097	\$ 162,976
County Construction Fund	-	44,435
School Construction Fund	-	108,642
Internal Services Fund	35,219	-
Component Units:		
School Fund	-	2,364,263
Total	<u>\$ 2,680,316</u>	<u>\$ 2,680,316</u>
	<u>Transfers in</u>	<u>Transfers out</u>
Primary Government:		
General Fund	\$ -	\$ 4,002,438
School Construction Fund	509,606	-
County Construction Fund	2,857,500	-
Internal Service Fund	635,332	-
Total	<u>\$ 4,002,438</u>	<u>\$ 4,002,438</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 5- Component-Unit Obligations: (continued)

Details of due from component unit amounts are as follows:

Pulaski County Industrial Development Authority:

During fiscal year 1990-91, \$500,000 was advanced to the Authority for construction of a building for Renfro, Inc. This advance was made with no repayment terms. During fiscal year 2012-13 an additional advancement of \$7,858 was made to the Authority with no repayment terms.

Note 6- Long-Term Obligations:

Primary Government- Governmental Activity Indebtedness:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2013.

	<u>Balance</u> <u>July 1, 2012</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>
General obligation bonds	\$ 14,964,031	\$ -	\$ (1,017,779)	\$ 13,946,252
Literary loans	3,375,000	-	(375,000)	3,000,000
Lease revenue notes	10,580,409	-	(720,409)	9,860,000
Note payable	420,000	-	(56,643)	363,357
Unamortized bond premiums	771,101	-	(58,699)	712,402
Landfill post-closure monitoring costs	248,106	4,218	-	252,324
Net OPEB obligation	243,900	75,600	(23,200)	296,300
Compensated absences	712,777	36,163	-	748,940
Total	<u>\$ 31,315,324</u>	<u>\$ 115,981</u>	<u>\$ (2,251,730)</u>	<u>\$ 29,179,575</u>

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 6- Long-Term Obligations: (continued)

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

Year Ending June 30,	General Obligation Bonds		Literary Loans	
	Principal	Interest	Principal	Interest
2014	\$ 1,033,016	\$ 561,714	\$ 375,000	\$ 90,000
2015	1,049,514	516,170	375,000	78,750
2016	1,066,269	470,040	375,000	67,500
2017	1,083,290	423,314	375,000	56,250
2018	1,105,587	375,899	375,000	45,000
2019-2023	5,108,222	1,185,828	1,125,000	67,500
2024-2028	2,247,796	471,171	-	-
2029-2033	1,056,437	86,793	-	-
2034-2038	57,054	34,866	-	-
2039-2043	70,098	21,822	-	-
2044-2048	68,969	6,081	-	-
Totals	\$ 13,946,252	\$ 4,153,698	\$ 3,000,000	\$ 405,000

Year Ending June 30,	Lease Revenue Notes		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 470,000	\$ 480,753	\$ 57,726	\$ 6,494
2015	490,000	460,307	58,830	5,390
2016	510,000	438,253	59,958	4,264
2017	530,000	415,287	61,105	2,816
2018	560,000	391,285	62,273	1,947
2019-2023	3,250,000	1,488,785	63,465	755
2024-2028	3,640,000	568,885	-	-
2029	410,000	9,430	-	-
Totals	\$ 9,860,000	\$ 4,252,985	\$ 363,357	\$ 21,666

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 6- Long-Term Obligations: (continued)

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
General obligation bonds:						
GO bond	4.975-5.85%	11/16/2000	2021	\$ 754,241	\$ 333,507	\$ 39,114
VPSA GO bond	2.35-5.1%	11/7/2002	2023	10,915,000	5,450,000	545,000
GO bond	3.78%	4/29/2005	2020	2,000,000	1,166,590	149,298
GO bond	3.175-4.05%	1/13/2010	2030	7,465,000	6,660,000	295,000
GO bond	4.13%	5/30/2008	2048	352,000	336,155	4,604
Subtotal GO bonds					\$ 13,946,252	\$ 1,033,016
Unamortized bond premium	n/a	11/7/2002	2023	436,841	\$ 218,421	\$ 21,842
Unamortized bond premium	n/a	1/13/2010	2030	40,136	33,112	2,007
Total general obligation bonds					\$ 14,197,785	\$ 1,056,865
Lease revenue notes:						
IDA lease revenue note	3.5-5.25%	2/8/2007	2027	\$ 14,000,000	\$ 5,275,000	\$ 280,000
School lease revenue note	5.10%	5/15/2008	2029	5,255,000	4,585,000	190,000
Subtotal lease revenue notes					\$ 9,860,000	\$ 470,000
Unamortized bond premium	n/a	2/8/2007	2027	348,249	\$ 199,305	\$ 17,412
Unamortized bond premium	n/a	5/15/2008	2029	348,754	261,564	17,438
Total lease revenue notes					\$ 10,320,869	\$ 504,850
Literary loans:						
State literary fund loan	3%	12/15/2000	2021	\$ 2,500,000	\$ 1,000,000	\$ 125,000
State literary fund loan	3%	12/15/2000	2021	5,000,000	2,000,000	250,000
Total literary loans					\$ 3,000,000	\$ 375,000
Note Payable						
Note Payable	1.900%	4/30/2012	2019	\$ 420,000	\$ 363,357	\$ 57,726
Other obligations:						
Landfill post-closure monitoring costs	n/a	n/a	n/a	n/a	\$ 252,324	\$ -
Net OPEB obligation	n/a	n/a	n/a	n/a	296,300	-
Compensated absences	n/a	n/a	n/a	n/a	748,940	74,894
Total other obligations					\$ 1,297,564	\$ 74,894
Totals					\$ 29,179,575	\$ 2,069,335

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 7- Long-Term Obligations- Component Unit School Board:

Discretely Presented Component Unit- School Board-Indebtedness:

The following is a summary of long-term obligation transactions of the Component-Unit School Board for the year ended June 30, 2013.

	Balance			Balance	
	July 1, 2012	Increases	Decreases	June 30, 2013	
Net OPEB obligation	\$ 679,200	\$ 315,300	\$ (191,300)	\$ 803,200	
Compensated absences	<u>1,624,529</u>	<u>-</u>	<u>(55,980)</u>	<u>1,568,549</u>	
Total	<u>\$ 2,303,729</u>	<u>\$ 315,300</u>	<u>\$ (247,280)</u>	<u>\$ 2,371,749</u>	

Details of Long-Term Indebtedness:

	Interest Rates	Issue Date	Maturity Date	Original Issue	Governmental Activities	Due Within One Year
Other obligations:						
Net OPEB obligation	n/a	n/a	n/a	n/a	\$ 803,200	\$ -
Compensated absences	n/a	n/a	n/a	n/a	<u>1,568,549</u>	<u>156,855</u>
Total other obligations					<u>\$ 2,371,749</u>	<u>\$ 156,855</u>

Note 8- Employee Retirement System and Defined Benefit Pension Plan:

A. Plan Description:

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

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 8- Employee Retirement System and Defined Benefit Pension Plan: (continued)

A. Plan Description: (continued)

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 8- Employee Retirement System and Defined Benefit 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 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid 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 2013 was 12.48% 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 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the School Board 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 School Board's contribution rate for the fiscal year ended 2013 was 5.66% of annual covered payroll.

C. Annual Pension Cost:

For fiscal year 2013, the County of Pulaski, Virginia's and School Board's annual pension costs of \$1,243,272 and \$190,592 were equal to the County of Pulaski, Virginia's required and actual contributions for the County and the School Board Non-Professionals, respectively.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 8- Employee Retirement System and Defined Benefit Pension Plan: (continued)

C. Annual Pension Cost: (continued)

	Three-Year Trend Information			
	Year Ending	Annual	Percentage	Net
	June 30,	Pension	of APC	Pension
	Cost (APC)(1)	Contributed	Obligation	
Primary Government:				
County	2011	\$ 785,837	100%	\$ -
	2012	811,865	100%	-
	2013	1,243,272	100%	-
Component Unit - School Board:				
School Board Non-professional	2011	155,664	100%	-
	2012	163,544	100%	-
	2013	190,592	100%	-

(1) Excludes member contribution

The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County of Pulaski, Virginia's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County of Pulaski, Virginia's and the School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress:

Primary Government:

As of June 30, 2012, the most recent actuarial valuation date, the plan was 77.11% funded. The actuarial accrued liability for benefits was \$45,455,459, and the actuarial value of assets was \$35,052,313, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,403,146. The covered payroll (annual payroll of active employees covered by the plan) was \$9,274,552, and ratio of the UAAL to the covered payroll was 112.17%.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 8- Employee Retirement System and Defined Benefit Pension Plan: (continued)

D. Funded Status and Funding Progress: (continued)

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

As of June 30, 2012, the most recent actuarial valuation date, the plan was 78.68% funded. The actuarial accrued liability for benefits was \$9,594,410, and the actuarial value of assets was \$7,548,706, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,045,704. The covered payroll (annual payroll of active employees covered by the plan) was \$2,357,449, and ratio of the UAAL to the covered payroll was 86.78%.

The schedule of funding progress, presented as Required Supplementary Information (RSI) 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 (AAL) 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 amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All of part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the School Board 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 School Board's contribution to the statewide cost sharing pool for professional employees was \$2,567,054, \$1,342,616, and \$818,957, for the fiscal years ended 2013, 2012, and 2011, respectively and equaled the required contributions for the year. Employer contributions represented 11.66%, 6.33%, and 3.93% for the fiscal years ended 2013, 2012, and 2011 of annual covered payroll.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 9– Other Post Employment Benefits – Health Insurance:

A. Plan Description

The Pulaski Post-Retirement Medical Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the County. The Plan provides health insurance benefits to eligible retirees and their spouses. To be eligible, employees must meet the age and service criteria for immediate retirement benefits under VRS, which requires that the employee be age 50 with 10 years of service or permanently, totally disabled and injured in the line of duty. Additionally, the employee must be of full-time status in VRS and must be covered by the active plan at the time of retirement or disability. The benefit provisions, including employer and employee contributions, are governed by the County and can be amended through County action. The Plan does not issue a publicly available financial report.

B. Funding Policy

The County establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will be partially funded or fully funded in the upcoming fiscal year.

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County. For fiscal year 2012, the County and School Board contributed \$68,395 and \$408,200, respectively, for current costs of the Plan.

For retirees of both the County and School Board, 100 percent of premiums for both the employee and spouse are the responsibility of the retiree. Coverage under the plan ceases when the employee reaches age 65. Premiums under the Plan are shown below:

	County			School Board		
	POS	PPO	Dental	POS	PPO	Dental
Employee Only	\$ 589	\$ 431	\$ 27	\$ 589	\$ 431	\$ 27
Employee and Spouse	1,187	866	51	1,187	866	51
Employee and Child	1,154	841	44	1,154	841	44
Family	1,655	1,208	81	1,655	1,208	81

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 9- Other Postemployment Benefits – Health Insurance: (continued)

C. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's and School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's and School Board's net OPEB obligation:

	County	School Board	Total
Annual required contribution	\$ 75,900	\$316,400	\$ 392,300
Interest on net OPEB obligation	9,800	27,200	37,000
Adjustment to annual required contribution	(10,100)	(28,300)	(38,400)
Annual OPEB cost (expense)	75,600	315,300	390,900
Contributions made	(23,200)	(191,300)	(214,500)
Increase in net OPEB obligation	52,400	124,000	176,400
Net OPEB obligation - beginning of year	243,900	679,200	923,100
Net OPEB obligation - end of year	\$296,300	\$803,200	\$ 1,099,500

The County's and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2011	\$ 86,376	25%	\$ 214,305
6/30/2012	67,895	56%	243,900
6/30/2013	75,600	31%	296,300
School Board:			
6/30/2011	\$ 420,600	55%	\$ 556,400
6/30/2012	406,800	70%	679,200
6/30/2013	315,300	61%	803,200

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 9- Other Postemployment Benefits – Health Insurance: (continued)

D. Funded Status and Funding Progress

The funded status of the Plan (County and School Board combined) as of July 1, 2012, the most recent actuarial valuation date, was as follows:

	County	School Board	Total
Actuarial accrued liability (AAL)	\$ 892,500	\$ 3,781,600	\$ 4,674,100
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$ 892,500	\$ 3,781,600	\$ 4,674,100
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	\$ 7,018,201	\$ 29,736,727	\$ 36,754,928
UAAL as a percentage of covered payroll	12.72%	12.72%	12.72%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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 liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, the most recent actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return per annum. An annual healthcare cost trend rate of 10 percent initially, reduced by decrements of 0.5 percent until an ultimate rate of 5 percent is reached. Dental costs are assumed to increase 5 percent initially, decreasing by 0.5 percent yearly until and ultimate rate of 3 percent is reached. The UAAL is being amortized as a level percentage over the remaining amortization period, which at June 30, 2013, was 28 years.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 10- Other Postemployment Benefits - VRS Health Insurance Credit:

A. Plan Description

The County participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 9.

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate was 0.27% of covered payroll.

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The locality is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 10- Other Postemployment Benefits - VRS Health Insurance Credit: (continued)

C. Annual OPEB Cost and Net OPEB Obligation: (continued)

For 2013, the County's contribution of \$6,897 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2011	\$ 25,089	100%	-
June 30, 2012	26,018	100%	-
June 30, 2013	6,897	100%	-

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

	<u>County</u>
Actuarial accrued liability (AAL)	\$ 208,234
Actuarial value of plan assets	\$ 130,799
Unfunded actuarial accrued liability (UAAL)	\$ 77,435
Funded ratio (actuarial value of plan assets/AAL)	62.81%
Covered payroll (active plan members)	\$ 4,062,440
UAAL as a percentage of covered payroll	1.91%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 10- Other Postemployment Benefits - VRS Health Insurance Credit: (continued)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.00% investment rate of return, compounded annually, including an inflation component of 2.50%, and a payroll growth rate of 3.00%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2012 was 29 years.

F. Professional Employees – Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 0.60% of annual covered payroll. The School Board's contributions to VRS for the year ended June 30, 2013 was \$244,217 and equaled the required contributions.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 11- Capital Assets:

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Governmental Activities:							
Capital assets, not being depreciated:							
Land	\$ 2,473,257	\$	91,343	\$	-	\$	2,564,600
Construction in progress	377,120		1,323,917		(59,398)		1,641,639
Total capital assets not being depreciated	<u>\$ 2,850,377</u>	\$	<u>1,415,260</u>	\$	<u>(59,398)</u>	\$	<u>4,206,239</u>
Capital assets, being depreciated:							
Buildings and improvements	\$ 53,583,616	\$	128,182	\$	(20,036)	\$	53,691,762
Machinery and equipment	11,304,220		580,342		(214,182)		11,670,380
Total capital assets being depreciated	<u>\$ 64,887,836</u>	\$	<u>708,524</u>	\$	<u>(234,218)</u>	\$	<u>65,362,142</u>
Accumulated depreciation for:							
Buildings and improvements	\$ (11,335,235)	\$	(1,325,947)	\$	17,782	\$	(12,643,400)
Machinery and equipment	(9,676,297)		(588,833)		213,572		(10,051,558)
Total accumulated depreciation	<u>\$ (21,011,532)</u>	\$	<u>(1,914,780)</u>	\$	<u>231,354</u>	\$	<u>(22,694,958)</u>
Total capital assets being depreciated, net	<u>\$ 43,876,304</u>	\$	<u>(1,206,256)</u>	\$	<u>(2,864)</u>	\$	<u>42,667,184</u>
Governmental activities capital assets, net	<u>\$ 46,726,681</u>	\$	<u>209,004</u>	\$	<u>(62,262)</u>	\$	<u>46,873,423</u>

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 11- Capital Assets: (continued)

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

Governmental activities:	
General government administration	\$ 43,209
Judicial administration	3,460
Public safety	562,716
Public works	179,992
Health and welfare	11,269
Education	985,094
Parks, recreation and cultural	106,081
Community development	<u>22,959</u>
 Total depreciation expense-governmental activities	 \$ <u>1,914,780</u>

Capital asset activity for the School Board for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
School Board:				
Capital assets, not being depreciated:				
Land	\$ 564,527	\$ -	\$ (31,343)	\$ 533,184
Construction in progress	<u>1,153,434</u>	<u>98,928</u>	<u>(1,153,434)</u>	<u>98,928</u>
Total capital assets not being depreciated	<u>\$ 1,717,961</u>	<u>\$ 98,928</u>	<u>\$ (1,184,777)</u>	<u>\$ 632,112</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 19,387,817	\$ 1,291,209	\$ (889,475)	\$ 19,789,551
Machinery and equipment	<u>7,356,697</u>	<u>501,955</u>	<u>(70,754)</u>	<u>7,787,898</u>
Total capital assets being depreciated	<u>\$ 26,744,514</u>	<u>\$ 1,793,164</u>	<u>\$ (960,229)</u>	<u>\$ 27,577,449</u>
Accumulated depreciation for:				
Buildings and improvements	\$ (16,224,688)	\$ (460,799)	\$ 889,475	\$ (15,796,012)
Machinery and equipment	<u>(5,061,770)</u>	<u>(534,716)</u>	<u>70,754</u>	<u>(5,525,732)</u>
Total accumulated depreciation	<u>\$ (21,286,458)</u>	<u>\$ (995,515)</u>	<u>\$ 960,229</u>	<u>\$ (21,321,744)</u>
Total capital assets being depreciated, net	<u>\$ 5,458,056</u>	<u>\$ 797,649</u>	<u>\$ -</u>	<u>\$ 6,255,705</u>
School Board capital assets, net	<u>\$ 7,176,017</u>	<u>\$ 896,577</u>	<u>\$ (1,184,777)</u>	<u>\$ 6,887,817</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 12- Risk Management:

The County and its component unit- School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County and its component unit- School Board participate with other localities in a public entity risk pool for their coverage of general liability and auto insurance with the Virginia Association of Counties (VACO). Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County and its component unit- School Board pay the VACO contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its component unit- School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 13- Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 14- Surety Bonds:

Primary Government:

Fidelity and Deposit Company of Maryland-Surety

Maetta H. Crewe, Clerk of the Circuit Court	\$	145,000
Melinda Worrell, Treasurer		500,000
Trina Rupe, 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

VACo Risk Management Programs

All County employees - blanket bond	\$	250,000
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United States Fidelity and Guaranty

Peter M. Huber, County Administrator	\$	2,000
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Component Unit - School Board:

VACo Risk Management Programs

All School Board employees - blanket bond	\$	250,000
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Note 15- Landfill Liability:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County closed its landfill at Cloyd's Mountain in 1989. At June 30, 2013, the total post-closure care liability (which represents the 7 years remaining) was \$252,324 representing what it would cost to perform all post-closure care in fiscal year 2013. Actual costs for both post-closure monitoring may change due to inflation, deflation, changes in technology, or changes in regulations. The County demonstrated financial assurance requirements for closure, post-closure care through the submission of a Local Government Financial Test to the Virginia Department of environmental Quality in accordance with section 9VA C20-70 of the Virginia Administrative Code.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 16– Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$2,086,380 is comprised of the following:

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013, but paid in advance by the taxpayers totaled \$34,145 at June 30, 2013.

Unavailable Property Taxes Revenue – Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$2,052,235 at June 30, 2013.

Note 17– Fund Balance Classifications:

	<u>General Fund</u>
Nonspendable:	
Advances to Component Units	\$ 506,758
Restricted:	
Clerk of Circuit Court	\$ 4,983
Commonwealth Attorney Seized Assets	5,451
Sheriff Seized Assets	2,847
Community Corrections	48,938
Beans & Rice Mico Solution Grant	13,940
Total Restricted	<u>\$ 76,159</u>
Committed:	
VDEM Generator Hookup Grant Match	\$ 96,491
CDBG Baskerville Grant Match	48,700
VDOT New River Trail Extension Grant Match	50,000
VDOT T21 Newbern Grant Match	42,728
NRV Airshow Grant Match	10,000
Communications Fiber Grant Match	600,000
VDOT Round House Road Match	305,701
Total Committed	<u>\$ 1,153,620</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 17 – Fund Balance Classifications: (continued)

	<u>General Fund</u>
Assigned:	
Outstanding Encumbrances 06/30/12 - Various Departments	\$ 16,845
Electoral Board Equipment Funding	7,566
Clerk of Circuit Court Equipment Funding	7,210
Clerk of Circuit Court Records Preservation Grant	4,983
E-911 GIS Mapping Equipment	15,000
Court Services Unit CE Richardson Grant	1,777
Emergency Management HazMat Reimbursements Carryover	3,615
Clean Community Council Grant	750
Property Cleanup	4,293
Beans & Rice IDA Program	2,300
Travis Carty Memorial Funds	1,446
Claytor Lake Celebration	868
Library Programs & Equipment	4,977
Cooperative Extension Vista Program Grant Match	1,500
Transfer to Pulaski County Public Schools	541,536
Transfer to School Debt Fund	157,000
Transfer to Capital Improvements Fund:	3,355,215
Transfer to IDA Fund for Maple Shade Renovations	1,593,728
Transfer to CIP Fund Recreation Facility	5,000,000
Transfer to Internal Service Fund Auction Proceeds	10,150
Transfer to Internal Service Fund for 6/30/12 PO's	26,943
10% Contingency Funds on Above Projects	1,075,770
Total Assigned	<u>\$ 11,833,472</u>
Unassigned	<u>\$ 5,660,300</u>
Total Fund Balance	<u>\$ 19,230,309</u>

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 17– Fund Balance Classifications: (continued)

	Other Governmental Funds
	<u> </u>
Nonspendable:	
Advances to Component Units	\$ 1,100
Restricted:	
School Construction	\$ 121,029
County Construction	<u>39,519</u>
Total Restricted Fund Balance	\$ 160,548
Committed For:	
Tornado Clean up and assistance	\$ 2,816
NRCC Entrance	<u>750,671</u>
Total Committed Fund Balance	\$ 753,487
 Total Fund Balance	 <u><u>\$ 915,135</u></u>

Note 18– Restatement of Fund Balance/Net Position:

	<u>General Fund</u>
Fund Balance, as previously reported	\$ 19,453,325
Remove due from receivable	<u>43,031</u>
Fund Balance, as restated	19,496,356
	 <u>General Fund</u>
Net Position, as previously reported	\$ 36,137,026
Fund balance restatement	43,031
Removal of accumulated depreciation	<u>490,211</u>
Net Position, as restated	\$ 36,670,268
	 <u>School Board Fund</u>
Net Position, as previously reported	\$ 6,334,352
Record additional accumulated depreciation	<u>(490,211)</u>
Net Position, as restated	5,844,141

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2013

Note 19– Adoption of Accounting Principles:

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Note 20– Upcoming Pronouncements:

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions; an amendment of GASB Statement 27. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County has not determined the impact of this pronouncement on its financial statements.

Required Supplementary Information

County of Pulaski, Virginia
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
General Property Taxes	\$ 21,496,000	\$ 22,747,024	\$ 23,174,130	\$ 427,106
Other Local Taxes	6,478,200	6,478,200	6,581,448	103,248
Permits, Privilege Fees and Regulatory Licenses	135,750	135,750	135,413	(337)
Fines and Forfeitures	143,700	191,570	72,758	(118,812)
Revenue from Use of Money and Property	375,700	375,700	433,076	57,376
Charges for Services	408,020	430,693	507,253	76,560
Miscellaneous	26,975	36,476	80,993	44,517
Recovered Costs	456,175	964,982	1,140,747	175,765
Intergovernmental Revenues:				
Commonwealth	11,166,046	11,243,881	11,292,989	49,108
Federal Government	3,462,420	4,967,142	3,888,789	(1,078,353)
Total Revenues	\$ 44,148,986	\$ 47,571,418	\$ 47,307,596	\$ (263,822)
EXPENDITURES:				
Current:				
General Government Administration	\$ 2,388,957	\$ 2,540,311	\$ 2,353,844	\$ 186,467
Judicial Administration	1,660,817	1,733,806	1,658,842	74,964
Public Safety	7,555,561	8,410,333	7,794,740	615,593
Public Works	1,607,568	1,725,061	1,717,309	7,752
Health and Welfare	11,549,131	11,777,051	11,297,249	479,802
Education	12,597,411	12,597,411	12,059,761	537,650
Parks, Recreation and Cultural	1,305,209	1,466,785	1,384,616	82,169
Community Development	2,083,594	5,806,981	1,863,525	3,943,456
Non-Departmental	241,946	49,624	48,676	948
Debt Service:				
Principal Retirement	1,887,662	2,128,508	2,169,831	(41,323)
Interest and Other Fiscal Charges	1,063,795	1,199,524	1,222,812	(23,288)
Total Expenditures	\$ 43,941,651	\$ 49,435,395	\$ 43,571,205	\$ 5,864,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 207,335	\$ (1,863,977)	\$ 3,736,391	\$ 5,600,368
Other Financing Sources (Uses)				
Transfers In	\$ 2,604,082	\$ 4,176,550	\$ -	\$ (4,176,550)
Transfers Out	(2,271,935)	(6,980,339)	(4,002,438)	2,977,901
Total Other Financing Sources (Uses)	\$ 332,147	\$ (2,803,789)	\$ (4,002,438)	\$ (1,198,649)
Net Change in Fund Balance	\$ 539,482	\$ (4,667,766)	\$ (266,047)	\$ 4,401,719
Fund Balance - Beginning	-	-	19,496,356	19,496,356
Fund Balance - Ending	\$ 539,482	\$ (4,667,766)	\$ 19,230,309	\$ 23,898,075

County of Pulaski, Virginia
Required Supplementary Information
Schedules of Pension and OPEB Funding Progress
For the Fiscal Year Ended June 30, 2013

Primary Government: County Retirement Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2012	\$ 35,052,313	\$ 45,455,459	\$ 10,403,146	77.11%	9,274,552	112.17%
June 30, 2011	35,363,975	43,826,661	8,462,686	80.69%	9,058,892	93.42%
June 30, 2010	35,102,012	42,536,604	7,434,592	82.52%	9,076,705	81.91%

Discretely Presented Component Unit:

School Board: Non-Professional Retirement Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2012	\$ 7,548,706	\$ 9,594,410	\$ 2,045,704	78.68%	2,357,449	86.78%
June 30, 2011	7,607,630	9,114,867	1,507,237	83.46%	2,151,682	70.05%
June 30, 2010	7,477,351	8,850,581	1,373,230	84.48%	2,324,815	59.07%

Primary Government: Post-Retirement Medical Plan

Actuarial Valuation Date (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3) - (2) (4)	Funded Ratio Assets as % of AAL (2) / (3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
July 1, 2012	\$ -	\$ 892,500	\$ 892,500	0.00%	\$ 7,018,201	12.72%
July 1, 2010	-	1,557,770	1,557,770	0.00%	8,082,191	19.27%
July 1, 2008	-	909,733	909,733	0.00%	5,744,151	15.84%

School Board: Post-Retirement Medical Plan

Actuarial Valuation Date (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3) - (2) (4)	Funded Ratio Assets as % of AAL (2) / (3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
July 1, 2012	\$ -	\$ 3,781,600	\$ 3,781,600	0.00%	\$ 29,736,727	12.72%
July 1, 2010	-	4,338,412	4,338,412	0.00%	22,509,012	19.27%
July 1, 2008	-	3,023,800	3,023,800	0.00%	24,910,406	12.14%

Primary Government: Virginia Retirement System - Health Insurance Credit

Actuarial Valuation Date (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3) - (2) (4)	Funded Ratio Assets as % of AAL (2) / (3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
June 30, 2012	\$ 130,799	\$ 208,234	\$ 77,435	62.81%	\$ 4,062,440	1.91%
June 30, 2011	133,533	209,518	75,985	63.73%	3,871,836	1.96%
June 30, 2010	112,486	195,484	82,998	57.54%	9,076,705	0.91%

Other Supplementary Information

County of Pulaski, Virginia
Non-Major Funds
Combining Balance Sheet
June 30, 2013

	Special Revenue Fund		Capital Projects Funds		Total
	Tornado Relief Fund	Highway Maintenance	School CIP Fund	County CIP Fund	
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 751,946	\$ -	\$ -	\$ 751,946
Investments	-	-	53,263	-	53,263
Due from Other Funds	-	-	108,642	44,435	153,077
Due from Other Governmental Units	125,545	-	-	149,824	275,369
Advances to Component Units	-	-	-	1,100	1,100
Total Assets	<u>\$ 125,545</u>	<u>\$ 751,946</u>	<u>\$ 161,905</u>	<u>\$ 195,359</u>	<u>\$ 1,234,755</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 8,116	\$ 1,275	\$ 40,876	\$ 154,740	\$ 205,007
Reconciled Overdraft	114,613	-	-	-	114,613
Total Liabilities	<u>\$ 122,729</u>	<u>\$ 1,275</u>	<u>\$ 40,876</u>	<u>\$ 154,740</u>	<u>\$ 319,620</u>
Fund Balances:					
Nonspendable:					
Advances to Component Units	\$ -	\$ -	\$ -	\$ 1,100	\$ 1,100
Restricted:					
Construction	-	-	121,029	39,519	160,548
Committed:					
Tornado cleanup and assistance	2,816	-	-	-	2,816
NRCC entrance	-	750,671	-	-	750,671
Total Fund Balances	<u>\$ 2,816</u>	<u>\$ 750,671</u>	<u>\$ 121,029</u>	<u>\$ 39,519</u>	<u>\$ 915,135</u>
Total Liabilities and Fund Balances	<u>\$ 125,545</u>	<u>\$ 751,946</u>	<u>\$ 161,905</u>	<u>\$ 194,259</u>	<u>\$ 1,234,755</u>

County of Pulaski, Virginia
Non-Major Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds		Capital Projects Funds		Total
	Tornado Relief Fund	Highway Maintenance	School CIP Fund	County CIP Fund	
REVENUES					
Revenue from Use of Money and Property	\$ -	\$ 237	\$ 133	\$ -	\$ 370
Miscellaneous	37,254	-	-	-	37,254
Recovered Costs	28,432	815,612	-	-	844,044
Intergovernmental Revenues:					
Commonwealth	-	58,113	-	113,205	171,318
Federal Government	321,778	-	-	502,907	824,685
Total Revenues	<u>\$ 387,464</u>	<u>\$ 873,962</u>	<u>\$ 133</u>	<u>\$ 616,112</u>	<u>\$ 1,877,671</u>
EXPENDITURES:					
Current:					
General Government Administration	\$ -	\$ -	\$ -	\$ 668,497	\$ 668,497
Public Safety	-	-	-	892,460	892,460
Public Works	-	123,291	-	1,104,457	1,227,748
Health and Welfare	536,702	-	-	-	536,702
Education	-	-	-	348,328	348,328
Parks, Recreation and Cultural	-	-	-	395,053	395,053
Community Development	-	-	-	124,454	124,454
Capital Projects	-	-	441,841	-	441,841
Total Expenditures	<u>\$ 536,702</u>	<u>\$ 123,291</u>	<u>\$ 441,841</u>	<u>\$ 3,533,249</u>	<u>\$ 4,635,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (149,238)</u>	<u>\$ 750,671</u>	<u>\$ (441,708)</u>	<u>\$ (2,917,137)</u>	<u>\$ (2,757,412)</u>
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ 509,606	\$ 2,857,500	\$ 3,367,106
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 509,606</u>	<u>\$ 2,857,500</u>	<u>\$ 3,367,106</u>
Net Change in Fund Balance	\$ (149,238)	\$ 750,671	\$ 67,898	\$ (59,637)	\$ 609,694
Fund Balance - Beginning	152,054	-	53,131	100,256	305,441
Fund Balance - Ending	<u>\$ 2,816</u>	<u>\$ 750,671</u>	<u>\$ 121,029</u>	<u>\$ 40,619</u>	<u>\$ 915,135</u>

County of Pulaski, Virginia
 Non-Major Special Revenue Fund
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2013

	Tornado Relief Fund				Highway Maintenance Fund				Total			
	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final			Original	Final			Original	Final		
REVENUES												
Revenue from Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	37,256	37,254	(2)	-	-	237	237	-	37,256	37,254	(2)
Recovered Costs	-	39,780	28,432	(11,348)	-	816,000	815,612	(388)	-	855,780	844,044	(11,736)
Intergovernmental Revenues:												
Commonwealth	-	-	-	-	-	58,200	58,113	(87)	-	58,200	58,113	(87)
Federal Government	-	700,000	321,778	(378,222)	-	-	-	-	-	700,000	321,778	(378,222)
Total Revenues	\$ -	\$ 777,036	\$ 387,464	\$ (389,572)	\$ -	\$ 874,200	\$ 873,962	\$ (238)	\$ -	\$ 1,651,236	\$ 1,261,426	\$ (389,810)
EXPENDITURES:												
Current:												
Public Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 874,200	\$ 123,291	\$ 750,909	\$ -	\$ 874,200	\$ 123,291	\$ 750,909
Health and Welfare	-	972,737	536,702	436,035	-	-	-	-	-	972,737	536,702	436,035
	\$ -	\$ 972,737	\$ 536,702	\$ 436,035	\$ -	\$ 874,200	\$ 123,291	\$ 750,909	\$ -	\$ 1,846,937	\$ 659,993	\$ 1,186,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (195,701)	\$ (149,238)	\$ 46,463	\$ -	\$ -	\$ 750,671	\$ 750,671	\$ -	\$ (195,701)	\$ 601,433	\$ 797,134
Other Financing Sources (Uses)												
Transfers In	\$ -	\$ 195,701	\$ -	\$ (195,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,701	\$ -	\$ (195,701)
Total Other Financing Sources (Uses)	\$ -	\$ 195,701	\$ -	\$ (195,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,701	\$ -	\$ (195,701)
Net Change in Fund Balance	\$ -	\$ -	\$ (149,238)	\$ (149,238)	\$ -	\$ -	\$ 750,671	\$ 750,671	\$ -	\$ 601,433	\$ 601,433	\$ -
Fund Balance - Beginning	-	-	152,054	152,054	-	-	-	-	-	152,054	152,054	-
Fund Balance - Ending	\$ -	\$ -	\$ 2,816	\$ 2,816	\$ -	\$ -	\$ 750,671	\$ 750,671	\$ -	\$ 753,487	\$ 753,487	\$ -

County of Pulaski, Virginia
Non-Major Capital Projects Fund-School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 133	\$ 133
Total Revenues	\$ -	\$ -	\$ 133	\$ 133
EXPENDITURES				
Capital Projects	\$ -	\$ 558,837	\$ 441,841	\$ 116,996
	\$ -	\$ 558,837	\$ 441,841	\$ 116,996
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (558,837)	\$ (441,708)	\$ 117,129
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 558,837	\$ 509,606	\$ (49,231)
Total Other Financing Sources (Uses)	\$ -	\$ 558,837	\$ 509,606	\$ (49,231)
Net Change in Fund Balance	\$ -	\$ -	\$ 67,898	\$ 67,898
Fund Balance - Beginning	-	-	53,131	53,131
Fund Balance - Ending	\$ -	\$ -	\$ 121,029	\$ 121,029

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, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ 99,364	\$ -	\$ (99,364)
Intergovernmental Revenues:				
Commonwealth	-	910,891	113,205	(797,686)
Federal Government	-	603,733	502,907	(100,826)
Total Revenues	<u>\$ -</u>	<u>\$ 1,613,988</u>	<u>\$ 616,112</u>	<u>\$ (997,876)</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 396,000	\$ 1,292,370	\$ 668,497	\$ 623,873
Public Safety	565,000	2,000,900	892,460	1,108,440
Public Works	20,000	2,191,169	1,104,457	1,086,712
Education	363,600	363,600	348,328	15,272
Parks, Recreation and Cultural	10,000	728,324	395,053	333,271
Community Development	649,789	872,225	124,454	747,771
Total Expenditures	<u>\$ 2,004,389</u>	<u>\$ 7,448,588</u>	<u>\$ 3,533,249</u>	<u>\$ 3,915,339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,004,389)</u>	<u>\$ (5,834,600)</u>	<u>\$ (2,917,137)</u>	<u>\$ 2,917,463</u>
Other Financing Sources (Uses)				
Transfers In	\$ 2,004,389	\$ 5,834,600	\$ 2,857,500	\$ (2,977,100)
Total Other Financing Sources (Uses)	<u>\$ 2,004,389</u>	<u>\$ 5,834,600</u>	<u>\$ 2,857,500</u>	<u>\$ (2,977,100)</u>
Net Change in Fund Balance	\$ -	\$ -	\$ (59,637)	\$ (59,637)
Fund Balance - Beginning	-	-	100,256	100,256
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,619</u>	<u>\$ 40,619</u>

County of Pulaski, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>			<u>Total</u>
	<u>Special Welfare</u>	<u>Performance Bonds</u>	<u>Employee Flexible Benefits</u>	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 28,482	\$ 98,776	\$ 81,105	\$ 208,363
Total Assets	<u>\$ 28,482</u>	<u>\$ 98,776</u>	<u>\$ 81,105</u>	<u>\$ 208,363</u>
LIABILITIES				
Current Liabilities:				
Amounts Held for Others:				
Social Services Clients	\$ 28,482	\$ -	\$ -	\$ 28,482
Contractors	-	98,776	-	98,776
County Employees	-	-	81,105	81,105
Total amounts held for others	<u>\$ 28,482</u>	<u>\$ 98,776</u>	<u>\$ 81,105</u>	<u>\$ 208,363</u>
Total Liabilities	<u>\$ 28,482</u>	<u>\$ 98,776</u>	<u>\$ 81,105</u>	<u>\$ 208,363</u>

County of Pulaski, Virginia
Schedule of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Special Welfare Fund	\$ 25,682	\$ 76,981	\$ 74,181	\$ 28,482
Performance Bond Fund	57,406	64,214	22,844	98,776
Employee Flexible Benefits Fund	77,697	49,993	46,585	81,105
Total cash and cash equivalents	<u>\$ 160,785</u>	<u>\$ 191,188</u>	<u>\$ 143,610</u>	<u>\$ 208,363</u>
Total Assets	<u>\$ 160,785</u>	<u>\$ 191,188</u>	<u>\$ 143,610</u>	<u>\$ 208,363</u>
LIABILITIES				
Current Liabilities:				
Amounts Held for Others:				
Special Welfare Fund	\$ 25,682	\$ 76,981	\$ 74,181	\$ 28,482
Performance Bond Fund	57,406	64,214	22,844	98,776
Employee Flexible Benefits Fund	77,697	49,993	46,585	81,105
Total amounts held for others	<u>\$ 160,785</u>	<u>\$ 191,188</u>	<u>\$ 143,610</u>	<u>\$ 208,363</u>
Total Liabilities	<u>\$ 160,785</u>	<u>\$ 191,188</u>	<u>\$ 143,610</u>	<u>\$ 208,363</u>

DISCRETELY PRESENTED COMPONENT UNIT- SCHOOL BOARD

MAJOR GOVERNMENTAL FUND

School Operating Fund - The School Operating Fund 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
Discretely Presented Component Unit - School Board
Balance Sheet
June 30, 2013

		<u>School Operating Fund</u>
ASSETS		
Cash and Cash Equivalents	\$	659,709
Prepaid items		291,893
Due from Primary Government		2,364,263
Due from Other Governmental Units		1,684,565
Total Assets	\$	<u>5,000,430</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$	333,847
Accrued Wages		3,702,341
Total Liabilities	\$	<u>4,036,188</u>
Fund Balances		
Committed	\$	964,242
Total Fund Balances	\$	<u>964,242</u>
Total Liabilities and Fund Balances	\$	<u>5,000,430</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total fund balances - per above	\$	964,242
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	533,184
Building and System		3,993,539
Machinery and Equipment		2,262,166
Construction in Progress		<u>98,928</u>
		6,887,817
Long-term liabilities, including compensated absences and OPEB are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated Absences	(1,568,549.00)	
Net OPEB Obligation	<u>(803,200.00)</u>	(2,371,749)
Net position of governmental activities - component unit school board	\$	<u>5,480,310</u>

County of Pulaski, Virginia
Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

		<u>School Operating Fund</u>
REVENUES		
Revenue from Use of Money and Property	\$	12,683
Charges for Services		1,111,327
Miscellaneous		12,062
Recovered Costs		1,572,328
Intergovernmental Revenues:		
Local Government		12,043,789
Commonwealth		25,973,994
Federal Government		5,086,063
Total Revenues	<u>\$</u>	<u>45,812,246</u>
EXPENDITURES:		
Current:		
Education	\$	45,819,857
Total Expenditures	<u>\$</u>	<u>45,819,857</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$</u>	<u>(7,611)</u>
Net Change in Fund Balance	\$	(7,611)
Fund Balance - Beginning		971,853
Fund Balance - Ending	<u>\$</u>	<u>964,242</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	\$	(7,611)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.		
Capital Outlay	\$	707,315
Depreciation		<u>(995,515)</u>
		(288,200)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditure in governmental funds.		
(Increase) Decrease in compensated absences	\$	55,980
(Increase) Decrease in net OPEB obligation		<u>(124,000)</u>
		(68,020)
Change in net position of governmental funds - component unit school board	<u>\$</u>	<u>(363,831)</u>

County of Pulaski, Virginia
Discretely Presented Component Unit-School Board
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2013

	<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>		
REVENUES				
Revenue from Use of Money and Property	\$ 8,635	\$ 8,635	\$ 12,683	\$ 4,048
Charges for Services	1,186,362	1,186,362	1,111,327	(75,035)
Miscellaneous	67,000	67,000	12,062	(54,938)
Recovered Costs	1,073,637	1,233,637	1,572,328	338,691
Intergovernmental Revenues:				
Local Government	12,581,439	12,684,975	12,043,789	(641,186)
Commonwealth	25,998,187	26,272,888	25,973,994	(298,894)
Federal Government	5,625,337	5,940,958	5,086,063	(854,895)
Total Revenues	<u>\$ 46,540,597</u>	<u>\$ 47,394,455</u>	<u>\$ 45,812,246</u>	<u>\$ (1,582,209)</u>
EXPENDITURES:				
Current:				
Education	\$ 46,540,596	\$ 47,384,455	\$ 45,819,857	\$ 1,564,598
Total Expenditures	<u>\$ 46,540,596</u>	<u>\$ 47,384,455</u>	<u>\$ 45,819,857</u>	<u>\$ 1,564,598</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	\$ 1	\$ 10,000	\$ (7,611)	\$ (17,611)
Net Change in Fund Balance	\$ 1	\$ 10,000	\$ (7,611)	\$ (17,611)
Fund Balance - Beginning	-	-	971,853	971,853
Fund Balance - Ending	<u>\$ 1</u>	<u>\$ 10,000</u>	<u>\$ 964,242</u>	<u>\$ 954,242</u>

Supporting Schedules

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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	\$ 14,250,000	\$ 14,763,900	\$ 14,962,085	\$ 198,185
Real and personal public service corporation taxes	730,000	730,000	783,227	53,227
Personal property taxes	3,503,000	4,068,872	4,120,669	51,797
Mobile home taxes	30,000	30,000	39,681	9,681
Machinery and tools taxes	2,650,000	2,821,252	2,821,252	-
Merchant's capital taxes	-	-	30,172	30,172
Penalties	180,000	180,000	178,484	(1,516)
Interest	145,000	145,000	177,319	32,319
Collection fees	8,000	8,000	61,241	53,241
Total General Property Taxes	<u>\$ 21,496,000</u>	<u>\$ 22,747,024</u>	<u>\$ 23,174,130</u>	<u>\$ 427,106</u>
Other Local Taxes:				
Local sales and use taxes	\$ 2,875,000	\$ 2,875,000	\$ 2,887,289	\$ 12,289
Consumers' utility taxes	647,000	647,000	648,554	1,554
Business licenses	530,000	530,000	597,675	67,675
Consumption taxes	96,200	96,200	106,632	10,432
Motor vehicle licenses	540,000	540,000	567,733	27,733
Bank stock taxes	30,000	30,000	28,831	(1,169)
Taxes on recordation and wills	170,000	170,000	167,155	(2,845)
Hotel and motel room taxes	340,000	340,000	314,722	(25,278)
Restaurant food taxes	1,250,000	1,250,000	1,262,857	12,857
Total Other Local Taxes	<u>\$ 6,478,200</u>	<u>\$ 6,478,200</u>	<u>\$ 6,581,448</u>	<u>\$ 103,248</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 27,000	\$ 27,000	\$ 23,463	\$ (3,537)
Land use application fees	500	500	390	(110)
Transfer fees	1,000	1,000	985	(15)
Zoning and subdivision permits	6,500	6,500	8,445	1,945
Erosion and sediment control permits	750	750	2,100	1,350
Building permits	100,000	100,000	100,030	30
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 135,750</u>	<u>\$ 135,750</u>	<u>\$ 135,413</u>	<u>\$ (337)</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 140,700	\$ 188,570	\$ 68,614	\$ (119,956)
Interest on local fines	3,000	3,000	4,144	1,144
Total Fines and Forfeitures	<u>\$ 143,700</u>	<u>\$ 191,570</u>	<u>\$ 72,758</u>	<u>\$ (118,812)</u>
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 350,000	\$ 350,000	\$ 408,846	\$ 58,846
Revenue from use of property	25,700	25,700	24,230	(1,470)
Total Revenue from Use of Money and Property	<u>\$ 375,700</u>	<u>\$ 375,700</u>	<u>\$ 433,076</u>	<u>\$ 57,376</u>
Charges for Services:				
Charges for clerk copies	\$ 8,100	\$ 8,100	\$ 7,723	\$ (377)
Excess fees of Clerk	-	-	(279)	(279)
Charges for courthouse maintenance	-	-	16,190	16,190
Charges for courthouse security	-	-	64,738	64,738
Fees of Sheriff	3,000	4,022	2,217	(1,805)
Share of seized property	-	20,869	17,431	(3,438)
Charges for Commonwealth's Attorney	3,000	3,000	5,678	2,678
Miscellaneous jail and inmate fees	-	-	5,809	5,809
Concealed handgun permits	5,500	5,500	13,381	7,881
Sale of maps and publications	250	250	1,878	1,628
Town tax book preparation	470	470	470	-
Charges for parks and recreation	314,400	314,400	283,821	(30,579)
Charges for animal pound	8,500	8,500	7,227	(1,273)
Charges for landfill	40,600	40,600	56,946	16,346
Charges for library	24,200	24,982	24,023	(959)
Total Charges for Services	<u>\$ 408,020</u>	<u>\$ 430,693</u>	<u>\$ 507,253</u>	<u>\$ 76,560</u>

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
General Fund: (continued)				
Revenue from Local Sources: (continued)				
Miscellaneous:				
Miscellaneous	\$ 26,975	\$ 36,476	\$ 80,993	\$ 44,517
Recovered Costs:				
Administrative fees	\$ 83,000	\$ 83,000	\$ 79,184	\$ (3,816)
Airport recoveries	184,989	184,989	152,631	(32,358)
Juror costs	7,020	7,020	3,930	(3,090)
Circuit court secretary	12,250	12,250	12,250	-
CSA recoveries	-	-	206,980	206,980
Insurance recoveries	7,500	409,009	504,713	95,704
Parks and recreation	10,000	45,000	36,606	(8,394)
Public safety recoveries	151,416	151,416	130,653	(20,763)
Health department recoveries	-	-	1,947	1,947
Hazardous material response	-	1,480	1,480	-
Other recoveries	-	70,818	10,373	(60,445)
Total Recovered Costs	\$ 456,175	\$ 964,982	\$ 1,140,747	\$ 175,765
Total Revenue from Local Sources	\$ 29,520,520	\$ 31,360,395	\$ 32,125,818	\$ 765,423
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
Motor vehicle carriers' tax	\$ 34,838	\$ 34,838	\$ 47,301	\$ 12,463
Mobile home titling tax	40,000	40,000	45,734	5,734
Motor vehicle rental tax	1,200	1,200	3,085	1,885
Grantor's tax	82,143	82,143	38,500	(43,643)
State recordation tax	-	-	52,262	52,262
Telecommunication taxes	860,000	860,000	771,742	(88,258)
Personal property tax relief funds	1,594,000	1,594,000	1,594,529	529
Total Non-categorical Aid	\$ 2,612,181	\$ 2,612,181	\$ 2,553,153	\$ (59,028)
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 551,881	\$ 551,881	\$ 556,915	\$ 5,034
Sheriff	1,604,973	1,604,973	1,635,399	30,426
Commissioner of the Revenue	121,707	121,707	121,817	110
Treasurer	98,580	98,580	98,952	372
Registrar/Electoral Board	37,275	47,275	47,965	690
Clerk of the Circuit Court	341,275	375,518	355,994	(19,524)
Total Shared Expenses	\$ 2,755,691	\$ 2,799,934	\$ 2,817,042	\$ 17,108
Other Categorical Aid:				
Public assistance and welfare administration	\$ 1,451,085	\$ 1,460,335	\$ 2,073,798	\$ 613,463
Comprehensive Services Act (CSA)	3,127,154	3,117,904	2,744,456	(373,448)
Victim's assistance grant	120,405	120,405	30,703	(89,702)
Litter control grant	11,955	11,955	14,549	2,594
DMV animal friendly plates	100	100	563	463
Library grant	110,179	113,660	113,660	-
Pretrial services grant	795,416	795,416	762,046	(33,370)
Records preservation grant	-	7,546	7,546	-
Law enforcement grant	-	-	328	328
Commission on the arts	5,000	5,000	-	(5,000)
Fire programs	59,772	64,725	75,099	10,374
Virginia Juvenile Commission Crime Control	28,608	28,608	20,330	(8,278)
Domestic violence DCJS grant	40,000	40,000	40,000	-
Public safety answer grant	48,000	48,000	39,146	(8,854)
DEQ grant	500	500	570	70
VA Tourism Corp Grants	-	17,612	-	(17,612)
Total Other Categorical Aid	\$ 5,798,174	\$ 5,831,766	\$ 5,922,794	\$ 91,028
Total Revenue from the Commonwealth	\$ 11,166,046	\$ 11,243,881	\$ 11,292,989	\$ 49,108

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
General Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	\$ 12,000	\$ 12,000	\$ 23,460	\$ 11,460
Categorical Aid:				
Public assistance and welfare administration	\$ 3,433,516	\$ 3,633,516	\$ 2,908,957	\$ (724,559)
Social services block grant	-	-	254,470	254,470
CDBG grants	-	921,137	366,974	(554,163)
Emergency management preparedness grant	16,904	39,968	16,904	(23,064)
State and community highway safety	-	4,954	23,028	18,074
Citizen's alerting grant	-	46,125	-	(46,125)
Tornado housing grant	-	19,095	-	(19,095)
Victim witness	-	-	92,110	92,110
DMV regional crash team grant	-	3,130	-	(3,130)
Regional radio communications grant	-	18,225	-	(18,225)
VDEM 2011 regional information sharing	-	265,964	197,886	(68,078)
Arts grant	-	-	5,000	5,000
Other categorical aid	-	3,028	-	(3,028)
Total Categorical Aid	\$ 3,450,420	\$ 4,955,142	\$ 3,865,329	\$ (1,089,813)
Total Revenue from the Federal Government	\$ 3,462,420	\$ 4,967,142	\$ 3,888,789	\$ (1,078,353)
Total General Fund	\$ 44,148,986	\$ 47,571,418	\$ 47,307,596	\$ (263,822)
Non-Major Special Revenue Funds:				
Tornado Relief Fund:				
Revenue from Local Sources:				
Miscellaneous:				
Donations	\$ -	\$ 37,256	\$ 37,254	\$ (2)
Recovered Costs:				
Town of Pulaski	\$ -	\$ 39,780	\$ 28,432	\$ (11,348)
Total Revenue from Local Sources	\$ -	\$ 77,036	\$ 65,686	\$ (11,350)
Revenue from the Federal Government:				
Categorical Aid:				
Tornado UNOS Grant	\$ -	\$ 700,000	\$ 321,778	\$ (378,222)
Total Revenue from the Federal Government	\$ -	\$ 700,000	\$ 321,778	\$ (378,222)
Total Tornado Relief Fund	\$ -	\$ 777,036	\$ 387,464	\$ (389,572)
Highway Maintenance Fund				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 237	\$ 237
Recovered Costs:				
NRCC	\$ -	\$ 816,000	\$ 815,612	\$ (388)
Total Revenue from Local Sources	\$ -	\$ 816,000	\$ 815,849	\$ (151)
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other Categorical Aid:				
VDOT	\$ -	\$ 58,200	\$ 58,113	\$ (87)
Total Highway Maintenance Fund	\$ -	\$ 874,200	\$ 873,962	\$ (238)
Total Non-Major Special Revenue Funds	\$ -	\$ 1,651,236	\$ 1,261,426	\$ (389,810)

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
Non-Major Capital Projects Funds:				
School Construction Fund:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 133	\$ 133
Total School Construction Fund	\$ -	\$ -	\$ 133	\$ 133
County CIP Fund:				
Revenue from Local Sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ 99,364	\$ -	\$ (99,364)
Total Revenue from Local Sources	\$ -	\$ 99,364	\$ -	\$ (99,364)
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Other Categorical Aid:				
VDOT grants	\$ -	\$ 760,891	\$ 113,205	\$ (647,686)
Other categorical aid	-	150,000	-	(150,000)
Total Revenue from the Commonwealth	\$ -	\$ 910,891	\$ 113,205	\$ (797,686)
Revenue from the Federal Government:				
Categorical Aid:				
Department of mines, minerals, and energy	\$ -	\$ 603,733	\$ 502,907	\$ (100,826)
Total County CIP Fund	\$ -	\$ 1,613,988	\$ 616,112	\$ (997,876)
Total Non-Major Capital Projects Funds	\$ -	\$ 1,613,988	\$ 616,245	\$ (997,743)
Total Primary Government	\$ 44,148,986	\$ 50,836,642	\$ 49,185,267	\$ (1,651,375)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 6,235	\$ 6,235	\$ 10,282	\$ 4,047
Revenue from use of property	2,400	2,400	2,401	1
Total Revenue from Use of Money and Property	\$ 8,635	\$ 8,635	\$ 12,683	\$ 4,048
Charges for Services:				
Charges for education	\$ 144,500	\$ 144,500	\$ 165,074	\$ 20,574
Cafeteria sales	1,041,862	1,041,862	946,253	(95,609)
Total Charges for Services	\$ 1,186,362	\$ 1,186,362	\$ 1,111,327	\$ (75,035)
Miscellaneous:				
Miscellaneous	\$ 67,000	\$ 67,000	\$ 12,062	\$ (54,938)
Recovered Costs:				
Medicaid reimbursements	\$ 60,000	\$ 60,000	\$ 69,864	\$ 9,864
Insurance recoveries	-	-	1,348	1,348
E-Rate	-	160,000	159,892	(108)
Joint services reimbursements	130,000	130,000	361,603	231,603
Salary reimbursements	47,500	47,500	69,553	22,053
School activity reimbursements	125,000	125,000	97,949	(27,051)
Title I indirect costs	70,000	70,000	79,652	9,652
Governor's school reimbursements	436,637	436,637	404,455	(32,182)
Other recoveries	204,500	204,500	328,012	123,512
Total Recovered Costs	\$ 1,073,637	\$ 1,233,637	\$ 1,572,328	\$ 338,691
Total Revenue from Local Sources	\$ 2,335,634	\$ 2,495,634	\$ 2,708,400	\$ 212,766

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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)				
Intergovernmental Revenues:				
Revenue from Local Governments:				
Contribution from County of Pulaski, Virginia-General Fund	\$ 12,581,439	\$ 12,684,975	\$ 12,043,789	\$ (641,186)
Revenue from the Commonwealth:				
Categorical Aid:				
At risk four-year olds	\$ 375,192	\$ 375,192	\$ 362,812	\$ (12,380)
At risk payments	535,506	535,506	540,007	4,501
Adult Education	6,164	6,164	-	(6,164)
Basic school aid	12,651,076	12,651,076	12,756,339	105,263
Career technology education	38,896	38,896	4,948	(33,948)
Early reading intervention	110,631	110,631	75,923	(34,708)
English as a second language	12,014	12,014	12,843	829
Gifted and talented	138,208	138,208	139,393	1,185
GLI instructional	54,081	54,081	54,545	464
Governor's School	364,501	364,501	315,834	(48,667)
Homebound education	48,951	48,951	45,991	(2,960)
ISAEF	15,717	15,717	22,115	6,398
Mentor teaching program	4,579	4,579	-	(4,579)
Special education jail	58,664	58,664	550	(58,114)
National board certified teacher bonus	-	-	2,500	2,500
Preschool social services	-	-	8,507	8,507
Primary class size	602,548	602,548	612,796	10,248
Project graduation	-	-	5,224	5,224
Remedial education	513,774	513,774	518,179	4,405
Remedial summer education	104,179	104,179	106,151	1,972
Retirement	1,700,822	1,700,821	1,712,852	12,031
School food	43,476	43,476	49,135	5,659
Share of state sales tax	4,502,996	4,502,996	4,497,261	(5,735)
Social security	841,267	841,267	848,480	7,213
Special education	2,001,013	2,001,013	2,018,171	17,158
Special education - foster care	45,269	45,269	13,353	(31,916)
Standards of learning algebra readiness	68,794	68,794	75,508	6,714
Textbook payment	269,596	269,596	271,908	2,312
Vocational education-equipment	-	-	11,367	11,367
Vocational occupational preparedness	-	-	32,155	32,155
Vocational standards of quality payments	423,638	423,638	427,270	3,632
VPSA technology grant	301,661	301,661	-	(301,661)
Link team	32,759	32,759	-	(32,759)
Readiness and emergency management	131,329	131,329	66,275	(65,054)
VTSF Virginia tobacco settlement	-	59,100	67,968	8,868
Expansion grant feasibility study	-	100,000	100,000	-
VA workplace readiness skills	-	-	2,366	2,366
Race to GED grant	-	50,602	50,602	-
Plugged in VA grant	-	65,000	143,780	78,780
Epiopen grants	886	886	886	-
Total Categorical Aid	<u>\$ 25,998,187</u>	<u>\$ 26,272,888</u>	<u>\$ 25,973,994</u>	<u>\$ (298,894)</u>
Total Revenue from the Commonwealth	<u>\$ 25,998,187</u>	<u>\$ 26,272,888</u>	<u>\$ 25,973,994</u>	<u>\$ (298,894)</u>

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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)				
Intergovernmental Revenues: (continued)				
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ -	\$ -	\$ 21,919	\$ 21,919
Title I	1,489,065	1,568,745	1,159,486	(409,259)
Title VI-B, special education	1,806,125	1,827,811	1,540,590	(287,221)
Title VI-B, pre-school - ARRA	33,414	33,357	29,062	(4,295)
Vocational education	89,770	89,770	93,959	4,189
Title III, LEP	-	1,840	-	(1,840)
Title II, Part A-Teacher quality grant	378,797	399,269	251,186	(148,083)
Technology literacy challenge grant	-	-	3,975	3,975
School Improvement	35,740	35,740	51,449	15,709
Response to intervention	169,851	169,851	109,104	(60,747)
Title IV, Part 21	344,735	536,735	263,673	(273,062)
School food	1,277,840	1,277,840	1,505,278	227,438
School food-Summer program	-	-	56,382	56,382
Total Categorical Aid	<u>\$ 5,625,337</u>	<u>\$ 5,940,958</u>	<u>\$ 5,086,063</u>	<u>\$ (854,895)</u>
Total Revenue from the Federal Government	<u>\$ 5,625,337</u>	<u>\$ 5,940,958</u>	<u>\$ 5,086,063</u>	<u>\$ (854,895)</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 46,540,597</u>	<u>\$ 47,394,455</u>	<u>\$ 45,812,246</u>	<u>\$ (1,582,209)</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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	\$ 138,069	\$ 219,217	\$ 216,639	\$ 2,578
General and Financial Administration:				
County Administrator	\$ 239,631	\$ 360,818	\$ 356,891	\$ 3,927
Assistant County Administrator	176,393	185,769	184,109	1,660
County Attorney	39,620	39,620	17,426	22,194
Operations	88,585	93,871	95,392	(1,521)
Independent Auditor	77,000	77,000	65,892	11,108
Commissioner of the Revenue	440,612	449,890	417,797	32,093
Treasurer	467,783	471,340	472,925	(1,585)
Management Services	119,642	149,637	147,410	2,227
Director of Finance	140,929	144,521	141,237	3,284
Other General and Financial Administration	307,765	169,554	66,674	102,880
Total General and Financial Administration	\$ 2,097,960	\$ 2,142,020	\$ 1,965,753	\$ 176,267
Board of Elections:				
Electoral Board	\$ 58,448	\$ 83,221	\$ 79,230	\$ 3,991
Registrar	94,480	95,853	92,222	3,631
Total Board of Elections	\$ 152,928	\$ 179,074	\$ 171,452	\$ 7,622
Total General Government Administration	\$ 2,388,957	\$ 2,540,311	\$ 2,353,844	\$ 186,467
Judicial Administration:				
Courts:				
Circuit Court	\$ 65,463	\$ 63,548	\$ 61,808	\$ 1,740
General District Court	2,550	2,550	1,669	881
Juvenile and Domestic Relations Court	4,475	5,550	4,558	992
Clerk of the Circuit Court	530,014	609,022	577,873	31,149
Law Library	12,100	12,100	7,981	4,119
Victim's Witness Assistance	136,369	140,171	139,749	422
Domestic Relations Legal Services	40,000	40,000	30,000	10,000
Womens Resource Victims Assistance	22,000	22,000	22,000	-
Total Courts	\$ 812,971	\$ 894,941	\$ 845,638	\$ 49,303
Commonwealth's Attorney:				
Commonwealth's Attorney	\$ 847,846	\$ 838,865	\$ 813,204	\$ 25,661
Total Judicial Administration	\$ 1,660,817	\$ 1,733,806	\$ 1,658,842	\$ 74,964
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,392,931	\$ 3,592,585	\$ 3,547,049	\$ 45,536
Fire and Rescue Services:				
E-911	\$ 133,357	\$ 172,158	\$ 162,566	\$ 9,592
Wireless E-911	40,000	50,900	33,015	17,885
Forest Fire Protection	7,793	7,793	7,793	-
Volunteer Fire Departments	258,492	282,309	278,022	4,287
Western Virginia EMS	7,352	7,352	7,352	-
Contribution to REMSI	106,891	106,891	106,891	-
Total Fire and Rescue Services	\$ 553,885	\$ 627,403	\$ 595,639	\$ 31,764
Correction and Detention:				
Regional Jail Payments	\$ 2,031,040	\$ 2,031,040	\$ 1,866,179	\$ 164,861
Court Services	4,300	6,077	7,329	(1,252)
Pretrial Services Grant	296,057	344,995	240,142	104,853
NRV Juvenile Detention Home	167,391	167,391	167,391	-
Community Corrections	520,187	523,787	482,101	41,686
Total Correction and Detention	\$ 3,018,975	\$ 3,073,290	\$ 2,763,142	\$ 310,148

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
General Fund: (continued)				
Public Safety (continued)				
Inspections:				
Building Inspections	\$ 183,203	\$ 190,072	\$ 173,457	\$ 16,615
Code Enforcement	58,219	63,224	62,912	312
Total Inspections	<u>\$ 241,422</u>	<u>\$ 253,296</u>	<u>\$ 236,369</u>	<u>\$ 16,927</u>
Other Protection:				
Animal Control	\$ 250,787	\$ 284,222	\$ 281,442	\$ 2,780
Medical Examiner	600	1,600	1,580	20
Emergency Management	96,961	160,804	154,208	6,596
Emergency Services Grants	-	417,133	215,311	201,822
Total Other Protection	<u>\$ 348,348</u>	<u>\$ 863,759</u>	<u>\$ 652,541</u>	<u>\$ 211,218</u>
Total Public Safety	<u>\$ 7,555,561</u>	<u>\$ 8,410,333</u>	<u>\$ 7,794,740</u>	<u>\$ 615,593</u>
Public Works:				
Sanitation and Waste Removal:				
General Engineering	\$ 121,932	\$ 125,376	\$ 123,151	\$ 2,225
Landfill	75,950	116,340	113,553	2,787
Clean Community Council	26,817	38,091	36,703	1,388
Total Sanitation and Waste Removal	<u>\$ 224,699</u>	<u>\$ 279,807</u>	<u>\$ 273,407</u>	<u>\$ 6,400</u>
Maintenance of General Building and Grounds:				
General Properties	\$ 836,863	\$ 868,088	\$ 867,922	\$ 166
Cleaning Services	169,844	168,615	154,787	13,828
NRV Salaries and Benefits Reimbursement	276,637	276,637	182,932	93,705
NRV Airport Maintenance Contribution	-	-	91,648	(91,648)
Natural disaster cleanup	59,525	87,621	102,168	(14,547)
Property cleanup	40,000	44,293	44,445	(152)
Total Maintenance of General Buildings and Grounds	<u>\$ 1,382,869</u>	<u>\$ 1,445,254</u>	<u>\$ 1,443,902</u>	<u>\$ 1,352</u>
Total Public Works	<u>\$ 1,607,568</u>	<u>\$ 1,725,061</u>	<u>\$ 1,717,309</u>	<u>\$ 7,752</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 302,736	\$ 309,054	\$ 309,054	-
Mental health and mental Retardation:				
Community Services Board	\$ 89,353	\$ 89,353	\$ 87,853	\$ 1,500
Welfare:				
Public Assistance	\$ 5,922,681	\$ 6,284,251	\$ 5,915,377	\$ 368,874
Welfare Administration	104,952	104,952	55,287	49,665
Comprehensive Services Act	4,621,204	4,459,634	4,408,429	51,205
Area Agency on Aging	15,758	18,083	18,083	-
Office on Youth	117,914	119,711	116,301	3,410
Feeding America	1,546	1,546	1,546	-
Pulaski Area Transit	62,000	62,000	62,000	-
New River Community Action	52,757	52,757	52,757	-
NRV Disability Services	10,598	10,598	10,598	-
Virginia Juvenile Commission on Crime	55,973	65,553	64,734	819
Fairview District Home	83,673	83,673	83,673	-
Brain Injury Services of SWVa	4,500	4,500	4,500	-
RSVP Program	12,886	12,886	12,886	-
Birg Brothers/Sisters Mentoring Program	35,000	35,000	35,000	-
Beans and Rice	-	7,900	6,800	1,100
Crossroads Shelter	3,000	3,000	3,000	-
Children's Advocacy Program	1,000	1,000	1,000	-
NRV Cares	4,600	4,600	4,600	-

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
General Fund: (continued)				
Health and Welfare: (continued)				
Welfare: (continued)				
Free Clinic of Pulaski County	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Literacy Volunteers of America	2,000	2,000	-	2,000
Commission on Children and Families	1,500	1,500	271	1,229
Contributions to Other Local Organizations	6,500	6,500	6,500	-
Goodwill Industries	10,000	10,000	10,000	-
Total Welfare	<u>\$ 11,157,042</u>	<u>\$ 11,378,644</u>	<u>\$ 10,900,342</u>	<u>\$ 478,302</u>
Total Health and Welfare	<u>\$ 11,549,131</u>	<u>\$ 11,777,051</u>	<u>\$ 11,297,249</u>	<u>\$ 479,802</u>
Education:				
Other Instructional Costs:				
Contribution to New River Community College	\$ 15,972	\$ 15,972	\$ 15,972	\$ -
Contribution to Pulaski County School Board	12,581,439	12,581,439	12,043,789	537,650
Total Education	<u>\$ 12,597,411</u>	<u>\$ 12,597,411</u>	<u>\$ 12,059,761</u>	<u>\$ 537,650</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Parks	\$ 20,791	\$ 28,916	\$ 28,215	\$ 701
Recreation	319,571	343,402	335,628	7,774
Friends of Claytor Lake	37,190	72,190	72,180	10
Randolph Park	286,927	303,223	278,114	25,109
County Celebration - Fire works	-	500	500	-
Claytor Lake Aquatic Restoration	10,000	12,000	12,000	-
Claytor Lake Celebration	9,000	9,868	9,300	568
Total Parks and Recreation	<u>\$ 683,479</u>	<u>\$ 770,099</u>	<u>\$ 735,937</u>	<u>\$ 34,162</u>
Cultural Enrichment:				
Fine Arts Center	\$ 22,000	\$ 22,000	\$ 5,000	\$ 17,000
Historical Landmarks	6,000	6,000	6,000	-
Friends of the Pulaski Theater	5,000	5,000	5,000	-
Round the Mountain	10,000	10,000	10,000	-
Return to Roots	1,000	1,000	-	1,000
NRV Airshow	-	30,000	17,405	12,595
Jamestown 2007 Celebration	-	50	30	20
Total Cultural Enrichment	<u>\$ 44,000</u>	<u>\$ 74,050</u>	<u>\$ 43,435</u>	<u>\$ 30,615</u>
Library:				
Library Administration	\$ 460,914	\$ 503,436	\$ 482,356	\$ 21,080
Library State Aid	116,816	119,200	122,888	(3,688)
Total Library	<u>\$ 577,730</u>	<u>\$ 622,636</u>	<u>\$ 605,244</u>	<u>\$ 17,392</u>
Total Parks, Recreation and Cultural	<u>\$ 1,305,209</u>	<u>\$ 1,466,785</u>	<u>\$ 1,384,616</u>	<u>\$ 82,169</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 102,501	\$ 111,499	\$ 110,578	\$ 921
Economic Development	551,974	577,787	252,724	325,063
Chamber of Commerce	10,000	10,000	10,000	-
Industrial Park Maintenance	625	625	611	14
Visitors' Center	94,056	119,666	97,442	22,224
Planning and Zoning	120,338	121,246	120,950	296
NRV Planning District Commission	29,065	29,065	29,065	-
Baskerville Housing Project	-	836,172	304,333	531,839
NRV Home Consortium	2,280	2,280	2,280	-
NR Highland	700	700	-	700
SE Rural Community Assistance Program	1,000	1,000	-	1,000
NRV Competitiveness Center	10,000	36,848	34,706	2,142
I 81 Corridor Coalition	5,000	10,000	10,000	-
Tourism	13,500	84,318	285	84,033

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
General Fund: (continued)				
Community Development: (continued)				
Planning and Community Development: (continued)				
Loan to Town of Dublin	\$ -	\$ -	\$ 119,101	\$ (119,101)
Contribution to Wireless Authority	-	-	2,364	(2,364)
Contribution to Pulaski County IDA	892,123	3,606,843	540,140	3,066,703
Contribution to Pulaski County PSA	134,389	134,389	123,189	11,200
Total Planning and Community Development	<u>\$ 1,967,551</u>	<u>\$ 5,682,438</u>	<u>\$ 1,757,768</u>	<u>\$ 3,924,670</u>
Environmental Management:				
Contribution to Soil and Water District	\$ 12,269	\$ 12,269	\$ 12,269	\$ -
Cooperative Extension Program:				
Extension Office	\$ 103,774	\$ 112,274	\$ 93,488	\$ 18,786
Total Community Development	<u>\$ 2,083,594</u>	<u>\$ 5,806,981</u>	<u>\$ 1,863,525</u>	<u>\$ 3,943,456</u>
Non-Departmental:				
Other Non-Departmental	\$ 241,946	\$ 2,824	\$ 60	\$ 2,764
Revenue Refunds	-	46,800	48,616	(1,816)
Total Non-Departmental	<u>\$ 241,946</u>	<u>\$ 49,624</u>	<u>\$ 48,676</u>	<u>\$ 948</u>
Debt Service:				
Principal Retirement	\$ 1,887,662	\$ 2,128,508	\$ 2,169,831	\$ (41,323)
Interest and Other Fiscal Charges	1,063,795	1,199,524	1,222,812	(23,288)
Total Debt Service	<u>\$ 2,951,457</u>	<u>\$ 3,328,032</u>	<u>\$ 3,392,643</u>	<u>\$ (64,611)</u>
Total General Fund	<u>\$ 43,941,651</u>	<u>\$ 49,435,395</u>	<u>\$ 43,571,205</u>	<u>\$ 5,864,190</u>
Non-Major Special Revenue Funds:				
Tornado Relief Fund:				
Health and Welfare:				
Welfare:				
Tornado relief cleanup	\$ -	\$ 972,737	\$ 536,702	\$ 436,035
Total Tornado Relief Fund	<u>\$ -</u>	<u>\$ 972,737</u>	<u>\$ 536,702</u>	<u>\$ 436,035</u>
Highway Maintenance Fund:				
Public Works:				
Streets and Highways:				
NRCC New Road Entrance	\$ -	\$ 874,200	\$ 123,291	\$ 750,909
Total Highway Maintenance Fund	<u>\$ -</u>	<u>\$ 874,200</u>	<u>\$ 123,291</u>	<u>\$ 750,909</u>
Total Non-major Special Revenue Funds	<u>\$ -</u>	<u>\$ 1,846,937</u>	<u>\$ 659,993</u>	<u>\$ 1,186,944</u>
Non-Major Capital Project Funds:				
School Construction Fund:				
Capital Projects:				
Pulaski County High School	\$ -	\$ 170,622	\$ 102,855	\$ 67,767
Middle Schools	-	388,215	338,986	49,229
Total School Construction Fund	<u>\$ -</u>	<u>\$ 558,837</u>	<u>\$ 441,841</u>	<u>\$ 116,996</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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: (continued)				
Non-Major Capital Project Funds: (continued)				
County CIP Fund:				
General Government Administration:				
General and Financial Administration:				
County Administrator	\$ -	\$ 114,295	\$ -	\$ 114,295
Treasurer	5,000	22,418	12,949	9,469
Information Technology	300,000	314,494	14,732	299,762
Communications	20,000	701,163	620,862	80,301
Property Assessment	-	-	248	(248)
Commissioner of Revenue	71,000	140,000	19,706	120,294
Total General Government Administration	<u>\$ 396,000</u>	<u>\$ 1,292,370</u>	<u>\$ 668,497</u>	<u>\$ 623,873</u>
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ -	\$ 942,645	\$ 161,671	\$ 780,974
Fire and Rescue Services:				
Volunteer Fire Departments	\$ 565,000	\$ 1,055,721	\$ 730,789	\$ 324,932
Other Protection:				
Animal Control	\$ -	\$ 2,534	\$ -	\$ 2,534
Total Public Safety	<u>\$ 565,000</u>	<u>\$ 2,000,900</u>	<u>\$ 892,460</u>	<u>\$ 1,108,440</u>
Public Works:				
Maintenance of Highways, Streets, Bridges, and Sidewalks				
Maintenance	\$ -	\$ 611,402	\$ 42,766	\$ 568,636
Maintenance of General Building and Grounds:				
General Properties	\$ 20,000	\$ 1,579,767	\$ 1,061,691	\$ 518,076
Total Public Works	<u>\$ 20,000</u>	<u>\$ 2,191,169</u>	<u>\$ 1,104,457</u>	<u>\$ 1,086,712</u>
Education:				
Other Instructional Costs:				
Contribution to NR Community College	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
School Buses	353,600	353,600	348,328	5,272
Total Education	<u>\$ 363,600</u>	<u>\$ 363,600</u>	<u>\$ 348,328</u>	<u>\$ 15,272</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Parks	\$ -	\$ 47,700	\$ 37,700	\$ 10,000
Recreation	5,000	487,247	193,374	293,873
Swimming pools	-	18,773	11,432	7,341
Loving field	5,000	5,000	450	4,550
NRV Fair	-	154,604	150,404	4,200
Historical landmarks	-	15,000	1,693	13,307
Total Parks, Recreation and Cultural	<u>\$ 10,000</u>	<u>\$ 728,324</u>	<u>\$ 395,053</u>	<u>\$ 333,271</u>
Community Development:				
Planning and Community Development:				
Planning and Zoning	\$ 10,000	\$ 30,900	\$ 9,103	\$ 21,797
County building improvements	560,000	676,536	115,351	561,185
Other community development	24,789	24,789	-	24,789
Contribution to REMSI	55,000	140,000	-	140,000
Total Community Development	<u>\$ 649,789</u>	<u>\$ 872,225</u>	<u>\$ 124,454</u>	<u>\$ 747,771</u>
Total County CIP Fund	<u>\$ 2,004,389</u>	<u>\$ 7,448,588</u>	<u>\$ 3,533,249</u>	<u>\$ 3,915,339</u>
Total Non-Major Capital Project Funds	<u>\$ 2,004,389</u>	<u>\$ 8,007,425</u>	<u>\$ 3,975,090</u>	<u>\$ 4,032,335</u>
Total Primary Government	<u>\$ 45,946,040</u>	<u>\$ 59,289,757</u>	<u>\$ 48,206,288</u>	<u>\$ 11,083,469</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2013

<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>
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	\$ 3,432,416	\$ 2,500,302	\$ 2,388,294	\$ 112,008
Instructional:				
Instruction	\$ 31,826,367	\$ 33,340,794	\$ 31,862,742	\$ 1,478,052
Other operating costs				
Pupil transportation	\$ 2,188,166	\$ 2,188,166	\$ 2,255,275	\$ (67,109)
Operation and maintenance of school plant	4,774,719	4,876,265	4,940,717	(64,452)
Food services	2,373,913	2,373,913	2,588,075	(214,162)
Technical resources	1,945,015	2,105,015	1,784,754	320,261
Total other operating costs	\$ 11,281,813	\$ 11,543,359	\$ 11,568,821	\$ (25,462)
Total Discretely Presented Component Unit-School Board	\$ 46,540,596	\$ 47,384,455	\$ 45,819,857	\$ 1,564,598

Statistical Information

Table 1

County of Pulaski, Virginia
Government-Wide Expenses by Function
Last Seven 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
2012-13	\$ 3,029,596	\$ 1,663,626	\$ 8,279,912	\$ 2,457,115	\$ 11,585,645	\$ 12,845,614	\$ 1,676,018	\$ 1,872,699	\$ 1,135,681	\$ 44,545,906
2011-12	2,733,560	1,594,599	8,092,547	1,701,286	11,078,762	14,686,128	1,457,169	7,503,176	1,145,941	49,993,168
2010-11	2,354,362	1,598,836	7,767,882	1,631,480	10,646,521	12,492,540	1,461,399	4,730,543	938,678	43,622,241
2009-10	2,227,515	1,548,396	7,995,638	1,480,384	11,030,808	10,321,494	1,345,770	5,006,587	1,661,533	42,618,125
2008-09	2,645,693	1,483,884	6,411,555	1,426,527	10,201,396	13,587,527	1,411,956	3,808,164	1,288,490	42,266,192
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	1,378,323	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

Table 2

**County of Pulaski, Virginia
Government-Wide Revenues
Last Seven 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	
2012-13	\$ 715,424	\$ 12,238,191	\$ 366,974	\$ 23,279,472	\$ 6,581,448	\$ 433,446	\$ 118,247	\$ 3,572,616	\$ 47,305,818
2011-12	725,715	12,511,682	72,633	21,993,777	6,523,924	379,141	391,985	2,514,364	45,113,221
2010-11	1,256,990	11,842,138	1,766,976	21,623,192	5,617,664	329,563	394,290	1,040,960	43,871,773
2009-10	1,212,825	12,010,339	3,682,304	21,173,271	5,171,842	297,227	208,630	2,631,288	46,387,726
2008-09	1,236,901	12,077,362	-	20,175,233	6,565,919	540,453	526,812	2,143,390	43,266,070
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

Table 3

County of Pulaski, Virginia
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service (3)	Total
2012-13	\$ 3,022,341	\$ 1,658,842	\$ 8,687,200	\$ 2,945,057	\$ 11,833,951	\$ 46,184,157	\$ 1,779,669	\$ 1,987,979	\$ 48,676	\$ 3,392,643	\$ 81,540,515
2011-12	2,290,446	1,620,149	8,029,761	1,812,147	11,360,061	46,334,107	1,604,803	7,635,743	-	3,366,806	84,054,023
2010-11	2,127,956	1,581,628	7,775,675	1,542,354	10,859,550	44,568,538	1,547,452	4,840,124	-	3,185,949	78,029,226
2009-10	1,982,852	1,547,625	7,370,735	1,408,091	11,192,888	47,643,617	1,397,056	5,571,584	-	11,032,436	89,146,884
2008-09	2,583,215	1,479,967	7,241,921	1,468,888	10,394,049	48,062,018	1,779,669	1,987,979	48,676	3,293,977	78,340,359
2007-08	2,121,307	1,330,527	7,030,814	1,268,510	9,669,237	46,646,147	1,399,957	1,596,665	-	2,634,931	73,698,115
2006-07	2,102,862	1,270,573	7,521,231	1,142,631	8,532,401	45,176,749	1,336,274	1,025,802	-	2,003,993	70,112,516
2005-06	1,760,609	1,123,294	6,704,826	1,099,401	8,386,534	42,441,597	1,425,356	4,371,013	7,818	2,295,970	69,616,418
2004-05	1,674,073	1,080,946	5,560,193	952,694	7,707,076	41,485,801	1,281,964	474,394	-	2,452,233	62,669,374
2003-04	1,563,617	982,095	5,193,199	861,974	7,203,941	36,749,954	1,237,532	449,950	-	2,563,189	56,805,451

(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.

(3) Debt service increased in fiscal year 2009-10 due to repayment of the IDA lease revenue note in the amount of \$7,735,000.

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
2012-13	\$ 23,174,130	\$ 6,581,448	\$ 135,413	\$ 72,758	\$ 445,996	\$ 1,618,580	\$ 130,309	\$ 3,557,119	\$ 47,237,838	\$ 82,953,591
2011-12	21,788,104	6,523,924	129,393	35,874	398,689	1,706,348	430,075	1,829,882	47,272,325	80,114,614
2010-11	21,658,330	5,617,664	692,279	37,738	340,570	1,594,988	529,614	1,853,759	45,719,285	78,044,227
2009-10	20,836,110	5,171,842	664,789	31,439	311,542	1,528,819	222,348	1,947,692	52,933,326	83,647,907
2008-09	20,112,490	6,565,919	708,997	24,895	562,575	1,551,254	536,379	1,558,694	49,182,768	80,803,971
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

(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

County of Pulaski, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2012-13	\$ 25,044,163	\$ 24,190,958	96.59%	\$ 160,657	\$ 24,351,615	97.23%	\$ 2,434,494	9.72%
2011-12	24,009,139	22,561,415	93.97%	761,290	23,322,705	97.14%	2,612,718	10.88%
2010-11	23,286,597	22,070,924	94.78%	540,891	22,611,815	97.10%	2,970,797	12.76%
2009-10	22,938,080	22,037,293	96.07%	82,243	22,119,536	96.43%	2,468,936	10.76%
2008-09	21,519,644	21,160,816	98.33%	120,144	21,280,960	98.89%	2,571,593	11.95%
2007-08	19,683,092	18,819,285	95.61%	80,471	18,899,756	96.02%	2,400,211	12.19%
2006-07	20,591,949	19,426,752	94.34%	629,228	20,055,980	97.40%	2,356,776	11.45%
2005-06	20,067,829	19,084,868	95.10%	507,414	19,592,282	97.63%	2,529,481	12.60%
2004-05	19,428,887	18,455,844	94.99%	818,692	19,274,536	99.21%	2,672,458	13.76%
2003-04	18,257,636	17,536,375	96.05%	806,919	18,343,294	100.47%	2,874,468	15.74%

(1) Includes penalty and interest.

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 (3)	Public Service (2)	Total
2012-13	\$ 2,855,125,100	\$ 309,328,321	\$ 187,946,761	\$ -	\$ 134,148,506	\$ 3,486,548,688
2011-12	2,749,057,900	283,251,757	173,603,157	-	132,152,095	3,338,064,909
2010-11	2,607,713,654	277,054,341	186,011,482	-	132,610,234	3,203,389,711
2009-10	2,627,789,925	285,048,023	182,554,833	-	129,791,012	3,225,183,793
2008-09	2,286,209,060	311,944,879	127,627,258	-	91,287,377	2,817,068,574
2007-08	1,984,287,485	288,718,297	174,231,700	5,330,647	95,857,158	2,548,425,287
2006-07	1,913,504,855	273,746,922	177,909,011	5,089,159	104,176,431	2,474,426,378
2005-06	1,814,259,150	288,658,112	153,283,772	5,202,461	104,039,526	2,365,443,021
2004-05	1,780,786,569	248,618,931	170,603,751	6,246,179	123,962,648	2,330,218,078
2003-04	1,529,881,242	250,882,360	190,311,291	7,619,766	80,403,745	2,059,098,404

(1) Assessments at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) The County stopped collecting merchants' capital taxes in fiscal year 2008-09.

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 (6)	Mobile Homes
2012-13 (5)	\$ 0.54/0.59	\$ 2.14	\$ 1.50	\$ -	\$ -	0.54
2011-12	0.54	2.14	1.50	-	-	0.54
2010-11	0.54	2.14	1.50	-	-	0.54
2009-10 (4)	0.50/0.54	2.14	1.50	-	-	0.50
2008-09 (3)	0.62/0.50	2.14	1.50	-	-	0.50
2007-08	0.62	2.00	1.50	4.80	4.80	0.62
2006-07	0.62	2.00	1.50	4.80	4.80	0.62
2005-06	0.62	2.00	1.50	4.80	4.80	0.62
2004-05	0.62	2.00	1.50	4.80	4.80	0.62
2003-04 (2)	0.66/0.62	2.00	1.50	4.80	4.80	0.66/0.62

(1) Per \$100 of assessed value.

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

(3) Real estate rates decreased from \$0.62 to \$0.50 beginning with the first half 2009.

(4) Real estate rates increased from \$0.50 to \$0.54 beginning with the first half 2010.

(5) Real estate rates increased from \$0.54 to \$0.59 beginning with the first half 2013

(6) The County stopped collecting merchants' capital taxes in fiscal year 2008-09.

Table 8

County of Pulaski, Virginia
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in Thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012-13	34,872	\$ 3,486,549	\$ 26,807,252	\$ 26,807,252	0.77%	\$ 769
2011-12	34,872	3,338,065	28,919,439	28,919,439	0.87%	829
2010-11	34,872	3,203,390	30,994,428	30,994,428	0.97%	889
2009-10	35,127	3,225,184	33,006,407	33,006,407	1.02%	940
2008-09	35,127	2,817,069	35,315,701	35,315,701	1.25%	1,005
2007-08	35,127	2,548,425	36,984,070	36,984,070	1.45%	1,053
2006-07	35,127	2,474,426	30,478,933	30,478,933	1.23%	868
2005-06	35,127	2,365,443	15,478,557	15,478,557	0.65%	441
2004-05	35,127	2,330,218	16,917,563	16,917,563	0.73%	482
2003-04	35,127	2,059,098	18,451,174	18,451,174	0.90%	525

(1) Bureau of the Census.

(2) Assessments at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill post-closure monitoring, capital lease and compensated absences.

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2012-13	\$ 2,169,831	\$ 1,222,812	\$ 3,392,643	\$ 81,540,515	4.16%
2011-12	2,074,988	1,291,818	3,366,806	84,054,023	4.01%
2010-11	2,094,711	1,091,238	3,185,949	78,029,226	4.08%
2009-10	9,442,120	1,590,316	11,032,436	89,146,884	12.38%
2008-09	1,757,773	1,536,795	3,294,568	78,340,359	4.21%
2007-08	1,269,450	1,365,481	2,634,931	73,698,115	3.58%
2006-07	1,198,429	805,564	2,003,993	70,112,516	2.86%
2005-06	1,573,874	722,096	2,295,970	69,616,418	3.30%
2004-05	1,661,203	791,030	2,452,233	62,669,374	3.91%
2003-04	1,618,072	945,117	2,563,189	56,805,451	4.51%

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

COMPLIANCE SECTION

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' 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*

To the Board of Supervisors
County of Pulaski, Virginia
Pulaski, Virginia

We have audited, in accordance with the 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Pulaski, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Pulaski, Virginia's basic financial statements, and have issued our report thereon dated May 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Pulaski, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness County of Pulaski, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Pulaski, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Pulaski, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates
Blacksburg, Virginia
May 14, 2014

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Supervisors
County of Pulaski, Virginia
Pulaski, Virginia

Report on Compliance for Each Major Federal Program

We have audited County of Pulaski, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Pulaski, Virginia's major federal programs for the year ended June 30, 2013. County of Pulaski, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Pulaski, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of County of Pulaski, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Pulaski, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of County of Pulaski, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Pulaski, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 County of Pulaski, Virginia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robinson, Faimer, Co. Associates
Blacksburg, Virginia
May 14, 2014

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-through Payments:			
Department of Social Services:			
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	90545	\$ (140)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	90116, 90117, 90118, 90236 90237, 90238, 90378	86,834
Promoting Safe and Stable Families	93.556	90249, 90360	21,575
Temporary Assistance for Needy Families (TANF)	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90366, 90409 90411, 90412, 90413	481,411
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233, 90413, 90713	1,746
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235	49,249
Stephanie Tubbs Jones Child Welfare Services Program	93.645	90251	2,720
Foster Care - Title IV-E	93.658	90105, 90106, 90107, 90209 90225, 90226, 90227, 90253 90258, 90405, 90406, 90407 90636, 90637, 90639, 90658 90705, 90706, 90707, 90733 90738	843,985
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90708	263,262
Social Services Block Grant	93.667	90120, 90122, 90123, 90240 90242, 90243, 90262, 90306 90312, 90322, 90339, 90340	576,699
Chafee Foster Care Independence Program	93.674	90254	11,196
Children's Health Insurance Program	93.767	90102, 90222, 90402, 90702	12,631
Medical Assistance Program	93.778	90101, 90146, 90213, 90221 90266, 90401, 90446, 90701 90746	305,572
Chafee Education and Training Vouchers Program	93.599	90353	<u>672</u>
Total Department of Health and Human Services			<u>\$ 2,657,412</u>
Department of Agriculture:			
Pass-through Payments:			
Child Nutrition Cluster:			
Department of Agriculture and Consumer Affairs:			
Child Nutrition Discretionary Grants Limited Availability	10.579	40623	\$ 56,382
Department of Agriculture:			
National School Lunch Program (Note 3)	10.555	40623	\$ 115,324
Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	40623	<u>1,051,023</u>
School Breakfast Program	10.553	40591	338,931
Schools and Roads - Grants to States	10.665	43841	21,919
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	90103, 90104, 90212, 90223 90224, 90403, 90404, 90703 90704	<u>\$ 506,015</u>
Total Department of Agriculture			<u>\$ 2,089,594</u>
Department of Justice:			
Pass-through Payments:			
Department of Criminal Justice Services:			
Crime Victims Assistance	16.575	09VAGX0007	<u>\$ 92,110</u>
Department of Transportation:			
Pass-through payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	SC-2010 50357 3977	<u>\$ 23,028</u>
Department of Education:			
Pass-through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I: Grants to Local Education Agencies	84.010	42892, 42901	\$ 1,159,486
Special Education Cluster:			
Special Education - Grants to States	84.027	43071	1,540,590
Special Education - Preschool Grants	84.173	62521	29,062
Education Technology State Grants	84.318	61600	3,975
Career and Technical Education - Basic Grants to States	84.048	61095	93,959
Twenty-first Century Community Learning Centers	84.287	60565	263,673
ARRA - School Improvement Grants	84.388	42990	160,553
Improving Teacher Quality State Grants	84.367	61480	<u>251,186</u>
Total Department of Education			<u>\$ 3,502,484</u>

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2013

Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development: Pass Through Payments: Department of Housing and Community Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	50797	<u>\$ 688,752</u>
Total Department of Housing and Urban Development			<u>\$ 688,752</u>
Department of Energy Direct Payments: Energy Efficiency and Conservation Block Grant Program	81.128	Unknown	<u>\$ 502,907</u>
National Endowment for the Humanities Library of Virginia: Promotion of the Arts - Grants to Organizations	45.024	Unknown	<u>\$ 5,000</u>
Department of Homeland Security: Pass-through Payments: Department of Emergency Management: Emergency Management Performance Grants State Homeland Security Program	97.042 97.073	52749 52707	<u>\$ 16,904</u> <u>197,886</u>
Total Department of Homeland Security			<u>\$ 214,790</u>
Total Federal Expenditures			<u>\$ 9,776,077</u>

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Pulaski, Virginia under programs of the federal government for the year ended June 30, 2013. 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*. Because the Schedule presents only a selected portion of the operations of the County of Pulaski, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Pulaski, Virginia.

Note 2 -- Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3 -- Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2013, the County had no food commodities in inventory.

Note 4 -- Relationship to the Financial Statements:

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund	\$ 3,888,789
County CIP Fund	502,907
Tornado Relief Fund	321,778
Less: Payments in Lieu of Taxes	<u>(23,460)</u>

Total Primary Government

\$ 4,690,014

Component Unit School Board:

School Operating Fund

\$ 5,086,063

Total federal expenditures per the Schedule of Expenditures of Federal Awards

\$ 9,776,077

County of Pulaski, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
14.228	Community Development Block Grant
81.128	Energy Efficiency and Conservation Block Grant Program
84.010	Title I
84.027/84.173	Special Education - IDEA Cluster
84.388	ARRA - School Improvement Grants
93.558	TANF
93.658	Foster Care-Title IV E
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	No

County of Pulaski, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - Status of Prior Audit Findings and Questioned Costs

None reported