

COUNTY OF PULASKI, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

County of Pulaski, Virginia
Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION

COUNTY OF PULASKI, VIRGINIA

Board of Supervisors

Charles R. Bopp, Vice Chairman
Ranny E. O'Dell

Joseph L. Sheffey, Chair

Andy McCreedy
Dean K. Pratt

Gena Hanks, Clerk

County School Board

Jeff Bain, Vice Chairman
Linda F. Hill

Michael Barbour, Chair

Joseph W. Guthrie
Frances P. Viars

Heather Freeman, Clerk

Social Services Board

Charles Bopp
Joseph L. Sheffey

Rev. Vicki Houk, Chair

Rev. Randy Winn
Faye Powell

Faith Chumbley, Clerk

Library Board

Laura Walters, Vice Chair
Nancy Hudson
Hattie Haulsee

John Freeman, Chair

Robert Bopp
Martha Jackson
Margaret Spradlin

Parks Lanier

COUNTY OF PULASKI, VIRGINIA

Other Officials

Judge of the Circuit Court Colin R. Gibb
Judge of the Circuit Court Marcus H. Long Jr
Judge of the Circuit Court Brett L. Geisler
Judge of the Circuit Court Josiah T. Showalter Jr
Judge of the Circuit Court Robert M. D. Turk
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
Judge of the Juvenile and Domestic Relations Court Stephanie M. Shortt
Clerk of the Juvenile and Domestic Relations Court Judith C. Childress
Commonwealth's Attorney K. Mike Fleenor
Commissioner of the Revenue Trina Rupe
Treasurer Melinda Worrell
Sheriff James A. Davis
Superintendent of Schools Dr. Thomas Brewster
Director of Social Services Guy L. Smith
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, 2014, and the related notes to the financial statements, which collectively comprise the County'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Pulaski, Virginia, as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress on pages X-X, XX-XX, and XXX-XXX 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, other supplementary information, 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.

The other supplementary information 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 other supplementary information 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 December 22, 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
December 22, 2014

COUNTY OF PULASKI, VIRGINIA
Management's Discussion and Analysis

The management's discussion and analysis of the Pulaski County finances for the fiscal year ending June 30, 2014 (FY14) 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 2013-14

- Total net position value of the primary government was \$41.9 million at the end of FY 14 based on total assets of \$80.8 million and total liabilities of \$31.5 million (Exhibit 1) and deferred inflows of resources of 7.9 million (Exhibit 1). As noted in Exhibit 1, these liabilities include total payout of long-term debt associated with school construction and remodeling, lease purchase agreements, landfill post-closure monitoring costs, compensated absences, and other post employment benefits while the total assets reflect the depreciated value of existing county owned facilities.
- For FY 14 combined program and general revenues of \$48.2 million exceeded general expenditures of \$45.7 million by approximately \$2.5 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 \$1.7 million or 3.5% less than the budgeted \$50.1 million revenue estimate while expenditures were \$7.4 million, or 15% less than the \$64.2 million budgeted expenditures (including transfers). The net change in fund balance was a decrease of \$3.4 million.
- The County's total outstanding debt for school improvements, school construction, economic development, compensated absences and landfill monitoring decreased by \$11.2 million, due in part to refinancing of some debt, from \$29.2 million on July 1, 2013 to \$27.9 million on June 30, 2014 (Note 6). In addition, the net OPEB (Other Post Employment Benefits) expense increased by \$44,900 in accordance with GASB Statement 45 (Note 10).
- As described in Note 17, the unassigned fund balance as of June 30, 2014 for the primary government/component unit combined was \$7.4 million, or 7% of budgeted FY 14 total County General fund, other governmental funds and Component Unit, School Board operating expenditures in the amount of \$104.6 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 \$3.4 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 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 liabilities, with the difference between the two 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 government'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. Business-type activities include the operation of the water, sewer and refuse services by the Public Service Authority; and leasing of industrial buildings by the Industrial Development Authority.

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

Fund Financial Statements

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

The County has three kinds of funds:

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

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

Proprietary funds – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported utilizing the full accrual accounting method as are all activities reported in the Statement of Net 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 the Pulaski County Public Service Authority, the Industrial Development Authority of Pulaski County and the Internal Service Fund.

Fiduciary funds – The County is the trustee, or fiduciary, for the County's agency funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net 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, the Employee Flexible Benefits and Local Sales Tax Funds.

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

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

Financial Analysis of the County as a Whole

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

Summary of Net Position:

Details in the government-wide financial statements for FY 14 can be found in Exhibit 1. The following table reflects the condensed Statement of Net Position (in millions) comparing FY 13 to FY 14.

Summary of Net Assets:

	Total Primary Government		Component Unit School Board	
	2014	2013	2014	2013
Current and other assets	\$ 31.6	\$ 25.2	\$ 5.0	\$ 1.6
Capital assets, net	49.2	46.9	6.7	10.3
Total assets	\$ 80.8	\$ 72.1	\$ 11.7	\$ 11.9
Deferred Outflows of Resources	\$ 0.4	\$ 0.0	\$ 0.0	\$ 0.0
Other liabilities	\$ 3.6	\$ 3.5	\$ 4.1	\$ 4.0
Long term liabilities	27.9	29.2	2.6	2.4
Total liabilities	\$ 31.5	\$ 32.7	\$ 6.7	\$ 6.4
Deferred Inflows of Resources	\$ 7.8	\$ 0.0	\$ 0.0	\$ 0.0
Net Assets:				
Invested in capital assets, net of related debt	\$ 24.4	\$ 20.2	\$ 6.6	\$ 6.9
Restricted	0.2	0.2	0.0	0.0
Unrestricted	17.3	19.0	(1.6)	(1.4)
Total net position	\$ 41.9	\$ 39.4	\$ 5.0	\$ 5.5

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

The County's combined net position increased from \$39.4 million to \$41.9 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 \$17.3 million. Net investment in capital assets, represents the amount of capital assets owned by the County and Component Units total \$24.4 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. For example, seized asset funds are restricted so that they can be used for specific law enforcement purposes. The Component unit (School Board) net position decreased by \$0.5 million, from \$5.5 million in FY13 to \$5.0 million in FY 14.

Capital Assets

The following tables display the County's and School Board's (Component Unit) capital assets at June 30, 2014, as well as the change in capital assets for FY 13 in millions of dollars:

Capital Assets:

	Total Primary Government		Component Unit School Board	
	2014	2013	2014	2013
Non-Depreciable Assets:				
Land	\$ 2.5	\$ 2.6	\$ 0.5	\$ 0.5
Construction in Progress	3.4	1.6	0.1	0.1
Other Capital Assets:				
Buildings and systems	54.2	53.7	19.6	19.8
Machinery and Equipment	12.9	11.7	8.2	7.8
Accumulated Depreciation	(23.8)	(22.7)	(21.8)	(21.3)
Totals	\$ 49.2	\$ 46.9	\$ 6.6	\$ 6.9

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

	Balance, June 30, 2013	Additions	Deletions	Balance, June 30, 2014
	Non-Depreciable Assets:			
Land	\$ 2.6	\$ 0.0	\$ (0.1)	\$ 2.5
Construction in Progress	1.6	2.7	(0.9)	3.4
Other Capital Assets:				
Buildings and systems	53.7	1.1	(0.6)	54.2
Machinery and Equipment	11.7	1.4	(0.2)	12.9
Accumulated Depreciation	(22.7)	(1.9)	0.8	(23.8)
Totals	\$ 46.9	\$ 3.3	\$ (1.0)	\$ 49.2

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

Component Unit-School Board:
Changes in Capital Assets:

	Balance, June 30, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2014</u>
Non-Depreciable Assets:				
Land	\$ 0.5	\$ 0.0	\$ 0.0	\$ 0.5
Construction in Progress	0.1	0.0	0.0	0.1
Other Capital Assets:				
Buildings and systems	19.8	0.0	(0.2)	19.6
Machinery and Equipment	7.8	0.6	(0.2)	8.2
Accumulated Depreciation	(21.3)	(0.8)	0.3	(21.8)
Totals	\$ 6.9	\$ (0.2)	\$ (0.1)	\$ 6.6

These amounts are part of the Primary Government's capital assets because long-term debt financed these additions. Additional detailed capital asset information can be found in Note 11 in the "Notes to Financial Statements" section of the report.

Long-Term Debt

The following table displays the County and Schools (Component Unit) Outstanding Debt at June 30, 2014, in millions of dollars:

	Primary Government		Component Unit School Board	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General Obligation Bonds	\$ 12.6	\$ 13.9	\$ 0.0	\$ 0.0
Literary Loans	0.0	3.0	0.0	0.0
Lease Revenue Note	13.1	9.9	0.0	0.0
Capital Leases	0.0	0.0	0.0	0.0
Notes Payable	0.3	0.4	0.0	0.0
Unamortized Bond Premium	0.5	0.7	0.0	0.0
Landfill Post Closure Liability	0.3	0.2	0.0	0.0
Net OPEB Obligation	0.3	0.3	0.9	0.8
Compensated Absences	0.8	0.7	1.7	1.6
Total	\$ 27.9	\$ 29.1	\$ 2.6	\$ 2.4

Long-term debt obligations decreased by \$1 million in FY14. Additional detailed information on long-term debt 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 14 and the fiscal year ended June 30, 2013 (FY13) (in millions) as show in Exhibit 2:

	Government		School Board	
	2014	2013	2014	2013
Revenues:				
Program Revenues:				
Charges for services	\$ 0.7	\$ 0.7	\$ 1.0	\$ 1.1
Operating grants and contributions	12.8	12.2	30.7	31.1
Capital grants and contributions	0.3	0.4	0.0	0.0
General Revenues:				
General property taxes	24.4	23.3	0.0	0.0
Other local taxes	6.8	6.6	0.0	0.0
Other	3.2	4.1	0.0	0.0
Payments from County	0.0	0.0	13.3	12.0
Total Revenues	\$ 48.2	\$ 47.3	\$ 45.0	\$ 44.2
Expenses:				
General government	\$ 2.7	\$ 3.0	\$ -	\$ -
Judicial administration	1.4	1.7	-	-
Public safety	8.5	8.3	-	-
Public works	1.6	2.4	-	-
Health and welfare	11.5	11.6	-	-
Education	14.3	12.8	45.5	44.6
Parks, recreation and cultural	1.4	1.7	-	-
Community development	3.0	1.9	-	-
Interest on long term debt	1.2	1.1	-	-
Total Expenses	\$ 45.6	\$ 44.5	\$ 45.5	\$ 44.6
Grants and Contributions Not Related to Specific Program:	\$ 2.6	\$ 2.8	\$ (0.5)	\$ (0.4)
Transfers	0.0	0.0	0.0	0.0
Net Position, Beginning of Year	39.4	36.6	5.5	5.8
Net Position, End of Year	\$ 42.0	\$ 39.4	\$ 5.0	\$ 5.4

Revenues

For FY 14, revenues from governmental funds totaled \$48.2 million. General property tax revenues, the County's largest revenue source, were \$24.4 million, an increase of \$1.1 million. Other local taxes (including local sales tax, communications tax, hotel and motel room taxes and meals tax) were \$6.8 million, an increase of approximately \$0.2 million over FY13.

Component unit (School Board) revenues totaled \$45 million for FY14, an increase of \$0.8 million from June 30, 2013 to June 30, 2014. Component Unit State and Federal Revenues decreased by \$.3 combined with an increase in educational expenses of \$0.4 million resulting in an increase of local government transfer of \$1.3 million.

Expenses

For FY 14, expenses for primary governmental activities totaled \$45.6 million an increase of \$1.1 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 \$13.3 million to the operation of the Pulaski County schools excluding debt service costs. This accounts for 21% 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 13 contribution to FY 14 to use towards School capital improvements.

Financial Analysis of the County's Funds

For FY14, the general fund reflects a fund balance of \$15.8 million, a decrease of \$3.4 million from FY13. The following table shows a comparison of revenues and expenditures between the fiscal year ended June 30, 2013 to the fiscal year ended June 30, 2014 amounts for the General Fund as shown in Exhibit 5.

Statement of Revenues, Expenditures and Changes in Fund Balance

	General Fund		
	<u>2014</u>	<u>2013</u>	<u>Change</u>
Revenues:			
General Property Taxes	\$ 24.6	\$ 23.2	\$ 1.4
Other Local Taxes	6.8	6.6	0.2
Permits, Privilege Fees and Regulatory Licenses	0.1	0.1	0.0
Fines and Forfeitures	0.1	0.1	0.0
Revenue from Use of Money and Property	0.4	0.4	0.0
Charges for Services	0.5	0.5	0.0
Miscellaneous	0.1	0.1	0.0
Recovered Costs	0.8	1.1	(0.3)
Revenue from the Commonwealth	11.7	11.3	0.4
Revenue from the Federal Government	3.6	3.9	(0.3)
Total Revenues	\$ 48.7	\$ 47.3	\$ 1.4
Expenditures:			
General Government Administration	\$ 2.4	\$ 2.3	\$ 0.1
Judicial Administration	1.8	1.7	0.1
Public Safety	8.3	7.8	0.5
Public Works	1.8	1.7	0.1
Health and Welfare	11.0	11.3	(0.3)
Education	13.3	12.1	1.2
Parks, Recreation and Cultural	1.5	1.4	0.1
Community Development	3.1	1.9	1.2
Principal	2.0	2.2	(0.2)
Interest	1.2	1.2	0.0
Total Expenditures	\$ 46.4	\$ 43.6	\$ 2.8
Excess	2.3	3.7	(1.4)
Other Financing Sources (Uses)	(5.7)	(4.0)	(1.7)
Net Change in Fund Balance	(3.4)	(0.3)	(3.1)
Fund Balance, Beginning of Year	19.2	19.5	(0.3)
Fund Balance End of Year	\$ 15.8	\$ 19.2	\$ (3.4)

The General Fund local revenues remained fairly constant from FY 13 to FY 14 with an increase of \$1.4 million due to an increase in the real estate tax rate from \$0.54 to \$0.59 during FY 13. There were no increases in other property taxes during FY14.

The general fund education expenditure was increased by \$1.2 million due to continued reductions in State and Federal school funding combined with increases in the Virginia Retirement System rates. Community Development expenditures increased by \$1.2 million due to an increase in transfers to the Pulaski County Industrial Development Authority for economic development. Overall, other expenditure categories remained fairly consistent in FY14 with FY13 figures.

All capital and school board unused appropriations from the 2013 fiscal year were carried over by the Board of Supervisors for use in FY 2014.

General Fund Budgetary Highlights

The following table presents revenues and expenditures for the General Fund only for FY 14 (in millions):

	Original Budget	Amended Budget	Actual	Variance
Revenues:				
Property Taxes	\$ 23.8	\$ 24.6	\$ 24.6	-
Other Local Taxes	6.9	7.0	6.8	(0.2)
Permits, Fees and Licenses	0.1	0.1	0.1	-
Fines and Forfeitures	0.1	0.1	0.1	-
Revenue from Use of Money and Property	0.3	0.4	0.4	-
Charges for Services	0.5	0.6	0.5	(0.1)
Miscellaneous	0.0	0.1	0.1	-
Recovered Costs	1.5	1.8	0.8	(1.0)
Intergovernmental	14.0	15.7	15.2	(0.5)
Other	1.3	1.3	9.8	8.5
Total	\$ 48.5	\$ 51.7	\$ 58.4	6.7
Expenditures and transfers:				
General Government Administration	\$ 2.3	\$ 2.6	\$ 2.3	0.3
Judicial Administration	1.8	1.8	1.8	0.0
Public Safety	7.8	9.1	8.3	0.8
Public Works	1.6	1.9	1.8	0.1
Health and Welfare	11.8	12.5	11.0	1.5
Education	13.0	13.8	13.3	0.5
Parks, Recreation and Cultural	1.4	1.5	1.5	0.0
Community Development	2.1	7.7	3.1	4.6
Non-departmental	0.0	0.0	0.1	-0.1
Debt Service	2.8	2.8	12.8	-10.0
Transfers	3.9	10.4	5.9	4.5
Total	\$ 48.5	\$ 64.1	\$ 61.9	2.2

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 with the amended budget. Most of this change can be attributed to carry-over appropriations for County construction projects and unused FY13 local funding for Component Unit (Schools). This trend will continue until building space needs are met by the renovation of the renovation of the County Administration building, the renovation of the County Garage facility 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 efficiencies continue to 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 FY13, the rate of increase was 6%, but there was no increase in overall local revenues during FY14. 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.

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

State Revenues - Currently, state funding is projected to account for 34%, or \$32.6 million, of the County and Component Unit (Schools) FY 2015 total budget, while local real estate taxes account for 32% percent of total County general fund revenues. A one percent change in state revenue results in a \$0.33 million change in the local budget, or the equivalent of a \$0.013 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. Future reassessed real estate property values projected to decline with the FY15 reassessment.
2. Future anticipated GASB Statement #45 increases for currently unfunded other post employment benefits.
3. Funding for the Capital Improvement Plan will need to address office space needs, funding of joint services, and equipment replacement.
4. 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 community services through joint services and other innovations.
5. Funding of increasing healthcare costs and additional healthcare requirements in future budgets with the Affordable Care Act.
6. Funding of continually increasing costs for the regional jail, social services and State mandated comprehensive services provided to certain County youth.
7. 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.
8. 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.
9. 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.
10. 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, 2014

	Primary Government		Component Units		
	Governmental Activities	School Board	Public Service Authority	Industrial Development Authority	
ASSETS					
Cash and Cash Equivalents	\$ 15,549,408	\$ 1,416,050	\$ 1,991,604	\$ -	\$ -
Investments	161,301	-	-	-	-
Receivables (Net of Allowance for Uncollectibles):					
Taxes	9,888,839	-	-	-	-
Accounts Receivable	2,473,113	-	1,423,540	-	194,999
Other Local Taxes and Fees	350,126	-	-	-	-
Note Receivable	-	-	1,366,650	-	27,362,038
Rent Receivable	-	-	-	-	89,721
Interest Receivable	-	-	-	-	28,276
Prepaid Items	-	109,651	-	-	-
Due from Primary Government	-	2,258,138	-	-	-
Due from Other Governmental Units	-	-	-	-	-
Advances to Component Units	2,592,273	1,314,301	-	-	-
Restricted Assets:	507,858	-	-	-	-
Cash and Cash Equivalents	161,949	-	990,225	-	507,726
Cash and Cash Equivalents (in Custody of Others)	76,159	-	-	-	-
Organization Expense (Net of Accumulated Amortization)	-	-	2,280	-	-
Capital Assets:					
Land	2,527,073	528,360	127,700	-	1,047,434
Buildings and Improvements	40,848,843	3,681,825	-	-	9,430,355
Machinery and Equipment	2,441,472	2,346,809	997,227	-	5,658
Infrastructure	-	-	22,763,099	-	-
Construction in Progress	3,429,357	101,285	905,529	-	68,497
Total Assets	<u>\$ 80,807,771</u>	<u>\$ 11,756,419</u>	<u>\$ 30,567,854</u>	<u>\$ -</u>	<u>\$ 38,734,704</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charges on Refunding	\$ 446,403	\$ -	\$ -	\$ -	401,932
LIABILITIES					
Accounts Payable	\$ 897,417	\$ 444,388	\$ 652,936	\$ -	132,572
Accrued Wages	-	3,677,992	-	-	-
Customer Deposits	-	-	120,341	-	-
Accrued Interest Payable	431,244	-	18,463	-	24,151
Due to Component Units	2,258,138	-	-	-	-
Advances Due to Primary Government	-	-	-	-	507,858
Cash held for others	-	-	-	-	-
Long-Term Liabilities:					
Due Within One Year	2,231,043	171,070	349,935	-	1,566,913
Due in More Than One Year	25,670,648	2,443,225	11,471,001	-	18,722,441
Total Liabilities	<u>\$ 31,488,490</u>	<u>\$ 6,736,675</u>	<u>\$ 12,612,676</u>	<u>\$ -</u>	<u>\$ 20,953,935</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 7,863,744	\$ -	\$ -	\$ -	-
NET POSITION					
Net Investment in Capital Assets	\$ 24,409,849	\$ 6,658,279	\$ 13,150,980	\$ -	8,961,711
Restricted	238,108	-	990,225	-	-
Unrestricted (deficit)	17,253,983	(1,638,535)	3,813,993	-	9,220,990
Total Net Position	<u>\$ 41,901,940</u>	<u>\$ 5,019,744</u>	<u>\$ 17,955,178</u>	<u>\$ -</u>	<u>\$ 18,182,701</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, 2014**

Functions/Programs	Expenses	Program Revenue			Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		School Board	Component Units Public Service Authority	Industrial Development Authority
Primary Government:								
Governmental Activities:								
General Government Administration	\$ 2,674,206	\$ 1,493	\$ 303,491	\$ -	\$ (2,369,222)	\$ -	\$ -	\$ -
Judicial Administration	1,444,538	110,509	1,794,710	-	460,681	-	-	-
Public Safety	8,526,040	262,027	2,742,013	-	(5,522,000)	-	-	-
Public Works	1,601,211	17,086	102,867	-	(1,481,258)	-	-	-
Health and Welfare	11,482,125	-	7,716,746	-	(3,765,379)	-	-	-
Education	14,300,540	-	-	-	(14,300,540)	-	-	-
Parks, Recreation and Cultural	1,424,232	324,573	122,803	-	(976,856)	-	-	-
Community Development	3,023,726	-	-	268,452	(2,755,274)	-	-	-
Interest	1,210,907	-	-	-	(1,210,907)	-	-	-
Total Primary Government	\$ 45,687,525	\$ 715,688	\$ 12,782,630	\$ 268,452	\$ (31,920,755)	\$ -	\$ -	\$ -
Component Units:								
School Board	\$ 45,521,278	\$ 996,353	\$ 30,723,986	\$ -	\$ (13,800,939)	\$ -	\$ -	\$ -
Public Service Authority	8,942,852	8,966,278	-	-	-	-	23,426	-
Industrial Development Authority	3,048,098	524,505	1,050,000	-	-	-	-	(1,473,593)
Total Component Units	\$ 57,512,228	\$ 10,487,136	\$ 31,773,986	\$ -	\$ (13,800,939)	\$ 23,426	\$ -	\$ (1,473,593)
General Revenues:								
General Property Taxes	-	-	-	\$ 24,368,213	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-	-	-
Local Sales and Use Taxes	-	-	-	3,040,534	-	-	-	-
Consumers' Utility Taxes	-	-	-	646,052	-	-	-	-
Business Licenses	-	-	-	607,730	-	-	-	-
Consumption Taxes	-	-	-	118,291	-	-	-	-
Motor Vehicle Licenses	-	-	-	552,287	-	-	-	-
Bank Stock Taxes	-	-	-	29,473	-	-	-	-
Taxes on Recordation and Wills	-	-	-	192,751	-	-	-	-
Hotel and Motel Room Taxes	-	-	-	352,562	-	-	-	-
Restaurant Food Taxes	-	-	-	1,299,723	-	-	-	-
Unrestricted Revenues from Use of Money and Property	-	-	-	405,155	-	14,989	40,195	1,898
Miscellaneous	-	-	-	127,828	-	60,330	138,079	185,830
Payments from Primary Government	-	-	-	-	-	13,265,054	131,497	2,160,448
Grants and Contributions Not Restricted to Specific Programs	-	-	-	2,651,916	-	-	-	-
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	51,950
Total General Revenues	\$ -	\$ -	\$ -	\$ 34,392,515	\$ 13,340,373	\$ 309,771	\$ 309,771	\$ 2,400,126
Change in Net Position	\$ 2,471,760	\$ -	\$ -	\$ -	\$ (460,566)	\$ 333,197	\$ 333,197	\$ 926,533
Net Position - Beginning	39,430,180	-	-	-	5,480,310	17,621,981	17,621,981	17,256,168
Net Position - Ending	\$ 41,901,940	\$ -	\$ -	\$ -	\$ 5,019,744	\$ 17,955,178	\$ 17,955,178	\$ 18,182,701

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

County of Pulaski, Virginia
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 15,604,095	\$ 582,631	\$ 16,186,726
Investments	107,994	53,307	161,301
Receivables (Net of Allowance for Uncollectibles):			
Taxes	9,688,839	-	9,688,839
Other Local Taxes and Fees	350,126	-	350,126
Due from Other Funds	162,976	493,911	656,887
Due from Other Governmental Units	2,374,218	218,055	2,592,273
Advances to Component Units	506,758	1,100	507,858
Total Assets	<u>\$ 28,795,006</u>	<u>\$ 1,349,004</u>	<u>\$ 30,144,010</u>
LIABILITIES			
Accounts Payable	\$ 463,692	\$ 391,997	\$ 855,689
Reconciled Overdraft	-	162,196	162,196
Due to Other Funds	614,544	-	614,544
Due to Component Units	2,258,138	-	2,258,138
Total Liabilities	<u>\$ 3,336,374</u>	<u>\$ 554,193</u>	<u>\$ 3,890,567</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 9,645,249	-	\$ 9,645,249
FUND BALANCE			
Nonspendable	\$ 506,758	-	\$ 506,758
Restricted	257,561	161,949	419,510
Committed	303,568	666,754	970,322
Assigned	7,304,449	-	7,304,449
Unassigned	7,441,047	(33,892)	7,407,155
Total Fund Balances	<u>\$ 15,813,383</u>	<u>\$ 794,811</u>	<u>\$ 16,608,194</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,795,006</u>	<u>\$ 1,349,004</u>	<u>\$ 30,144,010</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, 2014

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	16,608,194
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Land	\$ 2,527,073	
Building and Improvements	40,848,843	
Machinery and Equipment	2,441,472	
Construction in Progress	<u>3,429,357</u>	49,246,745

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.

Unavailable revenue - property taxes		1,781,505
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds.

The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 2,152,028

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	\$(12,599,929)	
Lease Revenue Notes	(13,121,747)	
Note Payable	(305,631)	
Unamortized Bond Premiums	(471,810)	
Landfill Post-Closure Monitoring Costs	(255,857)	
Net OPEB Obligation	(341,200)	
Deferred Charges on Refunding	446,403	
Compensated Absences	(805,517)	
Accrued Interest Payable	<u>(431,244)</u>	(27,886,532)

Net Position of Governmental Activities	\$	<u><u>41,901,940</u></u>
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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, 2014

	<u>General Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total</u>
REVENUES			
General Property Taxes	\$ 24,638,943	\$ -	\$ 24,638,943
Other Local Taxes	6,839,403	-	6,839,403
Permits, Privilege Fees and Regulatory Licenses	137,443	-	137,443
Fines and Forfeitures	97,337	-	97,337
Revenue from Use of Money and Property	404,834	321	405,155
Charges for Services	480,908	-	480,908
Miscellaneous	113,473	14,355	127,828
Recovered Costs	781,962	91,059	873,021
Intergovernmental:			
Commonwealth	11,585,401	117,149	11,702,550
Federal Government	3,651,071	349,377	4,000,448
Total Revenues	<u>\$ 48,730,775</u>	<u>\$ 572,261</u>	<u>\$ 49,303,036</u>
EXPENDITURES			
Current:			
General Government Administration	\$ 2,336,642	\$ 423,864	\$ 2,760,506
Judicial Administration	1,763,092	-	1,763,092
Public Safety	8,332,136	2,612,436	10,944,572
Public Works	1,804,257	1,386,349	3,190,606
Health and Welfare	11,012,814	510,350	11,523,164
Education	13,280,823	277,996	13,558,819
Parks, Recreation and Cultural	1,471,998	353,174	1,825,172
Community Development	3,105,571	244,874	3,350,445
Non-Departmental	62,946	-	62,946
Capital Projects	-	10,860	10,860
Debt Service:			
Principal Retirement	2,042,293	-	2,042,293
Interest and Other Fiscal Charges	1,114,718	-	1,114,718
Bond Issuance Costs	78,745	-	78,745
Total Expenditures	<u>\$ 46,406,035</u>	<u>\$ 5,819,903</u>	<u>\$ 52,225,938</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,324,740</u>	<u>\$ (5,247,642)</u>	<u>\$ (2,922,902)</u>
Other Financing Sources (Uses)			
Transfers In	\$ -	\$ 5,127,318	\$ 5,127,318
Transfers Out	(5,907,115)	-	(5,907,115)
Issuance of refunding bonds	9,762,283	-	9,762,283
Debt service - principal	(3,587,291)	-	(3,587,291)
Payments to refunding escrow agent	(6,009,543)	-	(6,009,543)
Total Other Financing Sources (Uses)	<u>\$ (5,741,666)</u>	<u>\$ 5,127,318</u>	<u>\$ (614,348)</u>
Net Change in Fund Balance	\$ (3,416,926)	\$ (120,324)	\$ (3,537,250)
Fund Balance - Beginning	19,230,309	915,135	20,145,444
Fund Balance - Ending	<u>\$ 15,813,383</u>	<u>\$ 794,811</u>	<u>\$ 16,608,194</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, 2014

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

Net changes in fund balance - total governmental funds \$ (3,537,250)

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.

Capital outlays	\$ 4,422,851	
Depreciation expenses	<u>(1,971,478)</u>	2,451,373

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease (Increase) in unavailable revenue - property taxes	(270,730)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.

(78,051)

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.

Debt issued or incurred:		
General obligation refunding	\$ (9,762,283)	
Landfill post-closure monitoring costs	(3,533)	
Principal repayments:		
General obligation bonds	1,364,567	
Literary loans	430,000	
Lease revenue notes	190,000	
Note payable	57,726	
Debt payoff	3,587,291	
Carrying value of defeased debt	<u>5,474,306</u>	1,338,074

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.

(Increase) Decrease in compensated absences	\$ (56,577)	
(Increase) Decrease in net OPEB obligation	(44,900)	
(Increase) Decrease in accrued interest payable	30,103	
Increase (Decrease) in deferred charge on refunding	446,403	
Amortization of bond premiums	<u>41,287</u>	416,316

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

2,152,028

Change in net position of governmental activities

\$ 2,471,760

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, 2014**

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
ASSETS		
Current Assets:		
Receivables (Net of Allowance for Uncollectibles):		
Accounts Receivable	\$ 2,389,042	\$ 84,071
Total Assets	\$ 2,389,042	\$ 84,071
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ -	\$ 41,728
Due to Other Funds	-	42,343
Reconciled Overdraft	237,014	-
Total Liabilities	\$ 237,014	\$ 84,071
NET POSITION		
Unrestricted	\$ 2,152,028	\$ -
Total Net Position	\$ 2,152,028	\$ -

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

County of Pulaski, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2014

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
OPERATING REVENUES		
Charges for Services:		
Information Technology Charges	\$ -	\$ 185,375
Garage Charges	-	985,189
Communication Charges	-	102,803
Other Revenues:		
Miscellaneous	-	3,329
Insurance Premiums	7,016,997	-
Total Operating Revenues	<u>\$ 7,016,997</u>	<u>\$ 1,276,696</u>
OPERATING EXPENSES		
Information Technology	\$ -	\$ 537,634
Central Garage	-	1,393,095
Communications	-	125,764
Insurance Claims and Expenses	4,864,969	-
Total Operating Expenses	<u>\$ 4,864,969</u>	<u>\$ 2,056,493</u>
Operating Income (Loss)	<u>\$ 2,152,028</u>	<u>\$ (779,797)</u>
Transfer In	<u>\$ -</u>	<u>\$ 779,797</u>
Change in Net Position	<u>\$ 2,152,028</u>	<u>\$ -</u>
Net Position - Beginning	<u>-</u>	<u>-</u>
Net Position - Ending	<u>\$ 2,152,028</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, 2014

	Health Insurance Premiums Fund	Information Technology, Garage, and Communication Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges to County Department and other organizations	\$ -	\$ 1,279,630
Other receipts (payments)	-	3,329
Payments to suppliers for goods and services	-	(1,626,597)
Payments to employees for services	-	(436,159)
Receipts for insurance premiums	4,870,738	-
Payments for insurance premiums	(4,870,738)	-
Total cash provided by (used for) operating activities	\$ -	\$ (779,797)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ -	\$ 779,797
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)	\$ 2,152,028	\$ (779,797)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (used for) Operating Activities:		
(Increase) Decrease in Accounts Receivable	\$ (2,146,259)	\$ 6,263
Increase (Decrease) in Accounts Payable	(5,769)	(13,387)
Increase (Decrease) in Due to Other Funds	-	7,124
Total Adjustments	\$ (2,152,028)	\$ -
Net Cash Provided By (Used For) Operating Activities	\$ -	\$ (779,797)

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, 2014**

	<u>Agency Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	<u>\$ 216,692</u>
 LIABILITIES	
Current Liabilities:	
Amounts Held for Others:	
Social Services Clients	\$ 20,361
Contractors	115,665
County Employees	80,666
Total amounts held for others	<u>\$ 216,692</u>
Total Liabilities	<u>\$ 216,692</u>

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements
June 30, 2014

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:

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, 2014

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 (governmental 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, 2014

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, 2014

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 nonmajor 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 nonmajor special revenue funds.

The School CIP fund is reported as one of the County's nonmajor *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 CIP fund is reported as another of the County's nonmajor *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 Service Fund and the Health Insurance Premiums Fund.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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 Flexible 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 *nonoperating* 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 nonoperating revenues and expenses.

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 County of Pulaski, Virginia and state and federal grants.

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/ Fund Balance:

1. Cash and Cash Equivalents

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, 2014

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance:
(continued)

1. Cash and Cash Equivalents (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 \$971,875 at June 30, 2014 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, 2014

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance:
(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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance:
(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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance:
(continued)

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.

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.

10. Fund Balance

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:

Nonspendable – 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 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. 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 amounts are only reported in the general fund.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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

D. Assets, Liabilities, Deferred Outflows/inflows of Resources, and Net Position/Fund Balance:
(continued)

10. Fund Balance (continued)

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.

11. 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.

12. 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.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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

A. Budgetary Information: (continued)

2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the 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, 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 2014.

C. Deficit Fund Balance:

At June 30, 2014, the Tornado Relief fund had a deficit fund balance.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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 2.2-4400 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, 2014 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.

<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>Aaam</u>
LGIP	\$ 108,002
SNAP	53,307

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, 2014

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 Pualski	\$ 91,059	\$ -
Virginia's First Regional IFA	372,146	-
Commonwealth of Virginia:		
State sales tax	575,054	787,587
Communication sales tax	139,630	-
Non-categorical aid	78,101	-
Categorical aid-shared expense	273,022	-
Categorical aid-other	178,281	15,848
Categorical aid-VPA funds	174,176	-
Categorical aid-CSA funds	412,616	-
Federal Government:		
Categorical aid-VPA funds	255,315	-
Categorical aid-other	42,873	510,866
	<u>2,592,273</u>	<u>1,314,301</u>
Totals	\$ <u>2,592,273</u>	\$ <u>1,314,301</u>

Note 5- Interfund Balances and Transfers:

<u>Fund</u>	<u>Due to</u>	<u>Due from</u>
Primary Government:		
General Fund	\$ 2,872,682	\$ 162,976
County Construction Fund	-	380,727
School Construction Fund	-	113,184
Internal Services Fund	42,343	-
Component Units:		
School Fund	-	2,258,138
Total	\$ 2,915,025	\$ 2,915,025
	<u>Transfers in</u>	<u>Transfers out</u>
Primary Government:		
General Fund	\$ -	\$ 5,907,115
School Construction Fund	51,683	-
County Construction Fund	5,075,635	-
Internal Service Fund	779,797	-
Total	\$ 5,907,115	\$ 5,907,115

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 5- Interfund Balances and Transfers: (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.

Note 6- Long-Term Obligations:

Primary Government- Governmental Activities Indebtedness:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2014.

	<u>Balance</u> <u>July 1, 2013</u>	<u>Increases/</u> <u>Issuances</u>	<u>Decreases/</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
General obligation bonds	\$ 13,946,252	\$ 1,035,536	\$ (2,381,859)	\$ 12,599,929
Literary loans	3,000,000	-	(3,000,000)	-
Lease revenue notes	9,860,000	8,726,747	(5,465,000)	13,121,747
Note payable	363,357	-	(57,726)	305,631
Unamortized bond premiums	712,402	-	(240,592)	471,810
Landfill post-closure monitoring costs	252,324	3,533	-	255,857
Net OPEB obligation	296,300	78,600	(33,700)	341,200
Compensated absences	748,940	56,577	-	805,517
Total	<u>\$ 29,179,575</u>	<u>\$ 9,900,993</u>	<u>\$ (11,178,877)</u>	<u>\$ 27,901,691</u>

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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		Lease Revenue Notes		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,055,864	481,370	\$ 994,510	412,300	\$ 58,830	\$ 5,390
2016	1,069,098	438,269	1,009,705	383,800	59,958	4,264
2017	1,082,882	394,752	1,024,794	354,650	61,105	3,116
2018	1,101,761	350,728	1,049,371	324,667	62,273	1,947
2019	1,115,736	306,194	1,064,637	293,849	63,465	755
2020-2024	4,364,588	919,004	4,552,825	1,010,798	-	-
2025-2029	2,295,000	333,266	3,425,905	295,768	-	-
2030	515,000	10,429	-	-	-	-
Totals	\$ 12,599,929	\$ 3,234,012	\$ 13,121,747	\$ 3,075,832	\$ 305,631	\$ 15,472

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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	\$ 294,393	\$ 39,775
VPSA GO bond	2.35-5.1%	11/7/2002	2023	10,915,000	4,905,000	545,000
GO bond	3.175-4.05%	1/13/2010	2030	7,465,000	6,365,000	305,000
GO bond	1.81%	4/16/2014	2020	1,035,536	1,035,536	166,089
Subtotal GO bonds					\$ 12,599,929	\$ 1,055,864
Unamortized bond premium	n/a	11/7/2002	2023	436,841	196,579	21,842
Unamortized bond premium	n/a	1/13/2010	2030	40,136	31,105	2,007
Total general obligation bonds					\$ 12,827,613	\$ 1,079,713
Lease revenue notes:						
School lease revenue note	5.10%	5/15/2008	2029	5,255,000	\$ 4,395,000	\$ 200,000
School lease revenue note	2.47-3.25%	12/6/2013	2027	5,725,159	5,725,159	380,256
Lease revenue note	2.47-3.25%	12/6/2013	2027	321,054	321,054	21,324
School lease revenue note	2.05%	12/6/2013	2021	2,680,534	2,680,534	392,930
Subtotal lease revenue notes					\$ 13,121,747	\$ 994,510
Unamortized bond premium	n/a	5/15/2008	2029	348,754	244,126	17,438
Total lease revenue notes					\$ 13,365,873	\$ 1,011,948
Note Payable						
Note Payable	1.900%	4/30/2012	2019	\$ 420,000	\$ 305,631	\$ 58,830
Other obligations:						
Landfill post-closure monitoring costs	n/a	n/a	n/a	n/a	\$ 255,857	\$ -
Net OPEB obligation	n/a	n/a	n/a	n/a	341,200	-
Compensated absences	n/a	n/a	n/a	n/a	805,517	80,552
Total other obligations					\$ 1,402,574	\$ 80,552
Totals					\$ 27,901,691	\$ 2,231,043

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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, 2014.

	Balance		Balance	
	July 1, 2013	Increases	Decreases	June 30, 2014
Net OPEB obligation	\$ 803,200	\$ 324,000	\$ (223,600)	\$ 903,600
Compensated absences	1,568,549	142,146		1,710,695
Total	\$ 2,371,749	\$ 466,146	\$ (223,600)	\$ 2,614,295

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	\$ 903,600	\$ -
Compensated absences	n/a	n/a	n/a	n/a	1,710,695	171,070
Total other obligations					\$ 2,614,295	\$ 171,070

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan:

A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer 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. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to 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.

Within the VRS Plan, the System administers three different benefit plans for local government employees – Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out below:

VRS – PLAN 1

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

VRS – PLAN 1 (continued)

5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

Members are always 100% vested in the contributions that they make.

7. **Calculating the Benefit** - The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

10. **Normal Retirement Age** - Age 65.

11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

VRS - PLAN 1 (continued)

13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.
14. **Eligibility** - For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

15. **Exceptions to COLA Effective Dates** - The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.

The member retires on disability.

The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).

The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.

The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

VRS – PLAN 1 (continued)

17. **Purchase of Prior Service** - Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

VRS – PLAN 2

1. **Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

4. **Retirement Contributions** – Same as VRS Plan 1–Refer to Section 4.
5. **Creditable Service** – Same as VRS Plan 1– Refer to Section 5.
6. **Vesting** – Same as VRS Plan 1–Refer to Section 6.
7. **Calculating the Benefit** – Same as VRS Plan 1–Refer to Section 7.
8. **Average Final Compensation** - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

VRS – PLAN 2 (continued)

9. **Service Retirement Multiplier** - Same as Plan1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.
10. **Normal Retirement Age** - Normal Social Security retirement age.
11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.
12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.
13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.
14. **Eligibility** – Same as VRS Plan 1–Refer to Section 14.
15. **Exceptions to COLA Effective Dates** – Same as VRS Plan 1–Refer to Section 15.
16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
17. **Purchase of Prior Service** – Same as VRS Plan 1–Refer to Section 17.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

HYBRID RETIREMENT PLAN

1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")

The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.

The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

2. **Eligible Members** - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

State employees*

School division employees

Political subdivision employees*

Judges appointed or elected to an original term on or after January 1, 2014

Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

3. ***Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

Members of the State Police Officers' Retirement System (SPORS)

Members of the Virginia Law Officers' Retirement System (VaLORS)

Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

HYBRID RETIREMENT PLAN (continued)

4. **Retirement Contributions** - A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

5. **Creditable Service**

Defined Benefit Component - Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contribution Component - Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

6. **Vesting**

Defined Benefit Component - Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contribution Component - Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

After two years, a member is 50% vested and may withdraw 50% of employer contributions.

After three years, a member is 75% vested and may withdraw 75% of employer contributions.

After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

HYBRID RETIREMENT PLAN (continued)

6. Vesting (continued)

Distribution is not required by law until age 70½.

7. Calculating the Benefit

Defined Benefit Component – Same as VRS Plan 1–Refer to Section 7.

Defined Contribution Component - The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

8. Average Final Compensation – Same as VRS Plan 2–Refer to Section 8. It is used in the retirement formula for the defined benefit component of the plan.

9. Service Retirement Multiplier - The retirement multiplier is 1.0%.

For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

10. Normal Retirement Age

Defined Benefit Component – Same as VRS Plan 2–Refer to Section 10.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

11. Earliest Unreduced Retirement Eligibility

Defined Benefit Component - Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

12. Earliest Reduced Retirement Eligibility

Defined Benefit Component - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

HYBRID RETIREMENT PLAN (continued)

13. Cost-of-Living Adjustment (COLA) in Retirement

Defined Benefit Component – Same as VRS Plan 2–Refer to Section 13.

Defined Contribution Component – Not Applicable.

14. Eligibility – Same as VRS Plan 1 and VRS Plan 2–Refer to Section 14.

15. Exceptions to COLA Effective Dates – Same as VRS Plan 1 and VRS Plan 2–Refer to Section 15.

16. Disability Coverage - Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

17. Purchase of Prior Service

Defined Benefit Component - Same as VRS Plan 1 and VRS Plan 2–Refer to Section 17.

Defined Contribution Component – Not Applicable.

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/2013-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, 2014

Note 8-Pension Plan: (continued)

B. 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 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% 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 and School Board are 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's and School Board's contribution rates for the fiscal year ended 2014 were 13.07% and 9.92% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$2,564,584, \$2,567,054 and \$1,342,616 to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013 and 2012, respectively and these contributions represented 11.66%, 11.66%, and 6.33% for 2014, 2013 and 2012, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2014, the County's annual pension cost of \$1,323,303 and \$245,471 was equal to the County's and School Board's required and actual contributions for the County and the School Board Non-Professionals, respectively.

	Three-Year Trend Information			
	Fiscal Year Ending	Annual Pension Cost (APC) ⁽¹⁾	Percentage of APC Contributed	Net Pension Obligation
Primary Government:				
County	6/30/2014	\$ 1,323,303	100.00%	\$ -
	6/30/2013	1,243,272	100.00%	-
	6/30/2012	811,865	100.00%	-
Discretely Presented-Component Unit:				
School Board Non-Professional	6/30/2014	\$ 245,471	100.00%	\$ -
	6/30/2013	190,592	100.00%	-
	6/30/2012	163,544	100.00%	-

⁽¹⁾ Employer portion only

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 8-Pension Plan: (continued)

C. Annual Pension Cost (continued)

The FY 2014 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's and 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's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls 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

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 78.44% funded. The actuarial accrued liability for benefits was \$46,393,731, and the actuarial value of assets was \$36,390,190, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,003,541. The covered payroll (annual payroll of active employees covered by the plan) was \$9,653,732 and ratio of the UAAL to the covered payroll was 103.62%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 81.45% funded. The actuarial accrued liability for benefits was \$9,583,439, and the actuarial value of assets was \$7,805,309, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,778,130. The covered payroll (annual payroll of active employees covered by the plan) was \$2,427,811 and ratio of the UAAL to the covered payroll was 73.24%.

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.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 9– Other Postemployment 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 2014, the County and School Board contributed (implicit subsidy) \$33,700 and \$223,600, 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	\$ 726	\$ 528	\$ 28	\$ 726	\$ 528	\$ 28
Employee and Spouse	1,463	1,030	46	1,463	1,030	46
Employee and Child	1,421	1,061	52	1,421	1,061	52
Family	2,039	1,480	84	2,039	1,480	84

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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	\$ 79,100	\$325,300	\$ 404,400
Interest on net OPEB obligation	11,900	32,100	44,000
Adjustment to annual required contribution	(12,400)	(33,400)	(45,800)
Annual OPEB cost (expense)	78,600	324,000	402,600
Contributions made (implicit subsidy)	(33,700)	(223,600)	(257,300)
Increase in net OPEB obligation	44,900	100,400	145,300
Net OPEB obligation - beginning of year	296,300	803,200	1,099,500
Net OPEB obligation - end of year	\$341,200	\$903,600	\$ 1,244,800

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 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2014	\$ 78,600	43%	\$ 341,200
6/30/2013	75,600	31%	296,300
6/30/2012	81,700	47%	243,900
School Board:			
6/30/2014	324,000	69%	903,600
6/30/2013	315,300	61%	803,200
6/30/2012	431,900	66%	679,200

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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)	\$ 944,000	\$ 3,900,000	\$ 4,844,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$ 944,000	\$ 3,900,000	\$ 4,844,000
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	13.45%	13.12%	13.18%

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 July 1, 2012, was 30 years.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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

County:

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 8.

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, 2014

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

County: (continued)

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

For 2014, the County's contribution of \$10,252 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 2014 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, 2012	\$ 10,833	100%	—
June 30, 2013	10,252	100%	—
June 30, 2014	10,252	100%	—

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

	<u>County</u>
Actuarial accrued liability (AAL)	\$ 224,512
Actuarial value of plan assets	\$ 137,189
Unfunded actuarial accrued liability (UAAL)	\$ 87,323
Funded ratio (actuarial value of plan assets/AAL)	61.11%
Covered payroll (active plan members)	\$ 4,327,776
UAAL as a percentage of covered payroll	2.02%

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, 2014

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

County: (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 July 1, 2012 was 30 years.

Professional Employees – Discretely Presented Component Unit School Board

A. Plan Description

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.

B. Funding Policy

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 1.11% of annual covered payroll. The School Board's contributions to VRS for the year ended June 30, 2014 was \$244,147 and equaled the required contributions.

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 11- Capital Assets:

Capital asset activity for the year ended June 30, 2014 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	\$ 2,564,600	\$ 40,524	\$ (78,051)	\$ 2,527,073
Construction in progress	1,641,639	2,741,879	(954,161)	3,429,357
Total capital assets not being depreciated	<u>\$ 4,206,239</u>	<u>\$ 2,782,403</u>	<u>\$ (1,032,212)</u>	<u>\$ 5,956,430</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 53,691,762	\$ 1,137,970	\$ (591,260)	\$ 54,238,472
Machinery and equipment	11,670,380	1,456,639	(237,510)	12,889,509
Total capital assets being depreciated	<u>\$ 65,362,142</u>	<u>\$ 2,594,609</u>	<u>\$ (828,770)</u>	<u>\$ 67,127,981</u>
Accumulated depreciation:				
Buildings and improvements	\$ (12,643,400)	\$ (1,337,489)	\$ 591,260	\$ (13,389,629)
Machinery and equipment	(10,051,558)	(633,989)	237,510	(10,448,037)
Total accumulated depreciation	<u>\$ (22,694,958)</u>	<u>\$ (1,971,478)</u>	<u>\$ 828,770</u>	<u>\$ (23,837,666)</u>
Total capital assets being depreciated, net	<u>\$ 42,667,184</u>	<u>\$ 623,131</u>	<u>\$ -</u>	<u>\$ 43,290,315</u>
Governmental activities capital assets, net	<u>\$ 46,873,423</u>	<u>\$ 3,405,534</u>	<u>\$ (1,032,212)</u>	<u>\$ 49,246,745</u>

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 11- Capital Assets: (continued)

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

Governmental activities:	
General government administration	\$ 38,129
Judicial administration	1,303
Public safety	588,619
Public works	178,816
Health and welfare	19,714
Education	1,008,857
Parks, recreation and cultural	112,053
Community development	<u>23,987</u>
Total depreciation expense-governmental activities	\$ <u>1,971,478</u>

Capital asset activity for the School Board for the year ended June 30, 2014 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	\$ 533,184	\$ -	\$ (4,824)	\$ 528,360
Construction in progress	<u>98,928</u>	<u>46,920</u>	<u>(44,563)</u>	<u>101,285</u>
Total capital assets not being depreciated	\$ <u>632,112</u>	\$ <u>46,920</u>	\$ <u>(49,387)</u>	\$ <u>629,645</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 19,789,551	\$ 44,138	\$ (196,114)	\$ 19,637,575
Machinery and equipment	<u>7,787,898</u>	<u>565,402</u>	<u>(141,508)</u>	<u>8,211,792</u>
Total capital assets being depreciated	\$ <u>27,577,449</u>	\$ <u>609,540</u>	\$ <u>(337,622)</u>	\$ <u>27,849,367</u>
Accumulated depreciation:				
Buildings and improvements	\$ (15,796,012)	\$ (355,852)	\$ 196,114	\$ (15,955,750)
Machinery and equipment	<u>(5,525,732)</u>	<u>(480,759)</u>	<u>141,508</u>	<u>(5,864,983)</u>
Total accumulated depreciation	\$ <u>(21,321,744)</u>	\$ <u>(836,611)</u>	\$ <u>337,622</u>	\$ <u>(21,820,733)</u>
Total capital assets being depreciated, net	\$ <u>6,255,705</u>	\$ <u>(227,071)</u>	\$ -	\$ <u>6,028,634</u>
School Board capital assets, net	\$ <u>6,887,817</u>	\$ <u>(180,151)</u>	\$ <u>(49,387)</u>	\$ <u>6,658,279</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

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, 2014

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, 2014, the total post-closure care liability (which represents the 7 years remaining) was \$255,857 representing what it would cost to perform all post-closure care in fiscal year 2014. 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, 2014

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 \$9,699,225 is comprised of the following:

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2014, but paid in advance by the taxpayers totaled \$181,109 at June 30, 2014.

Unavailable Property Taxes Revenue – Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$9,518,116 at June 30, 2014.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 17– Fund Balance Classifications:

	<u>General Fund</u>
Nonspendable:	
Advances to Component Units	\$ 506,758
Restricted:	
Commonwealth Attorney Seized Assets	\$ 25,561
Sheriff Seized Assets	5,879
Community Corrections	43,493
Beans & Rice Mico Solution Grant	182,628
Total Restricted	<u>\$ 257,561</u>
Committed:	
Baskerville Housing Project Phase 1	\$ 219,021
Draper Corridor ARC Grant	84,547
Total Committed	<u>\$ 303,568</u>
Assigned:	
Outstanding Encumbrances 06/30/14 - Various Departments	\$ 171,167
Sheriff Firearms	24,284
E911 GIS Mapping Equipment	30,000
Court Services Unit CE Richardson Grant	2,663
Cleaning Service Machinery and Equipment	206
Visitor's Center Advertising	10,333
Cooperative Extension Vista Program Grant Match	4,779
Transfer to Capital Improvements Fund	3,457,563
Transfer to School Capital Improvements Fund	83,635
Transfer to Industrial Development Authority	3,454,645
Transfer to Internal Service Fund	65,174
Total Assigned	<u>\$ 7,304,449</u>
Unassigned	<u>\$ 7,441,047</u>
Total Fund Balance	<u>\$ 15,813,383</u>

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (Continued)
June 30, 2014

Note 17– Fund Balance Classifications: (continued)

	Other Governmental Funds
Restricted:	
School Construction	\$ 161,949
Committed:	
NRCC Entrance	\$ 666,754
Unassigned	\$ (33,892)
Total Fund Balance	\$ 794,811

Note 18– Upcoming Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 will require governments with defined benefit pension plans to disclose a “net pension liability” on their balance sheets. That liability equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. The statement calls for immediate recognition of more pension expense than is currently required. This includes immediate recognition of annual service cost and interest on the pension liability, plus the effect of changes in benefit terms on the net pension liability. These standards will be effective for fiscal years ending June 30, 2014 (67) and June 30, 2015 (68). The County believes the implementation of Statement No. 68 will significantly impact the County and Component Unit School Board’s net position; however no formal study or estimate of the impact of this standard has been performed.

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, 2014

	<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				
General Property Taxes	\$ 23,798,645	\$ 24,636,053	\$ 24,638,943	\$ 2,890
Other Local Taxes	6,838,400	6,943,868	6,839,403	(104,465)
Permits, Privilege Fees and Regulatory Licenses	137,000	137,000	137,443	443
Fines and Forfeitures	82,300	142,850	97,337	(45,513)
Revenue from Use of Money and Property	342,000	373,100	404,834	31,734
Charges for Services	527,070	614,006	480,908	(133,098)
Miscellaneous	13,800	106,160	113,473	7,313
Recovered Costs	1,492,645	1,803,595	781,962	(1,021,633)
Intergovernmental:				
Commonwealth	10,466,694	11,401,203	11,585,401	184,198
Federal Government	3,583,790	4,282,530	3,651,071	(631,459)
Total Revenues	<u>\$ 47,272,344</u>	<u>\$ 50,440,365</u>	<u>\$ 48,730,775</u>	<u>\$ (1,709,590)</u>
EXPENDITURES:				
Current:				
General Government Administration	\$ 2,252,394	\$ 2,554,838	\$ 2,336,642	\$ 218,196
Judicial Administration	1,755,893	1,832,506	1,763,092	69,414
Public Safety	7,813,707	9,145,937	8,332,136	813,801
Public Works	1,560,738	1,867,788	1,804,257	63,531
Health and Welfare	11,819,056	12,454,296	11,012,814	1,441,482
Education	13,052,415	13,880,609	13,280,823	599,786
Parks, Recreation and Cultural	1,380,815	1,523,963	1,471,998	51,965
Community Development	2,082,593	7,728,739	3,105,571	4,623,168
Non-Departmental	-	-	62,946	(62,946)
Debt Service:				
Principal Retirement	1,734,908	1,603,345	2,042,293	(438,948)
Interest and Other Fiscal Charges	1,063,795	1,199,524	1,114,718	84,806
Bond Issuance Costs	-	-	78,745	(78,745)
Total Expenditures	<u>\$ 44,516,314</u>	<u>\$ 53,791,545</u>	<u>\$ 46,406,035</u>	<u>\$ 7,385,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,756,030</u>	<u>\$ (3,351,180)</u>	<u>\$ 2,324,740</u>	<u>\$ 5,675,920</u>
Other Financing Sources (Uses)				
Transfers In	\$ 1,338,611	\$ 1,338,611	\$ -	\$ (1,338,611)
Transfers Out	(3,924,450)	(10,415,874)	(5,907,115)	4,508,759
Issuance of refunding bonds	-	60,500	9,762,283	9,701,783
Debt service - principal	-	-	(3,587,291)	(3,587,291)
Payments to refunding escrow agent	-	-	(6,009,543)	(6,009,543)
Total Other Financing Sources (Uses)	<u>\$ (2,585,839)</u>	<u>\$ (9,016,763)</u>	<u>\$ (5,741,666)</u>	<u>\$ 3,275,097</u>
Net Change in Fund Balance	\$ 170,191	\$ (12,367,943)	\$ (3,416,926)	\$ 8,951,017
Fund Balance - Beginning	(170,191)	12,342,703	19,230,309	6,887,606
Fund Balance - Ending	<u>\$ -</u>	<u>\$ (25,240)</u>	<u>\$ 15,813,383</u>	<u>\$ 15,838,623</u>

**County of Pulaski, Virginia
Schedule of Pension and OPEB Funding Progress
For the Fiscal Year Ended June 30, 2014**

Primary Government: County Retirement Plan

Actuarial Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio (2)/(3) (5)	Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2013	\$ 36,390,190	\$ 46,393,731	\$ 10,003,541	78.44%	9,653,732	103.62%
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%

Discretely Presented Component Unit:

School Board: Non-Professional Retirement Plan

Actuarial Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio (2)/(3) (5)	Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2013	\$ 7,805,309	\$ 9,583,439	\$ 1,778,130	81.45%	2,427,811	73.24%
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%

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 (2)/(3) (5)	Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
July 1, 2012	\$ -	\$ 944,000	\$ 944,000	0.00%	\$ 7,018,201	13.45%
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 (2)/(3) (5)	Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
July 1, 2012	\$ -	\$ 3,900,000	\$ 3,900,000	0.00%	\$ 29,736,727	13.12%
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 (2)/(3) (5)	Covered Payroll (6)	UAAL as a % of Covered Payroll (4) / (6) (7)
June 30, 2013	\$ 137,189	\$ 224,512	\$ 87,323	61.11%	\$ 4,327,776	2.02%
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%

Other Supplementary Information

County of Pulaski, Virginia
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2014

	Special Revenue Fund		Capital Projects Funds		Total
	Tornado Relief Fund	Highway Maintenance Fund	School CIP Fund	County CIP Fund	
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 582,631	\$ -	\$ -	\$ 582,631
Investments	-	-	53,307	-	53,307
Due from Other Funds	-	-	113,184	380,727	493,911
Due from Other Governmental Units	133,932	84,123	-	-	218,055
Advances to Component Units	-	-	-	1,100	1,100
Total Assets	\$ 133,932	\$ 666,754	\$ 166,491	\$ 381,827	\$ 1,349,004
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 5,628	\$ -	\$ 4,542	\$ 381,827	\$ 391,997
Reconciled Overdraft	162,196	-	-	-	162,196
Total Liabilities	\$ 167,824	\$ -	\$ 4,542	\$ 381,827	\$ 554,193
Fund Balances:					
Restricted:					
Construction	-	-	161,949	-	161,949
Committed:					
NRCC entrance	-	666,754	-	-	666,754
Unassigned	(33,892)	-	-	-	(33,892)
Total Fund Balances	\$ (33,892)	\$ 666,754	\$ 161,949	\$ -	\$ 794,811
Total Liabilities and Fund Balances	\$ 133,932	\$ 666,754	\$ 166,491	\$ 381,827	\$ 1,349,004

County of Pulaski, Virginia
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2014

	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	\$ -	\$ 224	\$ 97	\$ -	\$ 321
Miscellaneous	14,355	-	-	-	14,355
Recovered Costs	91,059	-	-	-	91,059
Intergovernmental:					
Commonwealth	-	90,033	-	27,116	117,149
Federal Government	324,696	-	-	24,681	349,377
Total Revenues	\$ 430,110	\$ 90,257	\$ 97	\$ 51,797	\$ 572,261
EXPENDITURES:					
Current:					
General Government Administration	\$ -	\$ -	\$ -	\$ 423,864	\$ 423,864
Public Safety	-	-	-	2,612,436	2,612,436
Public Works	-	174,174	-	1,212,175	1,386,349
Health and Welfare	466,818	-	-	43,532	510,350
Education	-	-	-	277,996	277,996
Parks, Recreation and Cultural	-	-	-	353,174	353,174
Community Development	-	-	-	244,874	244,874
Capital Projects	-	-	10,860	-	10,860
Total Expenditures	\$ 466,818	\$ 174,174	\$ 10,860	\$ 5,168,051	\$ 5,819,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (36,708)	\$ (83,917)	\$ (10,763)	\$ (5,116,254)	\$ (5,247,642)
Other Financing Sources (Uses)					
Transfers In	\$ -	\$ -	\$ 51,683	\$ 5,075,635	\$ 5,127,318
Net Change in Fund Balance	\$ (36,708)	\$ (83,917)	\$ 40,920	\$ (40,619)	\$ (120,324)
Fund Balance - Beginning	2,816	750,671	121,029	40,619	915,135
Fund Balance - Ending	\$ (33,892)	\$ 666,754	\$ 161,949	\$ -	\$ 794,811

County of Pulaski, Virginia
 Nonmajor Special Revenue Funds
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224	\$ 224	\$ -	\$ 224	\$ 224	\$ 224
Miscellaneous		14,355	14,355						14,355	14,355		
Recovered Costs			91,059	91,059						91,059	91,059	
Intergovernmental:												
Commonwealth							90,033	90,033		90,033	90,033	90,033
Federal Government		503,767	324,696	(179,071)					503,767	324,696	(179,071)	(179,071)
Total Revenues	\$ -	\$ 518,122	\$ 430,110	\$ (88,012)	\$ -	\$ -	\$ 90,257	\$ 90,257	\$ -	\$ 518,122	\$ 520,367	\$ 2,245
EXPENDITURES:												
Current:												
Public Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,184	\$ 174,174	\$ 578,010	\$ -	\$ 752,184	\$ 174,174	\$ 578,010
Health and Welfare		482,722	466,818	15,904						482,722	466,818	15,904
Total Expenditures	\$ -	\$ 482,722	\$ 466,818	\$ 15,904	\$ -	\$ 752,184	\$ 174,174	\$ 578,010	\$ -	\$ 1,234,906	\$ 640,992	\$ 593,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 35,400	\$ (36,708)	\$ (72,108)	\$ -	\$ (752,184)	\$ (83,917)	\$ 668,267	\$ -	\$ (716,784)	\$ (120,625)	\$ 596,159
Other Financing Sources (Uses)												
Transfers Out	\$ -	\$ (35,400)	\$ -	\$ 35,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (35,400)	\$ -	\$ 35,400
Net Change in Fund Balance	\$ -	\$ -	\$ (36,708)	\$ (36,708)	\$ -	\$ (752,184)	\$ (83,917)	\$ 668,267	\$ -	\$ (752,184)	\$ (120,625)	\$ 631,558
Fund Balance - Beginning			2,816	2,816		752,184	750,671	(1,513)		752,184	753,487	1,303
Fund Balance - Ending	\$ -	\$ -	\$ (33,892)	\$ (33,892)	\$ -	\$ -	\$ 666,754	\$ 666,754	\$ -	\$ -	\$ 632,862	\$ 632,862

County of Pulaski, Virginia
Nonmajor 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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ -	\$ 97	\$ 97
Total Revenues	\$ -	\$ -	\$ 97	\$ 97
EXPENDITURES				
Capital Projects	\$ -	\$ 130,805	\$ 10,860	\$ 119,945
Total Expenditures	\$ -	\$ 130,805	\$ 10,860	\$ 119,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (130,805)	\$ (10,763)	\$ 120,042
Other Financing Sources (Uses)				
Transfers In	\$ -	\$ 130,805	\$ 51,683	\$ (79,122)
Total Other Financing Sources (Uses)	\$ -	\$ 130,805	\$ 51,683	\$ (79,122)
Net Change in Fund Balance	\$ -	\$ -	\$ 40,920	\$ 40,920
Fund Balance - Beginning	-	-	121,029	121,029
Fund Balance - Ending	\$ -	\$ -	\$ 161,949	\$ 161,949

County of Pulaski, Virginia
Nonmajor 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, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Intergovernmental:				
Commonwealth	\$ -	\$ 873,715	\$ 27,116	\$ (846,599)
Federal Government	-	900,000	24,681	(875,319)
Total Revenues	\$ -	\$ 1,773,715	\$ 51,797	\$ (1,721,918)
EXPENDITURES:				
Current:				
General Government Administration	\$ 230,000	\$ 1,386,911	\$ 423,864	\$ 963,047
Public Safety	1,517,763	4,172,523	2,612,436	1,560,087
Public Works	-	2,224,276	1,212,175	1,012,101
Health and Welfare	-	925,000	43,532	881,468
Education	282,000	282,000	277,996	4,004
Parks, Recreation and Cultural	58,000	704,356	353,174	351,182
Community Development	130,000	400,543	244,874	155,669
Total Expenditures	\$ 2,217,763	\$ 10,095,609	\$ 5,168,051	\$ 4,927,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,217,763)	\$ (8,321,894)	\$ (5,116,254)	\$ 3,205,640
Other Financing Sources (Uses)				
Transfers In	\$ 2,217,763	\$ 8,321,894	\$ 5,075,635	\$ (3,246,259)
Net Change in Fund Balance	\$ -	\$ -	\$ (40,619)	\$ (40,619)
Fund Balance - Beginning	-	-	40,619	40,619
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

County of Pulaski, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>			<u>Total</u>
	<u>Special Welfare</u>	<u>Performance Bond</u>	<u>Employee Flexible Benefits</u>	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 20,361	\$ 115,665	\$ 80,666	\$ 216,692
Total Assets	<u>\$ 20,361</u>	<u>\$ 115,665</u>	<u>\$ 80,666</u>	<u>\$ 216,692</u>
LIABILITIES				
Current Liabilities:				
Amounts Held for Others:				
Social Services Clients	\$ 20,361	\$ -	\$ -	\$ 20,361
Contractors	-	115,665	-	115,665
County Employees	-	-	80,666	80,666
Total amounts held for others	<u>\$ 20,361</u>	<u>\$ 115,665</u>	<u>\$ 80,666</u>	<u>\$ 216,692</u>
Total Liabilities	<u>\$ 20,361</u>	<u>\$ 115,665</u>	<u>\$ 80,666</u>	<u>\$ 216,692</u>

County of Pulaski, Virginia
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Special Welfare Fund	\$ 28,482	\$ 46,800	\$ 54,921	\$ 20,361
Performance Bond Fund	98,776	21,889	5,000	115,665
Employee Flexible Benefits Fund	81,105	47,629	48,068	80,666
Total cash and cash equivalents	<u>\$ 208,363</u>	<u>\$ 116,318</u>	<u>\$ 107,989</u>	<u>\$ 216,692</u>
Total Assets	<u>\$ 208,363</u>	<u>\$ 116,318</u>	<u>\$ 107,989</u>	<u>\$ 216,692</u>
LIABILITIES				
Current Liabilities:				
Amounts Held for Others:				
Special Welfare Fund	\$ 28,482	\$ 46,800	\$ 54,921	\$ 20,361
Performance Bond Fund	98,776	21,889	5,000	115,665
Employee Flexible Benefits Fund	81,105	47,629	48,068	80,666
Total amounts held for others	<u>\$ 208,363</u>	<u>\$ 116,318</u>	<u>\$ 107,989</u>	<u>\$ 216,692</u>
Total Liabilities	<u>\$ 208,363</u>	<u>\$ 116,318</u>	<u>\$ 107,989</u>	<u>\$ 216,692</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, 2014

		School Operating Fund
ASSETS		
Cash and Cash Equivalents	\$	1,416,050
Prepaid Items		109,651
Due from Primary Government		2,258,138
Due from Other Governmental Units		1,314,301
Total Assets	<u>\$</u>	<u>5,098,140</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$	444,388
Accrued Wages		3,677,992
Total Liabilities	<u>\$</u>	<u>4,122,380</u>
Fund Balances		
Committed	\$	975,760
Total Fund Balances	<u>\$</u>	<u>975,760</u>
Total Liabilities and Fund Balances	<u>\$</u>	<u>5,098,140</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total fund balances - per above	\$	975,760
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$	528,360
Building and System		3,681,825
Machinery and Equipment		2,346,809
Construction in Progress		101,285
		<u>6,658,279</u>
Long-term liabilities, including compensated absences and net OPEB obligation are not due and payable in the current period and therefore, are not reported in the funds.		
Compensated Absences	\$	(1,710,695)
Net OPEB Obligation		(903,600)
		<u>(2,614,295)</u>
Net position of governmental activities - component unit school board	<u>\$</u>	<u>5,019,744</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, 2014

		<u>School Operating Fund</u>
REVENUES		
Revenue from Use of Money and Property	\$	14,989
Charges for Services		996,353
Miscellaneous		60,330
Recovered Costs		1,191,120
Intergovernmental:		
Local Government		13,265,054
Commonwealth		26,364,625
Federal Government		4,359,361
Total Revenues	\$	<u>46,251,832</u>
EXPENDITURES:		
Current:		
Education	\$	46,240,314
Total Expenditures	\$	<u>46,240,314</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	<u>11,518</u>
Net Change in Fund Balance	\$	11,518
Fund Balance - Beginning		964,242
Fund Balance - Ending	\$	<u>975,760</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	\$	11,518
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	\$	611,897
Depreciation		<u>(836,611)</u>
		(224,714)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(4,824)
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	\$	(142,146)
(Increase) Decrease in net OPEB obligation		<u>(100,400)</u>
		(242,546)
Change in net position of governmental funds - component unit school board	\$	<u>(460,566)</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, 2014

	<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	\$ 11,900	\$ 11,900	\$ 14,989	\$ 3,089
Charges for Services	1,213,786	1,213,786	996,353	(217,433)
Miscellaneous	114,500	137,450	60,330	(77,120)
Recovered Costs	1,148,738	1,180,223	1,191,120	10,897
Intergovernmental:				
Local Government	13,036,646	13,864,840	13,265,054	(599,786)
Commonwealth	26,096,223	26,190,984	26,364,625	173,641
Federal Government	5,017,126	5,312,150	4,359,361	(952,789)
Total Revenues	<u>\$ 46,638,919</u>	<u>\$ 47,911,333</u>	<u>\$ 46,251,832</u>	<u>\$ (1,659,501)</u>
EXPENDITURES:				
Current:				
Education	\$ 45,811,781	\$ 47,084,195	\$ 46,240,314	\$ 843,881
Total Expenditures	<u>\$ 45,811,781</u>	<u>\$ 47,084,195</u>	<u>\$ 46,240,314</u>	<u>\$ 843,881</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>\$ 827,138</u>	<u>\$ 827,138</u>	<u>\$ 11,518</u>	<u>\$ (815,620)</u>
Net Change in Fund Balance	<u>\$ 827,138</u>	<u>\$ 827,138</u>	<u>\$ 11,518</u>	<u>\$ (815,620)</u>
Fund Balance - Beginning	(827,138)	(827,138)	964,242	1,791,380
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 975,760</u>	<u>\$ 975,760</u>

Supporting Schedules

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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	\$ 15,695,092	\$ 15,701,092	\$ 15,550,978	\$ (150,114)
Real and personal public service corporation taxes	770,278	684,017	788,267	104,250
Personal property taxes	4,186,075	4,738,744	4,724,038	(14,706)
Mobile home taxes	-	-	42,071	42,071
Machinery and tools taxes	2,815,000	2,963,000	2,962,286	(714)
Merchant's capital taxes	-	27,000	24,146	(2,854)
Penalties	170,000	213,000	222,501	9,501
Interest	150,000	237,000	244,297	7,297
Collection fees	12,200	72,200	80,359	8,159
Total General Property Taxes	<u>\$ 23,798,645</u>	<u>\$ 24,636,053</u>	<u>\$ 24,638,943</u>	<u>\$ 2,890</u>
Other Local Taxes:				
Local sales and use taxes	\$ 3,100,000	\$ 3,100,000	\$ 3,040,534	\$ (59,466)
Consumers' utility taxes	662,000	662,000	646,052	(15,948)
Business licenses	540,000	607,500	607,730	230
Consumption taxes	98,400	114,768	118,291	3,523
Motor vehicle licenses	560,000	560,000	552,287	(7,713)
Bank stock taxes	35,000	35,000	29,473	(5,527)
Taxes on recordation and wills	170,000	191,600	192,751	1,151
Hotel and motel room taxes	373,000	373,000	352,562	(20,438)
Restaurant food taxes	1,300,000	1,300,000	1,299,723	(277)
Total Other Local Taxes	<u>\$ 6,838,400</u>	<u>\$ 6,943,868</u>	<u>\$ 6,839,403</u>	<u>\$ (104,465)</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 27,000	\$ 27,000	\$ 22,198	\$ (4,802)
Land use application fees	500	500	259	(241)
Transfer fees	1,000	1,000	1,046	46
Zoning and subdivision permits	7,500	7,500	6,250	(1,250)
Erosion and sediment control permits	1,000	1,000	850	(150)
Building permits	100,000	100,000	106,840	6,840
Total Permits, Privilege Fees and Regulatory Licenses	<u>\$ 137,000</u>	<u>\$ 137,000</u>	<u>\$ 137,443</u>	<u>\$ 443</u>
Fines and Forfeitures:				
Court fines and forfeitures	\$ 79,300	\$ 139,850	\$ 91,829	\$ (48,021)
Interest on local fines	3,000	3,000	5,508	2,508
Total Fines and Forfeitures	<u>\$ 82,300</u>	<u>\$ 142,850</u>	<u>\$ 97,337</u>	<u>\$ (45,513)</u>
Revenue from Use of Money and Property:				
Revenue from use of money	\$ 320,000	\$ 348,000	\$ 379,153	\$ 31,153
Revenue from use of property	22,000	25,100	25,681	581
Total Revenue from Use of Money and Property	<u>\$ 342,000</u>	<u>\$ 373,100</u>	<u>\$ 404,834</u>	<u>\$ 31,734</u>
Charges for Services:				
Charges for clerk copies	\$ 8,000	\$ 8,000	\$ 7,454	\$ (546)
Charges for courthouse maintenance	20,500	20,500	17,086	(3,414)
Charges for courthouse security	83,000	83,000	74,334	(8,666)
Fees of Sheriff	2,500	3,416	3,087	(329)
Share of seized property	-	23,673	22,000	(1,673)
Charges for Commonwealth's Attorney	3,000	5,800	5,718	(82)
Miscellaneous jail and inmate fees	5,200	5,839	6,518	679
Concealed handgun permits	6,000	11,400	11,200	(200)
Sale of maps and publications	300	1,300	1,023	(277)
Town tax book preparation	470	470	470	-
Charges for parks and recreation	323,500	375,300	301,905	(73,395)
Charges for animal pound	9,000	9,000	7,445	(1,555)
Charges for landfill	40,600	40,600	-	(40,600)
Charges for library	25,000	25,708	22,668	(3,040)
Total Charges for Services	<u>\$ 527,070</u>	<u>\$ 614,006</u>	<u>\$ 480,908</u>	<u>\$ (133,098)</u>

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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	\$ 13,800	\$ 106,160	\$ 113,473	\$ 7,313
Recovered Costs:				
Administrative fees	\$ 85,000	\$ 92,903	\$ 100,266	\$ 7,363
Airport recoveries	180,201	194,201	185,854	(8,347)
Juror costs	6,500	16,260	15,150	(1,110)
Circuit court secretary	12,250	12,250	-	(12,250)
CSA recoveries	1,049,503	1,049,503	138,475	(911,028)
Insurance recoveries	-	104,259	110,414	6,155
Parks and recreation	-	91,507	93,621	2,114
Public safety recoveries	151,416	158,416	79,970	(78,446)
Health department recoveries	7,775	7,775	-	(7,775)
Other recoveries	-	78,521	58,212	(18,309)
Total Recovered Costs	\$ 1,492,645	\$ 1,803,595	\$ 781,962	\$ (1,021,633)
Total Revenue from Local Sources	\$ 33,231,860	\$ 34,756,632	\$ 33,494,303	\$ (1,262,329)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical Aid:				
Motor vehicle carriers' tax	\$ 45,324	\$ 49,424	\$ 48,654	\$ (770)
Mobile home titling tax	40,000	59,500	16,053	(43,447)
Motor vehicle rental tax	1,200	2,900	3,602	702
Grantor's tax	100,000	125,700	133,419	7,719
Telecommunication taxes	862,000	862,000	828,630	(33,370)
Personal property tax relief funds	1,594,000	1,594,000	1,594,530	530
Total Noncategorical Aid	\$ 2,642,524	\$ 2,693,524	\$ 2,624,888	\$ (68,636)
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 614,315	\$ 614,315	\$ 614,602	\$ 287
Sheriff	1,717,077	1,717,077	1,746,707	29,630
Commissioner of the Revenue	130,054	130,054	130,386	332
Treasurer	107,506	107,506	107,102	(404)
Registrar/Electoral Board	57,685	57,685	41,322	(16,363)
Clerk of the Circuit Court	342,152	396,407	367,896	(28,511)
Total Shared Expenses	\$ 2,968,789	\$ 3,023,044	\$ 3,008,015	\$ (15,029)
Other Categorical Aid:				
Public assistance and welfare administration	\$ 370,826	\$ 970,826	\$ 2,112,660	\$ 1,141,834
Comprehensive Services Act (CSA)	3,126,029	3,126,029	2,451,785	(674,244)
Victim's assistance grant	120,405	126,497	61,407	(65,090)
Litter control grant	12,000	12,834	12,834	-
DMV animal friendly plates	-	-	690	690
Library grant	119,126	122,803	122,803	-
Pretrial services grant	795,416	813,423	812,212	(1,211)
Commission on the arts	5,000	5,000	-	(5,000)
Fire programs	60,000	60,000	-	(60,000)
Virginia Juvenile Commission Crime Control	28,608	28,608	21,321	(7,287)
Domestic violence DCJS grant	40,000	40,000	40,000	-
Public safety answer grant	40,000	40,000	172,682	132,682
DEQ grant	500	500	356	(144)
VDEM Derecho Reimbursement	-	31,043	31,042	(1)
DCJS Equipment Communication Grant	-	30,997	30,997	-
2012 SHSP Citizens Corporation Grant	-	25,000	18,549	(6,451)
DCJS School Resource Officer	-	120,004	63,160	(56,844)
Other categorical aid	127,471	131,071	-	(131,071)
Total Other Categorical Aid	\$ 4,845,381	\$ 5,684,635	\$ 5,952,498	\$ 267,863
Total Revenue from the Commonwealth	\$ 10,456,694	\$ 11,401,203	\$ 11,585,401	\$ 184,198

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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: (continued)				
Revenue from the Federal Government:				
Noncategorical Aid:				
Payment in lieu of taxes	\$ 18,000	\$ 18,000	\$ 27,028	\$ 9,028
Categorical Aid:				
Public assistance and welfare administration	\$ 3,548,886	\$ 3,548,886	\$ 3,152,301	\$ (396,585)
CDBG grants	-	577,532	268,452	(309,080)
Emergency management preparedness grant	16,904	39,968	39,967	(1)
State and community highway safety	-	12,035	20,244	8,209
Victim witness	-	-	61,406	61,406
DMV regional crash team grant	-	6,700	6,706	6
Regional radio communications grant	-	14,625	14,625	-
VDEM 2011 regional information sharing	-	62,319	60,342	(1,977)
Other categorical aid	-	2,465	-	(2,465)
Total Categorical Aid	\$ 3,565,790	\$ 4,264,530	\$ 3,624,043	\$ (640,487)
Total Revenue from the Federal Government	\$ 3,583,790	\$ 4,282,530	\$ 3,651,071	\$ (631,459)
Total General Fund	\$ 47,272,344	\$ 50,440,365	\$ 48,730,775	\$ (1,709,590)
Nonmajor Special Revenue Funds:				
Tornado Relief Fund:				
Revenue from Local Sources:				
Miscellaneous:				
Donations	\$ -	\$ 14,355	\$ 14,355	\$ -
Recovered Costs:				
Town of Pulaski, Virginia	\$ -	\$ -	\$ 91,059	\$ 91,059
Total Revenue from Local Sources	\$ -	\$ 14,355	\$ 105,414	\$ 91,059
Revenue from the Federal Government:				
Categorical Aid:				
Tornado UNOS Grant	\$ -	\$ 503,767	\$ 324,696	\$ (179,071)
Total Revenue from the Federal Government	\$ -	\$ 503,767	\$ 324,696	\$ (179,071)
Total Tornado Relief Fund	\$ -	\$ 518,122	\$ 430,110	\$ (88,012)
Highway Maintenance Fund				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 224	\$ 224
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Other Categorical Aid:				
VDOT	\$ -	\$ -	\$ 90,033	\$ 90,033
Total Highway Maintenance Fund	\$ -	\$ -	\$ 90,257	\$ 90,257
Total Nonmajor Special Revenue Funds	\$ -	\$ 518,122	\$ 520,367	\$ 2,245

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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)				
Nonmajor Capital Projects Funds:				
School Construction Fund:				
Revenue from Local Sources:				
Revenue from Use of Money and Property:				
Revenue from use of money	\$ -	\$ -	\$ 97	\$ 97
Total School Construction Fund	\$ -	\$ -	\$ 97	\$ 97
County CIP Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Other Categorical Aid:				
E-911 wireless grant	\$ -	\$ 150,000	\$ -	\$ (150,000)
VDOT grants	-	723,715	27,116	(696,599)
Total Revenue from the Commonwealth	\$ -	\$ 873,715	\$ 27,116	\$ (846,599)
Revenue from the Federal Government:				
Categorical Aid:				
Other categorical aid	\$ -	\$ 900,000	\$ 24,681	\$ (875,319)
Total Revenue from the Federal Government	\$ -	\$ 900,000	\$ 24,681	\$ (875,319)
Total County CIP Fund	\$ -	\$ 1,773,715	\$ 51,797	\$ (1,721,918)
Total Nonmajor Capital Projects Funds	\$ -	\$ 1,773,715	\$ 51,894	\$ (1,721,821)
Total Primary Government	\$ 47,272,344	\$ 52,732,202	\$ 49,303,036	\$ (3,429,166)
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	\$ 9,500	\$ 9,500	\$ 10,109	\$ 609
Revenue from use of property	2,400	2,400	4,880	2,480
Total Revenue from Use of Money and Property	\$ 11,900	\$ 11,900	\$ 14,989	\$ 3,089
Charges for Services:				
Charges for education	\$ 144,500	\$ 144,500	\$ 133,063	\$ (11,437)
Cafeteria sales	1,069,286	1,069,286	863,290	(205,996)
Total Charges for Services	\$ 1,213,786	\$ 1,213,786	\$ 996,353	\$ (217,433)
Miscellaneous:				
Miscellaneous	\$ 114,500	\$ 137,450	\$ 60,330	\$ (77,120)
Recovered Costs:				
Medicaid reimbursements	\$ 60,000	\$ 60,000	\$ 97,550	\$ 37,550
Insurance recoveries	-	-	626	626
Joint services reimbursements	212,532	212,532	242,154	29,622
Salary reimbursements	-	-	92,928	92,928
School activity reimbursements	125,000	125,000	16,865	(108,135)
Title I indirect costs	70,000	70,000	22,101	(47,899)
Governor's school reimbursements	481,206	481,206	386,614	(94,592)
Other recoveries	200,000	231,485	332,282	100,797
Total Recovered Costs	\$ 1,148,738	\$ 1,180,223	\$ 1,191,120	\$ 10,897
Total Revenue from Local Sources	\$ 2,488,924	\$ 2,543,359	\$ 2,262,792	\$ (280,567)

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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)				
School Operating Fund: (continued)				
Intergovernmental:				
Revenue from Local Governments:				
Contribution from County of Pulaski, Virginia-General Fund	\$ 13,036,646	\$ 13,864,840	\$ 13,265,054	\$ (599,786)
Revenue from the Commonwealth:				
Categorical Aid:				
At risk four-year olds	\$ 362,686	\$ 362,686	\$ 358,391	\$ (4,295)
At risk payments	532,514	532,514	535,840	3,326
Adult Education	6,164	6,164	-	(6,164)
Basic school aid	12,447,343	12,447,343	12,640,309	192,966
Career technology education	42,300	42,300	5,412	(36,888)
Early reading intervention	73,754	73,754	91,108	17,354
English as a second language	12,843	12,843	12,014	(829)
Gifted and talented	137,294	137,294	138,132	838
GLI instructional	53,724	53,724	54,052	328
Governor's School	345,932	345,932	350,765	4,833
Homebound education	49,211	49,211	55,436	6,225
ISAFP	15,717	15,717	17,418	1,701
Mentor teaching program	-	-	2,272	2,272
Special education jail	10,369	10,369	-	(10,369)
National board certified teacher bonus	-	-	2,500	2,500
Preschool social services	-	-	2,855	2,855
Primary class size	603,821	603,821	616,198	12,377
Project graduation	-	-	20,689	20,689
Remedial education	510,376	510,376	513,491	3,115
Remedial summer education	109,437	109,437	101,550	(7,887)
Retirement	1,692,922	1,692,922	1,701,466	8,544
School food	48,789	48,789	43,707	(5,082)
Share of state sales tax	4,671,790	4,671,790	4,508,217	(163,573)
Social security	838,687	838,687	843,806	5,119
Special education	2,032,548	2,032,548	2,044,954	12,406
Special education - foster care	23,251	23,251	-	(23,251)
Standards of learning algebra readiness	73,236	73,236	73,339	103
Textbook payment	267,813	267,813	269,448	1,635
Vocational education-equipment	-	-	11,376	11,376
Vocational occupational preparedness	-	-	32,697	32,697
Vocational standards of quality payments	420,836	420,836	423,405	2,569
VPSA technology grant	284,000	284,000	258,000	(26,000)
Readiness and emergency management	50,968	50,967	32,821	(18,146)
VTSF Virginia tobacco settlement	59,100	59,045	63,093	4,048
Expansion grant feasibility study	-	-	100,000	100,000
VA workplace readiness skills	-	-	3,935	3,935
Race to GED grant	-	45,492	43,282	(2,210)
Plugged in VA grant	-	49,325	51,674	2,349
Math and science teacher recruitment	-	-	15,000	15,000
Compensation supplement	318,798	318,798	323,273	4,475
Other categorical aid	-	-	2,700	2,700
Total Categorical Aid	\$ 26,096,223	\$ 26,190,984	\$ 26,364,625	\$ 173,641
Total Revenue from the Commonwealth	\$ 26,096,223	\$ 26,190,984	\$ 26,364,625	\$ 173,641

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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)				
School Operating Fund: (continued)				
Intergovernmental: (continued)				
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ -	\$ -	20,494	\$ 20,494
Advanced placement grant	-	-	630	630
Gear up access Virginia	-	99,276	99,276	-
Title I	1,449,119	1,404,325	1,040,798	(363,527)
Title VI-B, special education	1,404,769	1,285,533	903,871	(381,662)
Title VI-B, pre-school - ARRA	31,761	31,761	36,056	4,295
Vocational education	89,770	83,063	77,768	(5,295)
Title III, LEP	1,840	2,003	-	(2,003)
Title II, Part A-Teacher quality grant	358,308	359,630	230,937	(128,693)
Response to intervention	60,747	60,747	60,747	-
Title IV, Part 21	272,462	637,462	380,342	(257,120)
School food	1,348,350	1,348,350	1,420,807	72,457
School food-Summer program	-	-	65,731	65,731
Nutrition grant	-	-	5,000	5,000
Emergency management performance grant	-	-	16,904	16,904
Total Categorical Aid	<u>\$ 5,017,126</u>	<u>\$ 5,312,150</u>	<u>\$ 4,359,361</u>	<u>\$ (952,789)</u>
Total Revenue from the Federal Government	<u>\$ 5,017,126</u>	<u>\$ 5,312,150</u>	<u>\$ 4,359,361</u>	<u>\$ (952,789)</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 46,638,919</u>	<u>\$ 47,911,333</u>	<u>\$ 46,251,832</u>	<u>\$ (1,659,501)</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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	\$ 146,573	\$ 216,490	\$ 215,406	\$ 1,084
General and Financial Administration:				
County Administrator	\$ 257,207	\$ 399,460	\$ 310,108	\$ 89,352
Assistant County Administrator	186,460	210,801	201,149	9,652
County Attorney	30,600	36,830	37,753	(923)
Operations	96,976	107,612	104,803	2,809
Independent Auditor	70,050	70,050	65,812	4,238
Commissioner of the Revenue	432,441	480,753	418,061	62,692
Treasurer	496,831	502,121	478,190	23,931
Management Services	122,950	131,226	123,693	7,533
Director of Finance	149,529	149,752	147,692	2,060
Other General and Financial Administration	104,866	91,832	81,573	10,259
Total General and Financial Administration	\$ 1,947,910	\$ 2,180,437	\$ 1,968,834	\$ 211,603
Board of Elections:				
Electoral Board	\$ 59,306	\$ 59,306	\$ 57,299	\$ 2,007
Registrar	98,605	98,605	95,103	3,502
Total Board of Elections	\$ 157,911	\$ 157,911	\$ 152,402	\$ 5,509
Total General Government Administration	\$ 2,252,394	\$ 2,554,838	\$ 2,336,642	\$ 218,196
Judicial Administration:				
Courts:				
Circuit Court	\$ 64,966	\$ 73,266	\$ 67,390	\$ 5,876
General District Court	2,810	5,476	4,135	1,341
Juvenile and Domestic Relations Court	3,585	5,704	4,770	934
Clerk of the Circuit Court	576,609	605,916	581,200	24,716
Law Library	12,100	12,100	6,041	6,059
Victim's Witness Assistance	144,212	150,304	144,035	6,269
Domestic Relations Legal Services	40,000	40,000	40,000	-
Womens Resource Victims Assistance	22,000	22,000	22,000	-
Total Courts	\$ 866,282	\$ 914,766	\$ 869,571	\$ 45,195
Commonwealth's Attorney:				
Commonwealth's Attorney	\$ 889,611	\$ 917,740	\$ 893,521	\$ 24,219
Total Judicial Administration	\$ 1,755,893	\$ 1,832,506	\$ 1,763,092	\$ 69,414
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,708,554	\$ 4,032,993	\$ 3,858,384	\$ 174,609
Fire and Rescue Services:				
E-911	\$ 125,445	\$ 568,575	\$ 188,910	\$ 379,665
Wireless E-911	78,355	78,355	26,189	52,166
Forest Fire Protection	7,793	9,213	9,212	1
Volunteer Fire Departments	261,550	310,418	247,540	62,878
Western Virginia EMS	7,352	7,352	7,352	-
Contribution to REMSI	106,891	106,891	106,891	-
Total Fire and Rescue Services	\$ 587,386	\$ 1,080,804	\$ 586,094	\$ 494,710
Correction and Detention:				
Regional Jail Payments	\$ 1,926,292	\$ 2,142,093	\$ 2,142,300	\$ (207)
Court Services	5,300	11,391	4,461	6,930
Pretrial Services Grant	298,057	378,526	342,338	36,188
NRV Juvenile Detention Home	143,270	143,270	143,270	-
Community Corrections	519,359	508,022	495,150	12,872
Total Correction and Detention	\$ 2,892,278	\$ 3,183,302	\$ 3,127,519	\$ 55,783

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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	\$ 179,006	\$ 180,006	\$ 179,669	\$ 337
Code Enforcement	69,883	69,883	68,476	1,407
Total Inspections	<u>\$ 248,889</u>	<u>\$ 249,889</u>	<u>\$ 248,145</u>	<u>\$ 1,744</u>
Other Protection:				
Animal Control	\$ 259,299	\$ 317,949	\$ 316,206	\$ 1,743
Medical Examiner	1,000	1,000	680	320
Emergency Management	109,319	144,751	124,235	20,516
Emergency Services Grants	6,982	135,249	70,873	64,376
Total Other Protection	<u>\$ 376,600</u>	<u>\$ 598,949</u>	<u>\$ 511,994</u>	<u>\$ 86,955</u>
Total Public Safety	<u>\$ 7,813,707</u>	<u>\$ 9,145,937</u>	<u>\$ 8,332,136</u>	<u>\$ 813,801</u>
Public Works:				
Sanitation and Waste Removal:				
General Engineering	\$ 141,268	\$ 141,268	\$ 122,431	\$ 18,837
Landfill	79,900	114,900	95,665	19,235
Clean Community Council	29,863	30,697	24,924	5,773
Total Sanitation and Waste Removal	<u>\$ 251,031</u>	<u>\$ 286,865</u>	<u>\$ 243,020</u>	<u>\$ 43,845</u>
Maintenance of General Building and Grounds:				
General Properties	\$ 817,923	\$ 1,009,594	\$ 997,602	\$ 11,992
Cleaning Services	170,926	177,271	173,411	3,860
NRV Airport Salaries and Benefits Reimbursement	263,945	277,945	185,853	92,092
NRV Airport Maintenance Contribution	-	-	91,945	(91,945)
Natural disaster cleanup	31,913	91,113	83,593	7,520
Property cleanup	25,000	25,000	28,833	(3,833)
Total Maintenance of General Buildings and Grounds	<u>\$ 1,309,707</u>	<u>\$ 1,580,923</u>	<u>\$ 1,561,237</u>	<u>\$ 19,686</u>
Total Public Works	<u>\$ 1,560,738</u>	<u>\$ 1,867,788</u>	<u>\$ 1,804,257</u>	<u>\$ 63,531</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 309,054	\$ 314,818	\$ 314,818	\$ -
Mental health and mental Retardation:				
Community Services Board	\$ 87,853	\$ 87,853	\$ 87,853	\$ -
Welfare:				
Public Assistance	\$ 2,364,610	\$ 2,964,610	\$ 2,680,104	\$ 284,506
Welfare Administration	69,554	69,554	25,340	44,214
Comprehensive Services Act-Administration	4,022,133	4,022,133	3,432,631	589,502
Comprehensive Services Act	4,471,240	4,471,240	3,946,434	524,806
Area Agency on Aging	15,758	15,758	15,758	-
Office on Youth	106,802	129,253	132,011	(2,758)
Pulaski Area Transit	62,000	62,000	62,000	-
New River Community Action	51,700	51,700	51,700	-
NRV Disability Services	10,280	10,280	10,280	-
Virginia Juvenile Commission on Crime	66,648	72,348	72,255	93
Fairview District Home	85,688	86,013	86,011	2
Brain Injury Services of SWVa	2,500	2,500	2,500	-
RSVP Program	12,886	12,886	12,886	-
Big Brothers/Sisters Mentoring Program	35,000	35,000	35,000	-
Beans and Rice	7,000	7,000	7,000	-
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, 2014

<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	\$ -
Commission on Children and Families	1,250	1,250	133	1,117
Contributions to Other Local Organizations	5,500	6,500	6,500	-
Total Welfare	<u>\$ 11,422,149</u>	<u>\$ 12,051,625</u>	<u>\$ 10,610,143</u>	<u>\$ 1,441,482</u>
Total Health and Welfare	<u>\$ 11,819,056</u>	<u>\$ 12,454,296</u>	<u>\$ 11,012,814</u>	<u>\$ 1,441,482</u>
Education:				
Other Instructional Costs:				
Contribution to New River Community College	\$ 15,769	\$ 15,769	\$ 15,769	-
Contribution to Pulaski County School Board	13,036,646	13,864,840	13,265,054	599,786
Total Education	<u>\$ 13,052,415</u>	<u>\$ 13,880,609</u>	<u>\$ 13,280,823</u>	<u>\$ 599,786</u>
Parks, Recreational and Cultural:				
Parks and Recreation:				
Parks	\$ 20,080	\$ 35,941	\$ 33,035	\$ 2,906
Recreation	334,892	391,589	380,126	11,463
Friends of Claytor Lake	37,378	102,940	101,966	974
Randolph Park	296,725	296,725	287,432	9,293
Claytor Lake Aquatic Restoration	10,000	10,000	-	10,000
Claytor Lake Celebration	10,000	10,000	9,500	500
Total Parks and Recreation	<u>\$ 708,875</u>	<u>\$ 847,195</u>	<u>\$ 812,059</u>	<u>\$ 35,136</u>
Cultural Enrichment:				
Fine Arts Center	\$ 20,050	\$ 20,050	\$ 20,050	-
Historical Landmarks	6,000	6,000	6,000	-
Friends of the Pulaski Theater	5,000	5,000	5,000	-
Friends of SW Virginia	9,000	9,000	9,000	-
Jamestown 2007 Celebration	50	50	26	24
Total Cultural Enrichment	<u>\$ 40,100</u>	<u>\$ 40,100</u>	<u>\$ 40,076</u>	<u>\$ 24</u>
Library:				
Library Administration	\$ 512,714	\$ 513,865	\$ 511,495	\$ 2,370
Library State Aid	119,126	122,803	108,368	14,435
Total Library	<u>\$ 631,840</u>	<u>\$ 636,668</u>	<u>\$ 619,863</u>	<u>\$ 16,805</u>
Total Parks, Recreation and Cultural	<u>\$ 1,380,815</u>	<u>\$ 1,523,963</u>	<u>\$ 1,471,998</u>	<u>\$ 51,965</u>
Community Development:				
Planning and Community Development:				
Community Development	\$ 114,961	\$ 114,961	\$ 63,677	\$ 51,284
Economic Development	54,407	66,150	351,742	(285,592)
Chamber of Commerce	10,000	10,000	10,000	-
Industrial Park Maintenance	625	625	125	500
Visitors' Center	100,079	100,079	95,633	4,446
Planning and Zoning	128,035	145,560	145,209	351
NRV Planning District Commission	29,065	29,065	29,065	-
Baskerville Housing Project	-	497,066	292,486	204,580
NRV Home Consortium	2,280	2,280	-	2,280
NR Highland RC&D	700	700	700	-
NRV Business Center	32,200	34,200	27,893	6,307
I 81 Corridor Coalition	5,000	5,000	5,000	-
Tourism	5,000	84,547	-	84,547

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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	\$ -	\$ -	\$ (19,100)	\$ 19,100
Contribution to Pulaski County IDA	1,481,381	6,510,305	1,849,737	4,660,568
Contribution to Pulaski County PSA	-	-	131,497	(131,497)
Total Planning and Community Development	<u>\$ 1,963,733</u>	<u>\$ 7,600,538</u>	<u>\$ 2,983,664</u>	<u>\$ 4,616,874</u>
Environmental Management:				
Contribution to Soil and Water District	\$ 12,637	\$ 12,637	\$ 12,637	\$ -
Cooperative Extension Program:				
Extension Office	\$ 106,223	\$ 115,564	\$ 109,270	\$ 6,294
Total Community Development	<u>\$ 2,082,593</u>	<u>\$ 7,728,739</u>	<u>\$ 3,105,571</u>	<u>\$ 4,623,168</u>
Non-Departmental:				
Revenue Refunds	\$ -	\$ -	\$ 62,946	\$ (62,946)
Debt Service:				
Principal Retirement	\$ 1,734,908	\$ 1,603,345	\$ 2,042,293	\$ (438,948)
Interest and Other Fiscal Charges	1,063,795	1,199,524	1,114,718	84,806
Bond Issuance Costs	-	-	78,745	(78,745)
Total Debt Service	<u>\$ 2,798,703</u>	<u>\$ 2,802,869</u>	<u>\$ 3,235,756</u>	<u>\$ (432,887)</u>
Total General Fund	<u>\$ 44,516,314</u>	<u>\$ 53,791,545</u>	<u>\$ 46,406,035</u>	<u>\$ 7,385,510</u>
Nonmajor Special Revenue Funds:				
Tornado Relief Fund:				
Health and Welfare:				
Welfare:				
Tornado relief cleanup	\$ -	\$ 482,722	\$ 466,818	\$ 15,904
Total Tornado Relief Fund	<u>\$ -</u>	<u>\$ 482,722</u>	<u>\$ 466,818</u>	<u>\$ 15,904</u>
Highway Maintenance Fund:				
Public Works:				
Streets and Highways:				
NRCC New Road Entrance	\$ -	\$ 752,184	\$ 174,174	\$ 578,010
Total Highway Maintenance Fund	<u>\$ -</u>	<u>\$ 752,184</u>	<u>\$ 174,174</u>	<u>\$ 578,010</u>
Total Nonmajor Special Revenue Funds	<u>\$ -</u>	<u>\$ 1,234,906</u>	<u>\$ 640,992</u>	<u>\$ 593,914</u>
Nonmajor Capital Project Funds:				
School Construction Fund:				
Capital Projects:				
Pulaski County High School	\$ -	\$ -	\$ 236	\$ (236)
Middle Schools	-	130,805	6,044	124,761
School Administrative Office	-	-	4,542	(4,542)
Miscellaneous	-	-	38	(38)
Total Capital Projects	<u>\$ -</u>	<u>\$ 130,805</u>	<u>\$ 10,860</u>	<u>\$ 119,945</u>
Total School Construction Fund	<u>\$ -</u>	<u>\$ 130,805</u>	<u>\$ 10,860</u>	<u>\$ 119,945</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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)				
Nonmajor Capital Project Funds: (continued)				
County CIP Fund:				
General Government Administration:				
General and Financial Administration:				
County Administrator	\$ -	\$ 114,295	\$ -	\$ 114,295
Treasurer	-	9,469	-	9,469
Information Technology	-	309,600	40,046	269,554
Communications	30,000	224,423	67,911	156,512
Property Assessment	200,000	264,353	264,104	249
Commissioner of Revenue	-	464,771	51,803	412,968
Total General Government Administration	<u>\$ 230,000</u>	<u>\$ 1,386,911</u>	<u>\$ 423,864</u>	<u>\$ 963,047</u>
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 384,300	\$ 2,680,736	\$ 2,034,967	\$ 645,769
Fire and Rescue Services:				
Volunteer Emergency Operations	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Volunteer Fire Departments	1,097,463	1,427,900	534,864	893,036
Total Fire and Rescue Services	<u>\$ 1,117,463</u>	<u>\$ 1,447,900</u>	<u>\$ 534,864</u>	<u>\$ 913,036</u>
Inspections:				
Building Inspection	\$ -	\$ 18,911	\$ 20,164	\$ (1,253)
Other Protection:				
Animal Control	\$ 16,000	\$ 24,976	\$ 22,441	\$ 2,535
Total Public Safety	<u>\$ 1,517,763</u>	<u>\$ 4,172,523</u>	<u>\$ 2,612,436</u>	<u>\$ 1,560,087</u>
Public Works:				
Maintenance of Highways, Streets, Bridges, and Sidewalks				
Maintenance	\$ -	\$ 462,593	\$ 67,200	\$ 395,393
Maintenance of General Building and Grounds:				
General Properties	\$ -	\$ 1,761,683	\$ 1,144,975	\$ 616,708
Total Public Works	<u>\$ -</u>	<u>\$ 2,224,276</u>	<u>\$ 1,212,175</u>	<u>\$ 1,012,101</u>
Health and Welfare:				
Welfare:				
Public Assistance	\$ -	\$ 925,000	\$ 43,532	\$ 881,468
Education:				
Other Instructional Costs:				
School Buses	\$ 282,000	\$ 282,000	\$ 277,996	\$ 4,004
Parks, Recreational and Cultural:				
Parks and Recreation:				
Parks	\$ -	\$ 10,000	\$ -	\$ 10,000
Recreation	10,000	300,610	9,211	291,399
Friends of Claytor Lake	-	189,938	189,937	1
Loving field	-	154,550	74,557	79,993
NRV Fair	28,000	28,000	68,619	(40,619)
Historical landmarks	-	1,258	-	1,258
Total Parks and Recreation	<u>\$ 38,000</u>	<u>\$ 684,356</u>	<u>\$ 342,324</u>	<u>\$ 342,032</u>
Cultural Enrichment:				
Library	\$ 20,000	\$ 20,000	\$ 10,850	\$ 9,150
Total Parks, Recreation and Cultural	<u>\$ 58,000</u>	<u>\$ 704,356</u>	<u>\$ 353,174</u>	<u>\$ 351,182</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual
Governmental Funds
For the Fiscal Year Ended June 30, 2014

<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)				
Nonmajor Capital Project Fund: (continued)				
County CIP Fund: (continued)				
Community Development:				
Planning and Community Development:				
Planning and Zoning	\$ -	\$ 22,500	\$ (1)	\$ 22,501
County building improvements	50,000	123,168	-	123,168
Other community development	-	34,875	24,875	10,000
Contribution to REMSI	80,000	220,000	220,000	-
Total Community Development	<u>\$ 130,000</u>	<u>\$ 400,543</u>	<u>\$ 244,874</u>	<u>\$ 155,669</u>
Total County CIP Fund	<u>\$ 2,217,763</u>	<u>\$ 10,095,609</u>	<u>\$ 5,168,051</u>	<u>\$ 4,927,558</u>
Total Nonmajor Capital Project Funds	<u>\$ 2,217,763</u>	<u>\$ 10,226,414</u>	<u>\$ 5,178,911</u>	<u>\$ 5,047,503</u>
Total Primary Government	<u>\$ 46,734,077</u>	<u>\$ 65,252,865</u>	<u>\$ 52,225,938</u>	<u>\$ 13,026,927</u>
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, health and attendance	<u>\$ 2,046,954</u>	<u>\$ 2,027,142</u>	<u>\$ 2,184,659</u>	<u>\$ (157,517)</u>
Instructional:				
Instruction	<u>\$ 32,062,311</u>	<u>\$ 32,475,175</u>	<u>\$ 31,966,040</u>	<u>\$ 509,135</u>
Other operating costs				
Pupil transportation	\$ 2,282,686	\$ 2,296,940	\$ 2,275,992	\$ 20,948
Operation and maintenance of school plant	4,960,940	4,966,498	5,060,162	(93,664)
Food services	2,475,925	2,475,925	2,433,330	42,595
Technical resources	1,982,965	2,013,452	1,889,536	123,916
Facilities	-	829,063	430,595	398,468
Total other operating costs	<u>\$ 11,702,516</u>	<u>\$ 12,581,878</u>	<u>\$ 12,089,615</u>	<u>\$ 492,263</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 45,811,781</u>	<u>\$ 47,084,195</u>	<u>\$ 46,240,314</u>	<u>\$ 843,881</u>

Statistical Information

Table 1

**County of Pulaski, Virginia
Government-Wide Expenses by Function
Last Eight 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
2013-14	\$ 2,674,206	\$ 1,444,538	\$ 8,526,040	\$ 1,601,211	\$ 11,482,125	\$ 14,300,540	\$ 1,424,232	\$ 3,023,726	\$ 1,210,907	\$ 45,687,525
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	1,289,490	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 Eight 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	
2013-14	\$ 715,688	\$ 12,782,630	\$ 268,452	\$ 24,368,213	\$ 6,839,403	\$ 405,155	\$ 127,828	\$ 2,651,916	\$ 48,159,285
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

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
2013-14	\$ 2,760,506	\$ 1,783,092	\$ 10,944,572	\$ 3,190,806	\$ 11,523,164	\$ 46,534,079	\$ 1,825,172	\$ 3,350,445	\$ 62,946	\$ 3,235,756	\$ 85,190,338
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	1,820,149	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	1,825,172	3,350,445	62,946	3,293,977	79,762,598
2007-08	2,121,307	1,330,527	7,030,814	1,268,510	9,669,237	46,646,147	1,399,957	1,596,685	-	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

(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
2013-14	\$ 24,638,943	\$ 6,839,403	\$ 137,443	\$ 97,337	\$ 420,047	\$ 1,477,261	\$ 188,158	\$ 2,064,141	\$ 46,426,984	\$ 82,289,717
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

(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
2013-14	\$ 25,423,667	\$ 24,353,550	95.79%	\$ 1,332,766	\$ 25,686,316	101.03%	\$ 2,978,078	11.71%
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%

(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
2013-14	\$ 2,771,466,000	\$ 309,328,321	\$ 187,946,761	\$ -	\$ 132,601,989	\$ 3,401,343,071
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 (7)	Mobile Homes
2013-14 (6)	\$ 0.54/0.59	\$ 2.14	\$ 1.50	\$ -	\$ 0.54
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	0.62
2006-07	0.62	2.00	1.50	4.80	0.62
2005-06	0.62	2.00	1.50	4.80	0.62
2004-05	0.62	2.00	1.50	4.80	0.62

- (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 \$.59 beginning with the first half 2013
(5) Real estate rates increased from \$0.54 to \$.59 beginning with the first half 2014
(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
2013-14	34,872	\$ 3,401,343	\$ 25,721,676	\$ 25,721,676	0.76%	\$ 738
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

(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
2013-14	\$ 2,042,293	\$ 1,114,718	\$ 3,157,011	\$ 85,190,338	3.71%
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	79,762,598	4.13%
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%

(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, 2014, 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 December 22, 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 of 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, Faucher, Co. Associates
Blacksburg, Virginia
December 22, 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
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, 2014. 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, 2014.

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, Turner, Co. Associates
Blacksburg, Virginia
December 22, 2014

**County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014**

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 Block Grant	93.575	90545	\$ (500)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	90116, 90117, 90118, 90236 90237, 90238, 90378	80,657
Promoting Safe and Stable Families	93.556	90249, 90360	20,869
Temporary Assistance for Needy Families (TANF)	93.558	90109, 90110, 90111, 90112 90127, 90229, 90230, 90231 90232, 90247, 90366, 90409 90411, 90412, 90413	478,613
Refugee and Entrant Assistance - State Administered Programs	93.566	90113, 90233, 90413, 90713	3,036
Low-Income Home Energy Assistance	93.568	90114, 90115, 90234, 90235	54,180
Stephanie Tubbs Jones Child Welfare Services Program	93.845	90251	3,594
Foster Care - Title IV-E	93.658	90105, 90108, 90107, 90209 90225, 90226, 90227, 90253 90258, 90405, 90406, 90407 90636, 90637, 90639, 90658 90705, 90706, 90707, 90733 90738	812,989
Adoption Assistance	93.659	90108, 90214, 90228, 90408 90606, 90708	421,107
Social Services Block Grant	93.667	90120, 90122, 90123, 90240 90242, 90243, 90262, 90306 90312, 90322, 90339, 90340	331,404
Chafee Foster Care Independence Program	93.674	90254	13,495
Children's Health Insurance Program	93.767	90102, 90222, 90402, 90702	14,983
Medical Assistance Program	93.778	90101, 90146, 90213, 90221 90268, 90401, 90446, 90701 90746	428,508
Chafee Education and Training Vouchers Program	93.599	90353	7,186
Total Department of Health and Human Services			\$ 2,670,121
Department of Agriculture:			
Pass-through Payments:			
Department of Agriculture:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	\$ 65,731
Team Nutrition Grants	10.574	Not available	5,000
National School Lunch Program (Note 3) (Child Nutrition Cluster)	10.555	40623	\$ 119,843
Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	40623	980,490
School Breakfast Program (Child Nutrition Cluster)	10.553	40591	1,100,333
Schools and Roads - Grants to States	10.665	43841	320,474
			20,484
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	\$ 482,160
Total Department of Agriculture			\$ 1,994,212
Department of Justice:			
Pass-through Payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	09VAGX0007	\$ 61,406
Department of Transportation:			
Pass-through payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	SC-2010 50357 3977	\$ 15,915
State and Community Highway Safety	20.600	RS - 2011 51382 4324	11,035
Total Department of Transportation			\$ 26,950
Department of Education:			
Pass-through Payments:			
Department of Education:			
Title I: Grants to Local Education Agencies	84.010	42892, 42901	\$ 1,040,798
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027	43071	903,871
Special Education - Preschool Grants	84.173	62521	36,056
Career and Technical Education - Basic Grants to States	84.048	61095	77,768
Twenty-first Century Community Learning Centers	84.287	60585	380,342
Advanced Placement Program	84.330		630
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	99,276
School Improvement Grants	84.377	43040	60,747
Safe and Drug-free Schools and Communities National Program	84.184	Unknown	18,904
Improving Teacher Quality State Grants	84.367	61480	230,937
Total Department of Education			\$ 2,847,329

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2014

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	\$ 617,829
Department of Homeland Security:			
Pass-through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	52749	\$ 39,967
State Homeland Security Program	97.073		74,967
Total Department of Homeland Security			\$ 114,934
Total Federal Expenditures			\$ 8,332,781

Notes to Schedule of Expenditures of Federal Awards

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of County of Pulaski, Virginia under programs of the federal government for the year ended June 30, 2014. 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 County of Pulaski, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of 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, 2014, 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		\$ 3,651,071
County CIP Fund		24,681
Tornado Relief Fund		324,686
Less: Payments In Lieu of Taxes		(27,028)
Total Primary Government		\$ 3,973,420
Component Unit School Board:		
School Operating Fund		\$ 4,359,361
Total federal expenditures per the Schedule of Expenditures of Federal Awards		\$ 8,332,781

County of Pulaski, Virginia

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies)? 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:

CFDA #	Name of Federal Program or Cluster
10.553/10.555/10.559	Child Nutrition Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
84.027/84.173	Special Education Cluster
84.287	Twenty-first Century Community Learning Centers
93.558	Temporary Assistance for Needy Families
93.658	Foster Care - Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee? No

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