

COUNTY OF PULASKI, VIRGINIA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2007

**County of Pulaski, Virginia
Annual Financial Report
Fiscal Year Ended June 30, 2007**

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INTRODUCTORY SECTION

COUNTY OF PULASKI, VIRGINIA

Board of Supervisors

Frank R. Conner
William E. "Eddie" Hale

Joseph L. Sheffey, Chair

Ranny L. Akers
Dean K. Pratt

Gena Hanks, Clerk

County School Board

John Wenrich
Jeff Bain

Paul Phillips, Chair

Rodell Cruise
Pamela Chitwood

Jean Cox, Clerk

Social Services Board

Jack White
Joseph L. Sheffey

Ronald Chaffin, Chair

Jeanne Whitman
Rev. Vicki Houk

Faith Chumbley, Clerk

Library Board

Judy Barr
Angie Hall
Mason Vaughan, Jr.
Sandy Smith

Jill Sandidge, Chair

Phillip Baker
Marva Hickman
Don Fariss
Donald Stowers

Dorothy Ogburn, Librarian

COUNTY OF PULASKI, VIRGINIA

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Jeff Bain

Paul Phillips, Chair

Rodell Cruise
Pamela Chitwood

Jean Cox, Clerk

Social Services Board

Jack White
Joseph L. Sheffey

Sybil Atkinson, Chair

Hugh Huff
Rev. Mike Travis

Faith Chumbley, Clerk

Library Board

Judy Barr
Angie Hall
Mason Vaughan, Jr.
Sandy Smith

Jill Sandidge, Chair

Phillip Baker
Marva Hickman
Don Fariss
Donald Stowers

Dorothy Ogburn, Librarian

COUNTY OF PULASKI, VIRGINIA

Other Officials

Judge of the Circuit Court..... R. W. Grubbs
Judge of the Circuit Court..... C. R. Gibb
Judge of the Circuit Court..... Josiah T. Showalter, Jr
Judge of the Circuit Court..... Brett L. Geisler
Judge of the Circuit Court..... Robert M.D. Turk
Clerk of the Circuit Court..... Maetta H. Crewe
Judge of the General District Court..... R. G. Lookabill
Judge of the General District Court..... Edward M. Turner, III
Judge of the General District Court..... Randal J. Duncan
Judge of the General District Court..... J.D. Bolt
Judge of the General District Court..... Gino W. Williams
Judge of the Juvenile and Domestic Relations Court..... Howard L. Chitwood
Judge of the Juvenile and Domestic Relations Court..... Robert C. Viar, Jr
Judge of the Juvenile and Domestic Relations Court..... M. Keith Blankenship
Judge of the Juvenile and Domestic Relations Court..... Marcus H. Long, Jr
Commonwealth's Attorney..... K. Mike Fleenor
Commissioner of the Revenue..... John J. Gill
Treasurer..... Rose Marie Tickle
Sheriff..... James A. Davis
Superintendent of Schools..... Donald Stowers
Director of Social Services..... James C. Wallis
County Administrator..... Peter M. Huber
County Attorney..... Thomas J. McCarthy, Jr

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

TO THE BOARD OF SUPERVISORS COUNTY OF PULASKI, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Pulaski, Virginia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2007 on our consideration of the County of Pulaski, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Pulaski, Virginia's basic financial statements. The introductory

COUNTY OF PULASKI, VIRGINIA
Management's Discussion and Analysis

The discussion and analysis of the Pulaski County finances for the fiscal year ending June 30, 2007 (FY07) 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 2006-07


- Total net assets value of the primary government was \$32.1 million at the end of FY07 based on total assets of \$68.6 million and total liabilities of \$36.5 million (Exhibit 1). As noted in Exhibit 1, these liabilities include total payout of long-term debt associated with school construction and remodeling, lease purchase agreements, landfill post-closure monitoring costs and compensated absences while the total assets reflect the depreciated value of existing county owned facilities.
- For FY07 combined program and general revenues of \$39.5 million exceeded primary government expenses of \$33.6 million by approximately \$5.9 million (Exhibit 2). The increase in net assets is explained in the Statement of Activities analysis of the Financial Analysis of the County as a Whole section on page 7.
- As described in Exhibit 11, total general fund revenues were \$1.8 million or 4.8% more than the budgeted \$37.5 million revenue estimate while expenditures were \$6.4 million, or 15.6% less than the \$40.9 million budgeted expenditures (including transfers). Most of the revenue difference can be explained through a conservative approach to estimating property taxes and interest income or revenue from the use of money. On the expenditure side a large portion of the difference can be explained through the unused portion of the contribution to the School Board and amounts unused in the transfer to the County CIP fund. It should be noted that this statement is on the budgetary (cash) basis and most of the unused amounts were designated to carry forward to fiscal year ending June 30, 2008 (FY08). The combined effect of these trends is that the general fund balance increased by \$5.1 million on the budgetary basis.
- The County's total outstanding debt for school improvements, school construction, economic development, compensated absences and landfill monitoring increased by \$13.3 million from \$19.6 million on July 1, 2006 to \$32.9 million on June 30, 2007 (Note 7). In addition, more than \$2.8 million was invested in various capital improvements, most of which can be attributed to the new Riverbend Elementary School (Exhibit 11)

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

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.



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

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

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

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

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

Financial Analysis of the County as a Whole

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

Summary of Net Assets:

Details in the government-wide financial statements for FY07 can be found in Exhibit 1. The following table reflects the condensed Statement of Net Assets (in millions) comparing FY07 to FY06.

Summary of Net Assets:

	Total Primary Government		Component Unit School Board	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 38.3	\$ 19.9	\$ 4.4	\$ 4.3
Capital assets, net	30.3	29.1	5.9	5.8
Total assets	\$ 68.6	\$ 49.0	\$ 10.3	\$ 10.1
Other liabilities	\$ 3.6	\$ 3.8	\$ 3.9	\$ 3.8
Long term liabilities	32.9	19.1	1.6	1.6
Total liabilities	\$ 36.5	\$ 22.9	\$ 5.5	\$ 5.4
Net Assets:				
Invested in capital assets, net of related debt	\$ 14.7	\$ 12.5	\$ 5.9	\$ 5.8
Restricted	0.0	0.9	-	-
Unrestricted	17.4	12.7	(1.1)	(1.1)
Total net assets	\$ 32.1	\$ 26.1	\$ 4.8	\$ 4.7

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

The County's combined net assets increased from \$26.1 million to \$32.1 million as explained in the Statement of Activities section below. Unrestricted net assets, the portion of net assets that can be used to finance the day-to-day activities of the County totaled \$17.4 million. Net assets invested in capital assets, net of related debt, represents the amount of capital assets owned by the County and total \$14.7 million. Net assets are reported as restricted when constraints on asset use are externally imposed by creditors, grantors, contributors, regulators, or imposed by law through constitutional provisions or enabling legislation. Seized asset funds are restricted so that they can be used for specific law enforcement purposes. Component unit net assets essentially remained virtually unchanged increasing by \$0.1 million.

Capital Assets

The following tables display the County's and School Board's (Component Unit) capital assets at June 30, 2007, as well as the change in capital assets for FY07 in millions of dollars:

Capital Assets:

	Total Primary Government		Component Unit School Board	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Non-Depreciable Assets:				
Land	\$ 2.2	\$ 1.5	\$ 0.6	\$ 0.6
Construction in Progress	0.9	0.0	0.0	0.4
Other Capital Assets:				
Buildings and systems	30.2	30.1	17.4	16.5
Machinery and Equipment	9.1	8.9	5.0	5.2
Accumulated Depreciation	(12.1)	(11.5)	(17.0)	(16.9)
Totals	\$ 30.3	\$ 29.0	\$ 6.0	\$ 5.8

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

	Balance, June 30, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2007</u>
Non-Depreciable Assets:				
Land	\$ 1.5	\$ 0.7	\$ 0.0	\$ 2.2
Construction in Progress	0.0	0.9	0.0	0.9
Other Capital Assets:				
Buildings and systems	30.1	0.2	(0.1)	30.2
Machinery and Equipment	8.9	1.0	(0.8)	9.1
Accumulated Depreciation	(11.5)	(1.5)	0.0	(13.1)

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

Component Unit-School Board:
Changes in Capital Assets:

	Balance, June 30, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2007</u>
Non-Depreciable Assets:				
Land	\$ 0.6	\$ 0.0	\$ 0.0	\$ 0.6
Construction in Progress	0.4	0.3	(0.7)	0.0
Other Capital Assets:				
Buildings and systems	16.5	0.9	0.0	17.4
Machinery and Equipment	5.2	0.4	(0.6)	5.0
Accumulated Depreciation	(16.9)	(0.7)	0.6	(17.0)
Totals	\$ 5.8	\$ 0.9	\$ 0.0	\$ 6.0

Major projects that began during FY07 included the construction on the new Riverlawn Elementary School. The amount of the additions related to this project was \$1.6 million, including \$0.7 million in land acquisition and \$0.9 in construction in progress. These amounts are part of the Primary Government's capital assets because long-term debt financed these additions. In addition, vehicle replacement and minor renovation accounted for a net decrease of \$0.3 million in the capital assets of the County following an adjustment for ongoing depreciation. In other words, the depreciation of capital assets exceeded additional investment in capital items for the fiscal year (excluding non-depreciable assets).

On the School Board side, Northwood School improvements were completed and current additions exceeded current year depreciation by \$0.9 million.

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, 2007, in millions of dollars:

	Primary Government		Component Unit School Board	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$ 11.6	\$ 12.2	\$ -	\$ -
Literary Loans	5.3	5.6	-	-
Lease Revenue Note	14.3	-	-	-
Capital Leases	0.7	0.7	-	-
Landfill Post Closure Liability	0.4	0.5	-	-
Compensated Absences	0.6	0.6	1.6	1.6
Total	\$ 32.9	\$ 19.6	\$ 1.6	\$ 1.6

Long-term debt obligations increased by \$13.3 million in FY07. The increase is due to the addition of debt related to the new Riverlawn Elementary School. Additional detailed information on long-term debt activity can be found in Note 7 in the "Notes to Financial Statements" section of the report.

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

Statement of Activities:

The following comparative table shows the revenues and expenses of the governmental activities for FY07 and the fiscal year ended June 30, 2006 (FY06) (in millions):

Summary of Activities:

	Total Primary Government		Component Unit School Board	
	2007	2006	2007	2006
Revenues:				
Program Revenues:				
Charges for services	\$ 0.6	\$ 0.6	\$ 1.1	\$ 1.1
Operating grants and contributions	10.3	9.9	32.7	28.9
Capital grants and contributions	0.1	0.2	0.2	0.2
General Revenues:				
General property taxes	18.8	17.0	0.0	0.0
Other local taxes	6.6	6.0	0.0	0.0
Other	3.1	2.8	0.3	0.2
Payments from County	0.0	0.0	10.5	10.8
Total Revenues	\$ 39.5	\$ 36.5	\$ 44.8	\$ 41.2
Expenses:				
General government	\$ 2.1	\$ 1.7	\$ -	\$ -
Judicial administration	1.2	1.1	-	-
Public safety	7.3	7.2	-	-
Public works	0.7	1.3	-	-
Health and welfare	8.6	8.3	-	-
Education	10.5	11.0	44.7	40.3
Parks, recreation and cultural	1.4	1.3	-	-
Community development	1.0	4.5	-	-
Interest on long term debt	0.8	0.7	-	-
Total Expenses	\$ 33.6	\$ 37.1	\$ 44.7	\$ 40.3
Changes in Net Assets:	5.9	(0.6)	0.1	0.9
Transfers	0.0	0.0	0.0	0.0
Net Assets, Beginning of Year	26.2	26.8	4.7	3.8
Net Assets, End of Year	\$ 32.1	\$ 26.2	\$ 4.8	\$ 4.7

Revenues

For FY07, revenues from governmental funds totaled \$39.5 million. General property tax revenues, the County's largest revenue source, were \$18.8 million, an increase of \$1.8 million. Most of this change is due to a large increase in the estimate for allowance for doubtful accounts from the fiscal year ended June 30, 2005 (FY05) to FY06, as noted in the prior year report. Other local taxes (including sales taxes, recordation taxes, and meals taxes) were \$6.6 million, an increase of approximately \$0.6 million over FY06. This increase in tax revenues from sources other than property taxes is consistent with the increase in FY06 and can be mostly attributed to an increase in local sales tax as well as an increase in meals tax and fees collected by the courts or recordation taxes.

Component unit (School Board) revenues totaled \$44.8 million, including a \$10.5 million payment from the Primary Government not counting continued investment by the Board of Supervisors in school construction (debt service on existing loans). The increase can attributed to an increase in school operating funds from the Commonwealth of Virginia in the amount of \$3.5 million.

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

The increase in general property taxes of \$0.6 million can be attributed to an increase in real estate taxes of approximately \$0.4 million as new development has taken place and a net increase in machinery and tools of approximately \$0.2 million due in part to James Hardie. The increase in other local taxes of \$0.6 million was caused by an increase in local sales taxes of \$0.4 and an increase in meals and recordation taxes of \$0.1 million each. Revenue from use of money increased by \$0.4 million as a result of interest from the LGIP account being posted to the general fund instead of the school construction fund combined with a healthier economic climate. Revenue from the Commonwealth increased by \$0.4 million. This increase is primarily due to an increase in CSA funding. These four functional areas of revenue explain much of the \$2.0 million increase.

On the expenditure side, most the decrease of approximately \$1.4 million can be explained in the following four areas. First, public safety increased by \$0.7 million: mostly caused by increased amounts paid to the Regional Jail (more than \$0.3 million) and an increase in the Sheriff's department expenditures (\$0.2 million). Second, the amount paid to the Schools decreased by approximately \$1.0 million as a result in increased State funding. Third, community development expenditures decreased by approximately \$1.4 million. This is due a decrease in economic stimulus payments of \$1.1 million and a decrease in payments to the IDA for the Renfro Building in the amount of \$0.3 million caused by an increase in the number of tenants at that building. Finally, debt service decreased by approximately \$0.3 million due to the 1998 Refunding Bond being paid off in FY 2006 which paid for the Peppers Ferry and courthouse projects. These amounts were offset by other area increases that bring the total decrease in expenditures down to \$1.4 million.

The revenue increase and expenditure decrease explains the excess of approximately \$3.4 million. That amount combined, by an increase in the amount transferred to the CIP fund of \$0.4 million explains the \$3.0 million increase over the FY 2006 change in fund balance of \$1.9 million. The increase in \$1.9 million is mostly explained through a \$1.0 million amount being designated for building use needs in the

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

General Fund Budgetary Highlights

The following table presents revenues and expenditures for the General Fund only for FY07 (in millions):

	Original Budget	Amended Budget	Actual	Variance
Revenues:				
Property Taxes	\$ 17.7	\$ 17.7	\$ 19.1	1.4
Other Local Taxes	6.0	6.0	6.4	0.4
Permits, Fees and Licenses	0.1	0.1	0.1	0.0
Fines and Forfeitures	0.1	0.1	0.0	-0.1
Revenue from Use of Money and Property	0.2	0.2	0.8	0.6
Charges for Services	0.4	0.4	0.5	0.1
Miscellaneous	0.0	0.1	0.1	0.0
Recovered Costs	0.2	0.2	0.5	0.3
Intergovernmental	12.4	12.7	11.8	-0.9
Total	\$ 37.1	\$ 37.5	\$ 39.3	1.8
Expenditures and transfers:				
General Government Administration	\$ 1.7	\$ 1.9	\$ 1.8	0.1
Judicial Administration	1.2	1.4	1.3	0.1
Public Safety	6.2	7.0	6.6	0.4
Public Works	1.0	1.1	1.0	0.1
Health and Welfare	9.5	9.6	8.5	1.1
Education	10.3	10.3	9.7	0.6
Parks, Recreation and Cultural	1.3	1.4	1.3	0.1
Community Development	1.8	1.3	0.9	0.4
Non-departmental	0.2	0.0	0.0	0.0
Debt Service	1.8	1.8	1.8	0.0
Transfers	2.1	4.7	1.2	3.5
Total	\$ 37.1	\$ 40.5	\$ 34.1	6.4

It should be noted that this schedule is shown on the budgetary basis. In comparing the original budget to the amended budget the obvious change is in the amount of expenditures. Most of this change can be attributed to carry-over appropriations for County construction projects, as noted in the transfers. The trend will continue until building space needs are met by the purchase and construction of the Maple Shade shopping mall and the renovation of the County Administration building. In comparing actual revenues to amended budget one notices that much of the variance is made up of conservative estimates on property taxes, other local taxes and interest income or revenue from use of money. The over estimate in governmental revenue is due primarily to the Department of Social Services over estimation of funds expected to be received from the Commonwealth. That over estimation, however, is offset by the underestimation in Health and Welfare expenditures. Other underestimations on the expenditure side

COUNTY OF PULASKI, VIRGINIA

Management's Discussion and Analysis (continued)

State Revenues - Currently, state funding is projected to account for 48.8% of the County's FY08 budget, or \$36.6 million, while local real estate taxes account for 15.0% percent of total County revenue. A one percent change in state revenue results in a \$0.37 million change in the local budget, or the equivalent of a 2 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. At the time of this report, the Governor has cut the FY08 funding for the Library, the VJCCCA program and numerous other agencies dependent upon the County for funding with probable more cuts on the way as the State addresses its budget situation for the next two years.

Other factors that are expected to impact future budgets include:

1. Anticipated increases in health insurance costs will be compounded by the implementation of GASB Statement #45 with an effective date of June 30, 2009 (FY09).
2. Funding for the Capital Improvement Plan will need to address office space needs, funding of joint services and replacement of leased network connections between buildings.
3. The ability to maintain increasing operational costs will be dependent on revenue growth from business activity in the County and/or finding better ways of providing needed community services through joint services and other innovations.
4. 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.
5. There will be 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.

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 Assets
June 30, 2007

	<u>Primary Government</u>	<u>Component Units</u>		
	<u>Governmental Activities</u>	<u>School Board</u>	<u>Public Service Authority</u>	<u>Industrial Development Authority</u>
ASSETS				
Cash and Cash Equivalents	\$ 14,881,824	\$ 712,785	\$ -	\$ 927,367
Cash in Custody of Others	-	-	1,613,647	-
Investments	19,347,217	-	-	-
Receivables (Net of Allowance for Uncollectibles):				
Taxes	1,028,613	-	-	-
Accounts Receivable	152,325	-	931,109	2,806
Other Local Taxes and Fees	230,862	-	-	-
Note Receivable	-	-	-	19,407,498
Rent Receivable	-	-	-	13,485
Interest Receivable	-	-	-	266,323
Due from Primary Government	-	2,526,131	-	-
Due from Other Governmental Units	1,876,447	1,189,237	-	-
Advances to Component Units	793,061	-	-	-
Restricted Assets:				
Temporarily Restricted:				
Cash and Cash Equivalents (in Custody of Others)	-	-	364,045	-
Organization Expense (Net of Accumulated Amortization)	-	-	6,040	-
Capital Assets:				
Land	2,219,420	564,527	127,700	868,985
Building and System	23,754,813	3,469,877	-	4,231,069
Machinery and Equipment	3,453,277	1,849,018	1,167,793	-
Infrastructure	-	-	14,784,128	-
Construction in Progress	891,044	-	399,859	-
Total Assets	<u>\$ 68,628,903</u>	<u>\$ 10,311,575</u>	<u>\$ 19,394,321</u>	<u>\$ 25,717,533</u>
LIABILITIES				
Accounts Payable	\$ 395,511	\$ 279,146	\$ 369,784	\$ 4,371
Reconciled Overdraft	432	-	-	-
Contracts Payable	-	3,617,480	-	-
Customer Deposits	-	-	80,541	-
Interest Payable	551,766	-	49,733	266,323
Due to Component Units	2,526,131	-	-	-
Advances Due to Primary Government	-	-	293,061	500,000
Unearned Revenue	107,158	71,423	-	-
Long-term Liabilities:				
Due Within One Year	1,291,291	-	311,852	441,739
Due in More Than One Year	31,642,777	1,572,017	6,656,020	19,995,036
Total Liabilities	<u>\$ 36,515,066</u>	<u>\$ 5,540,066</u>	<u>\$ 7,760,991</u>	<u>\$ 21,207,469</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 14,671,695	\$ 5,883,422	\$ 9,332,487	\$ 1,998,976
Restricted for:				
Rural Development Debt Reserves	-	-	364,045	-
Seized Assets	12,911	-	-	-
Unrestricted (deficit)	17,429,231	(1,111,913)	1,936,798	2,511,088
Total Net Assets	<u>\$ 32,113,837</u>	<u>\$ 4,771,509</u>	<u>\$ 11,633,330</u>	<u>\$ 4,510,064</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, 2007

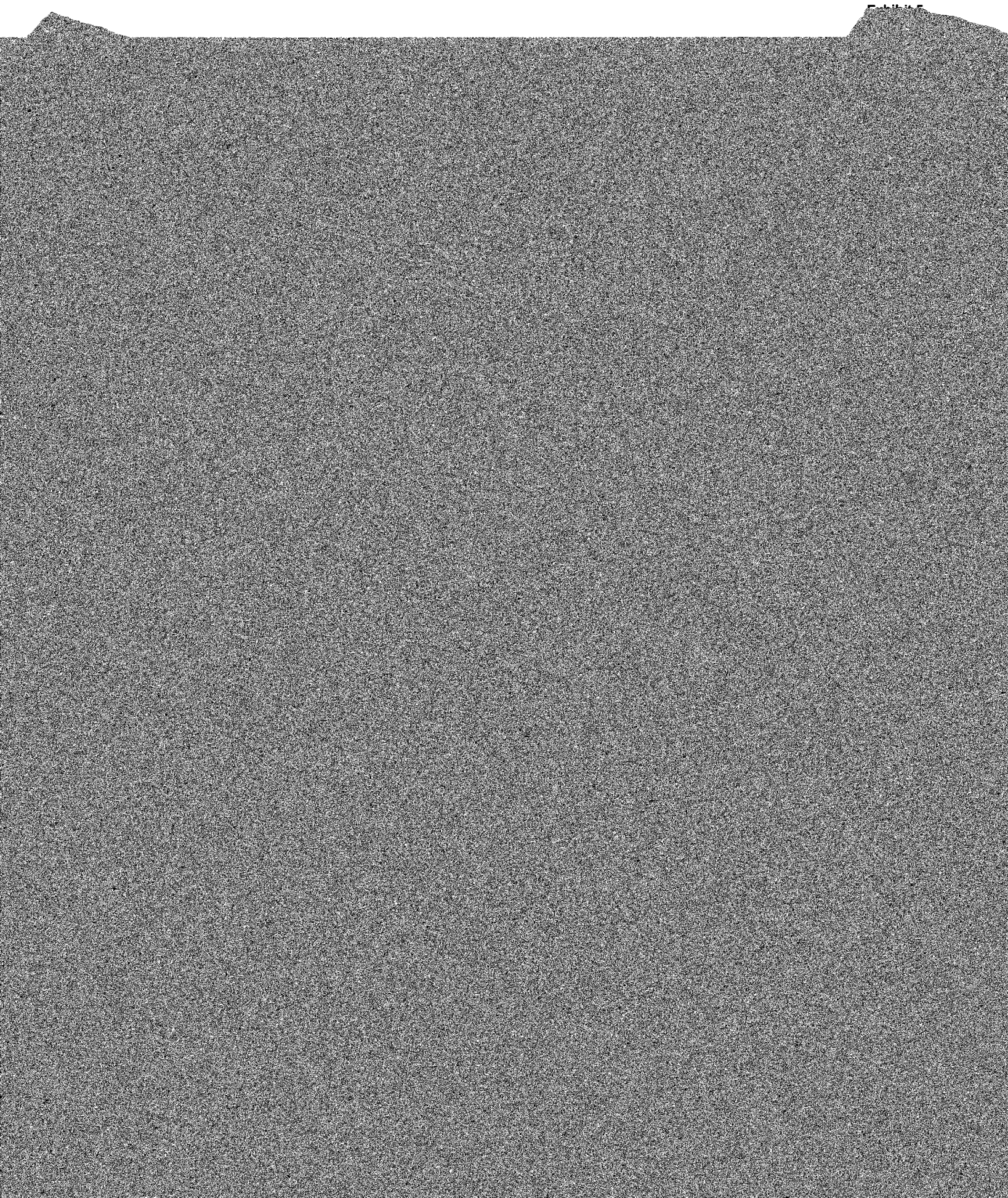
Functions/Programs	Program Revenue				Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Component Units		
						School Board	Public Service Authority	Industrial Development Authority
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government Administration	\$ 2,103,757	\$ 3,028	\$ 333,065	\$ -	\$ (1,767,664)	\$ -	\$ -	\$ -
Judicial Administration	1,238,375	27,980	939,379	31,476	(239,540)	-	-	-
Public Safety	7,335,947	230,781	2,663,106	50,000	(4,392,060)	-	-	-
Public Works	682,855	23,497	12,500	-	(646,858)	-	-	-
Health and Welfare	8,562,139	63,713	6,206,715	-	(2,291,711)	-	-	-
Education	10,531,127	-	-	-	(10,531,127)	-	-	-
Parks, Recreation and Cultural	1,411,041	285,038	147,979	-	(978,024)	-	-	-
Community Development	963,542	6,678	8,912	-	(947,952)	-	-	-
Interest	764,711	-	-	-	(764,711)	-	-	-
Total Primary Government	\$ 33,593,494	\$ 640,715	\$ 10,311,656	\$ 81,476	\$ (22,559,647)	\$ -	\$ -	\$ -
Component Units:								
School Board	\$ 44,728,831	\$ 1,102,540	\$ 32,657,124	\$ 170,016	-	\$ (10,799,151)	\$ -	\$ -
Public Service Authority	6,688,399	6,530,628	-	-	-	-	(157,771)	-
Industrial Development Authority	949,852	-	-	-	-	-	-	(949,852)
Total Component Units	\$ 52,367,082	\$ 7,633,168	\$ 32,657,124	\$ 170,016	\$ -	\$ (10,799,151)	\$ (157,771)	\$ (949,852)
General Revenues:								
General Property Taxes					\$ 18,839,172	\$ -	\$ -	\$ -
Other Local Taxes								
Local Sales and Use Taxes					2,731,010	-	-	-
Communication Sales Taxes					405,348	-	-	-
Consumers' Utility Taxes					1,004,208	-	-	-
E-911 Telephone Taxes					68,510	-	-	-
Franchise License Taxes					91,891	-	-	-
Utility License Taxes					22,651	-	-	-
Consumption Taxes					105,533	-	-	-
Motor Vehicle Licenses					547,340	-	-	-
Bank Stock Taxes					9,610	-	-	-
Taxes on Recordation and Wills					346,092	-	-	-
Hotel and Motel Room Taxes					315,437	-	-	-
Restaurant Food Taxes					932,953	-	-	-
Unrestricted Revenues from Use of Money and Property					1,167,434	34,919	74,044	764,258
Miscellaneous					57,658	280,092	29,657	298
Payments from Primary Government					-	10,516,439	134,388	99,028
Grants and Contributions not Restricted to Specific Programs					368,491	-	-	-

County of Pulaski, Virginia
Balance Sheet
Governmental Funds
June 30, 2007

	<u>General</u>	<u>School Construction</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 14,881,824	\$ -	\$ -	14,881,824
Investments	5,245,341	14,101,876		19,347,217

County of Pulaski, Virginia

Reconciliation of the Balance Sheet of Governmental Funds



County of Pulaski, Virginia
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2007

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

Net changes in fund balance - total governmental funds	\$	18,211,248
--	----	------------

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.		1,245,851
--	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		76,613
---	--	--------

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		(13,325,378)
--	--	--------------

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.		<u>(254,643)</u>
--	--	------------------

Change in net assets of governmental activities	\$	<u><u>5,953,691</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 Net Assets
Proprietary Fund
June 30, 2007

	Internal Service Fund
ASSETS	
Current Assets:	
Receivables (Net of Allowance for Uncollectibles):	
Accounts Receivable	\$ 152,325
Total Assets	<u>\$ 152,325</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 78,622
Due to Other Funds	18,799
Due to Component Units	54,904
Total Liabilities	<u>\$ 152,325</u>
NET ASSETS	
Unrestricted	<u>\$ -</u>
Total Net Assets	<u><u>\$ -</u></u>

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

County of Pulaski, Virginia
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2007

	Internal Service Fund
OPERATING REVENUES	
Charges for Services:	
Information Technology Charges	\$ 239,231

County of Pulaski, Virginia
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2007

Internal
Service
Fund

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Cash, Cash Equivalents, and Restricted Cash 1,645,054

County of Pulaski, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Agency Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 195,441
Due from Other Governmental Units	117,017
Total Assets	<u>\$ 312,458</u>
 LIABILITIES	
Current Liabilities:	
Due to Other Governmental Units	<u>\$ 117,017</u>
 Amounts Held for Others:	
Social Services Clients	\$ 30,797
Contractors	85,520
County Employees	79,124
Total amounts held for others	<u>\$ 195,441</u>
Total Liabilities	<u>\$ 312,458</u>

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

COUNTY OF PULASKI, VIRGINIA

Notes to Financial Statements
June 30, 2007

Note 1-Summary of Significant Accounting Policies:

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

A. Reporting Entity

The County of Pulaski, Virginia is a political subdivision governed by an elected five-member

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

A. Reporting Entity (continued)

Jointly Governed Organizations:

The County along with the Counties of Floyd, Giles and Montgomery and the City of Radford participate in supporting the New River Valley Community Services. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2007, the County contributed \$78,300 to the Community Services Board.

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

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

The County along with the Counties of Bland, Carroll, Giles, Grayson, Floyd and Wythe and the City of Radford participate in supporting the New River Valley Regional Jail. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions.

Other Organizations:

The County provides funding and/or oversight in the form of board participation for many other organizations including the New River Valley Juvenile Detention Home, Fairview Home and the New River Valley Airport.

B. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary 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 the legally separate *component unit* for which the primary government is financially accountable.

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

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

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

The School Construction fund is reported as the County's only major *capital projects fund*. The fund accounts for financial resources to be used for the acquisition and construction of major school capital projects.

The County reports the following non-major governmental fund:

The County Capital Improvements fund is reported as the County's only non-major *capital projects fund*. The fund accounts for financial resources 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 account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

3. Property Taxes



COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

7. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

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

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$(13,325,378) difference in the primary government, is as follows:

	<u>Primary Government</u>
Debt issued or incurred:	
Lease revenue note	\$ (14,000,000)
Lease revenue note-premium	(348,249)
Lease purchase	(249,858)
Principal payments:	
General obligation bonds	624,624
Lease purchases	198,805
Literary loans	375,000
Landfill postclosure monitoring costs	52,458
Amortization of premium	<u>21,842</u>
Net adjustment to increase (decrease) net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(13,325,378)</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these \$(254,643) and \$61,144 differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
(Increase) decrease in compensated absences	\$ (7,331)	\$ 61,144
(Increase) decrease in interest payable	<u>(247,312)</u>	<u>-</u>
Net adjustment to increase (decrease) net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(254,643)</u>	\$ 61,144

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 3- Stewardship, Compliance, and Accountability:

A. Budgetary Information:

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

1. Prior to April 1st, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. All non-fiduciary funds have legally adopted budgets.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
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 categories.
5. Formal budgetary integration is employed as a management control device during the year for General Fund, Special Revenue Funds (except the School Fund), Debt Service Funds, and the General Capital Projects Fund. The School Fund and School Capital Projects Fund are integrated only at the level of legal adoption.
6. All budgets are adopted on a cash basis. The following table shows the adjustment made to

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 3- Stewardship, Compliance, and Accountability: (continued)

A. Budgetary Information: (continued)

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. Encumbrance accounting under which purchase orders, contracts, and other commitments

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 4- Deposits and Investments: (continued)

Concentration of Credit Risk:

At June 30, 2007, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

Interest Rate Risk:

At June 30, 2007, the County did not have any investments meeting the GASB 40 definition requiring interest rate risk disclosures.

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the 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.

Note 5- Due From Other Governmental Units:

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

	<u>Primary Government</u>	<u>Component Unit- School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 530,851	\$ -
Communication sales tax	143,163	-
State sales tax	-	750,066
Non-categorical aid	99,740	-
Categorical aid-shared expenses	227,500	-
Categorical aid-other	56,769	2,339
Categorical aid-VPA funds	143,881	-
Categorical aid-CSA funds	473,970	-
Federal Government:		
Categorical aid-VPA funds	198,767	-
Categorical aid-other	1,806	436,832
Totals	\$ 1,876,447	\$ 1,189,237

Note 6- Interfund/Component-Unit Obligations:

<u>Fund</u>	<u>Due to Primary Government/ Component Unit</u>	<u>Due from Primary Government/ Component Unit</u>
Primary Government:		
General Fund	\$ 2,471,227	\$ -
Internal Service Fund	54,904	-
Component Unit - School Board		
School Fund	-	2,526,131
Totals	\$ 2,526,131	\$ 2,526,131

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 7- Long-Term Debt:

Primary Government- Governmental Activity Indebtedness:

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

Year Ending June 30,	General Obligation Bonds		Literary Loans		Lease Revenue Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 699,498	\$ 498,882	\$ 375,000	\$ 157,500	\$ -	\$ 665,883
2009	704,644	470,042	375,000	146,250	225,000	679,088
2010	710,088	440,902	375,000	135,000	7,735,000	671,213
2011	715,755	411,540	375,000	123,750	245,000	284,462
2012	721,507	382,092	375,000	112,500	255,000	275,275
2013-2017	3,699,823	1,413,021	1,875,000	393,750	1,445,000	1,213,625
2018-2022	3,432,618	522,535	1,500,000	112,500	1,800,000	857,962
2023-2027	545,000	13,216	-	-	2,295,000	355,500
Totals	\$ 11,228,933	\$ 4,152,230	\$ 5,250,000	\$ 1,181,250	\$ 14,000,000	\$ 5,003,008

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2007.

	Balance July 1, 2006	Issuances	Retirements	Balance June 30, 2007
General obligation bonds	\$ 11,853,557	\$ -	\$ (624,624)	\$ 11,228,933
Literary loans	5,625,000	-	(375,000)	5,250,000
Lease revenue note	-	14,000,000	-	14,000,000
Lease purchase	656,495	249,858	(198,805)	707,548
Unamortized bond premiums	371,315	348,249	(21,842)	697,722
Landfill postclosure monitoring costs	474,924	-	(52,458)	422,466
Compensated absences	620,068	7,331	-	627,399
Total	\$ 19,601,359	\$ 14,605,438	\$ (1,272,729)	\$ 32,934,068

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 7- Long-Term Debt: (continued)

Primary Government- Governmental Activity Indebtedness: (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	\$ 554,068	\$ 34,997
VPSA GO bond	2.35-5.1%	11/7/2002	2023	10,915,000	8,720,000	545,000
GO bond	3.78%	4/29/2005	2020	2,000,000	1,954,865	119,501
Unamortized bond premium	n/a	11/7/2002	2023	436,841	349,473	21,842
Total GO bonds					\$ 11,578,406	\$ 721,340
Lease revenue note:						
IDA lease revenue note	3.5-5.25%	2/8/2007	2027	\$ 14,000,000	\$ 14,000,000	\$ -
Unamortized bond premium	n/a	2/8/2007	2027	348,249	348,249	-
Total lease revenue notes					\$ 14,348,249	\$ -
Literary loans:						
State literary fund loan	3%	12/15/2000	2021	\$ 2,500,000	\$ 1,750,000	\$ 125,000
State literary fund loan	3%	12/15/2000	2021	5,000,000	3,500,000	250,000
Total literary loans					\$ 5,250,000	\$ 375,000
Lease purchase agreements:						
Capital lease	6.415%	12/20/2000	2011	\$ 1,240,492	\$ 526,513	\$ 138,570
Capital lease	6.665%	7/1/2006	2010	249,858	181,035	56,381
Total lease purchase agreements					\$ 707,548	\$ 194,951
Other obligations:						
Landfill postclosure monitoring costs	n/a	n/a	n/a	n/a	\$ 422,466	\$ -
Compensated absences	n/a	n/a	n/a	n/a	627,399	-
Total other obligations					\$ 1,049,865	\$ -
Totals					\$ 32,934,068	\$ 1,291,291

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

Discretely Presented Component Unit- School Board-Indebtedness:

The following is a summary of long-term debt transactions of the Component-Unit School Board for the year ended June 30, 2007.

	<u>Balance July 1, 2006</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2007</u>
Compensated absences	\$ 1,633,161	\$ -	\$ (61,144)	\$ 1,572,017

Details of Long-Term Indebtedness:

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
Other obligations:						
Compensated absences	n/a	n/a	n/a	n/a	\$ 1,572,017	\$ -

Note 9- Capital Leases:

Primary Government:

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

The asset acquired through capital lease is as follows:

	<u>Telephone System</u>
Machinery and equipment	\$ 1,240,492
Accumulated depreciation	<u>(809,548)</u>
Net Asset	<u>\$ 430,944</u>

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

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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 9- Capital Leases: (continued)

The future minimum lease obligation and the net present value of these minimum lease payments as of

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

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

C. Annual Pension Cost: (continued)

Three-Year Trend Information

	<u>Year Ending June 30,</u>		<u>Annual Pension Cost (APC)(1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Primary Government:					
County	2005	\$	302,358	100%	\$ -
	2006		305,558	100%	-
	2007		526,609	100%	-
Component Unit - School Board:					
School Board Non-professional	2005	\$	27,376	100%	\$ -
	2006		30,593	100%	-
	2007		148,368	100%	-

(1) Excludes member contribution

D. Discretely Presented Component Unit School Board

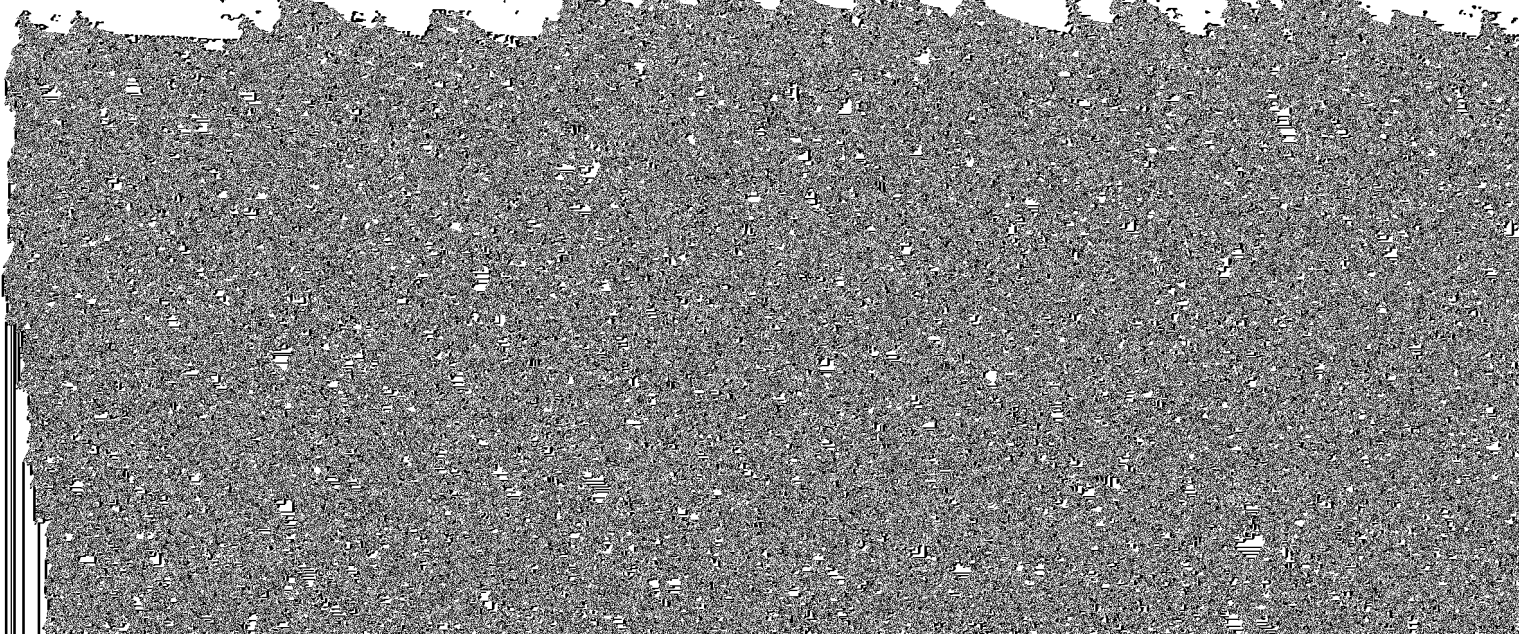
Professional Employees:

Plan Description

The Pulaski County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from the System's website at <http://www.varetire.org/Pdf/2006AnnuRept.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual reported compensation to the VRS. This 5% member contribution



COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 11- Capital Assets:

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,176,476	\$ (710,652)	\$ 753,596	\$ -	\$ 2,219,420
Construction in progress	-	-	891,044	-	891,044
Total capital assets not being depreciated	\$ 2,176,476	\$ (710,652)	\$ 1,644,640	\$ -	\$ 3,110,464
Capital assets, being depreciated:					
Buildings and systems	\$ 33,981,625	\$ (3,868,743)	\$ 146,082	\$ (61,948)	\$ 30,197,016
Machinery and equipment	8,877,882	50,616	1,008,668	(834,788)	9,102,378
Total capital assets being depreciated	\$ 42,859,507	\$ (3,818,127)	\$ 1,154,750	\$ (896,736)	\$ 39,299,394
Accumulated depreciation for:					
Buildings and systems	\$ (6,496,837)	\$ 769,294	\$ (736,000)	\$ 21,340	\$ (6,442,203)
Machinery and equipment	(5,685,887)	(21,071)	(776,931)	834,788	(5,649,101)
Total accumulated depreciation	\$ (12,182,724)	\$ 748,223	\$ (1,512,931)	\$ 856,128	\$ (12,091,304)
Total capital assets being depreciated, net	\$ 30,676,783	\$ (3,069,904)	\$ (358,181)	\$ (40,608)	\$ 27,208,090
Governmental activities capital assets, net	\$ 32,853,259	\$ (3,780,556)	\$ 1,286,459	\$ (40,608)	\$ 30,318,554

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

Governmental activities:	
General government administration	\$ 27,481
Judicial administration	6,241
Public safety	553,044
Public works	135,212
Health and welfare	29,336
Education	653,703
Parks, recreation and cultural	92,441
Community development	15,473
Total depreciation expense-governmental activities	\$ 1,512,931

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 11- Capital Assets: (continued)

Capital asset activity for the School Board for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 579,008	\$ (14,481)	\$ -	\$ -	\$ 564,527
Construction in progress	-	449,544	268,389	(717,933)	-
Total capital assets not being depreciated	\$ 579,008	\$ 435,063	\$ 268,389	\$ (717,933)	\$ 564,527
Capital assets, being depreciated:					
Buildings and systems	\$ 16,549,680	-	\$ 814,959	-	\$ 17,364,639
Machinery and equipment	5,232,973	-	387,607	(630,829)	4,989,751
Total capital assets being depreciated	\$ 21,782,653	\$ -	\$ 1,202,566	\$ (630,829)	\$ 22,354,390
Accumulated depreciation for:					
Buildings and systems	\$ (13,537,960)	-	\$ (335,462)	\$ (21,340)	\$ (13,894,762)
Machinery and equipment	(3,409,733)	-	(361,829)	630,829	(3,140,733)
Total accumulated depreciation	\$ (16,947,693)	\$ -	\$ (697,291)	\$ 609,489	\$ (17,035,495)
Total capital assets being depreciated, net	\$ 4,834,960	\$ -	\$ 505,275	\$ (21,340)	\$ 5,318,895

Governmental activities capital

\$ 5,468,028 \$ 435,063 \$ 720,264 \$ (720,264) \$ 5,828,109

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 14- Surety Bonds:

Primary Government:

Primary Government:

Fidelity and Deposit Company of Maryland-Surety

Maetta H. Crewe, Clerk of the Circuit Court	\$	145,000
Rose Marie Tickle, Treasurer		500,000
John J. Gill, Commissioner of the Revenue		3,000
James A. Davis, Sheriff		30,000
The above constitutional officers' employees - blanket bond		50,000
All Social Services employees - blanket bond		100,000

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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COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 16- 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

COUNTY OF PULASKI, VIRGINIA

Notes to the Financial Statements (continued)
June 30, 2007

Note 18- Restatement of Beginning Fund Balances/Net Assets:

	<u>Fund Balances</u>	<u>Net Assets</u>
Primary Government:		
Governmental Funds/Activities:		
As previously stated	\$ 15,623,881	\$ 29,333,117
Change in amount due to Component Unit-School Board	501,232	501,232
Change in revenue accruals	(11,356)	(11,356)
Change in expenditures/expenses	(2,262)	(2,262)
Change in amount due from internal service fund	106,611	-
Change in internal service fund revenue accrual	-	119,971
Change in capital assets (see note 11)	-	(4,528,779)
Change in accumulated depreciation (see note 11)	-	748,223
Restated amount	<u>\$ 16,218,106</u>	<u>\$ 26,160,146</u>
Proprietary Funds:		
As previously stated	\$ -	\$ (13,360)
Change in internal service fund revenue accrual	-	119,971
Change in amount due to general fund	-	(106,611)
Restated amount	<u>\$ -</u>	<u>\$ -</u>
Component Unit - School Board:		
Governmental Funds/Activities:		
As previously stated	\$ 701,462	\$ 4,482,269
Change in amount due from Primary Government	(501,232)	(501,232)
Change in revenue accruals	(36,798)	(36,798)
Change in expenditures/expenses accruals	359,910	359,910
Change in capital assets (see note 11)	-	435,061
Restated amount	<u>\$ 523,342</u>	<u>\$ 4,739,210</u>

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REQUIRED SUPPLEMENTARY INFORMATION

County of Pulaski, Virginia
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
 For the Fiscal Year Ended June 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
General Property Taxes	\$ 17,700,231	\$ 17,700,231	\$ 19,060,343	\$ 1,360,112
Other Local Taxes	6,026,500	6,026,500	6,365,891	339,391
Permits, Privilege Fees and Regulatory Licenses	108,400	108,400	128,986	20,586
Fines and Forfeitures	53,200	53,694	47,508	(6,186)
Revenue from Use of Money and Property	210,201	210,501	770,906	560,405
Charges for Services	353,670	407,879	464,357	56,478

County of Pulaski, Virginia
Required Supplementary Information
Schedule of Funding Progress - Defined Benefit Plan
For the Fiscal Year Ended June 30, 2007

Primary Government: County Retirement Plan

Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2006 \$	29,098,356 \$	30,221,028 \$	1,122,672	96.29% \$	7,491,892	14.99%
June 30, 2005	27,663,695	29,984,402	2,320,707	92.26%	7,447,645	31.16%
June 30, 2004	27,239,663	26,948,744	(290,919)	101.08%	7,356,681	-3.95%
June 30, 2003	27,016,253	25,057,875	(1,958,378)	107.82%	7,161,134	-27.35%
June 30, 2002	27,085,360	24,150,775	(2,934,585)	112.15%	7,242,424	-40.52%

Discretely Presented Component Unit:

School Board Non-professional Retirement Plan

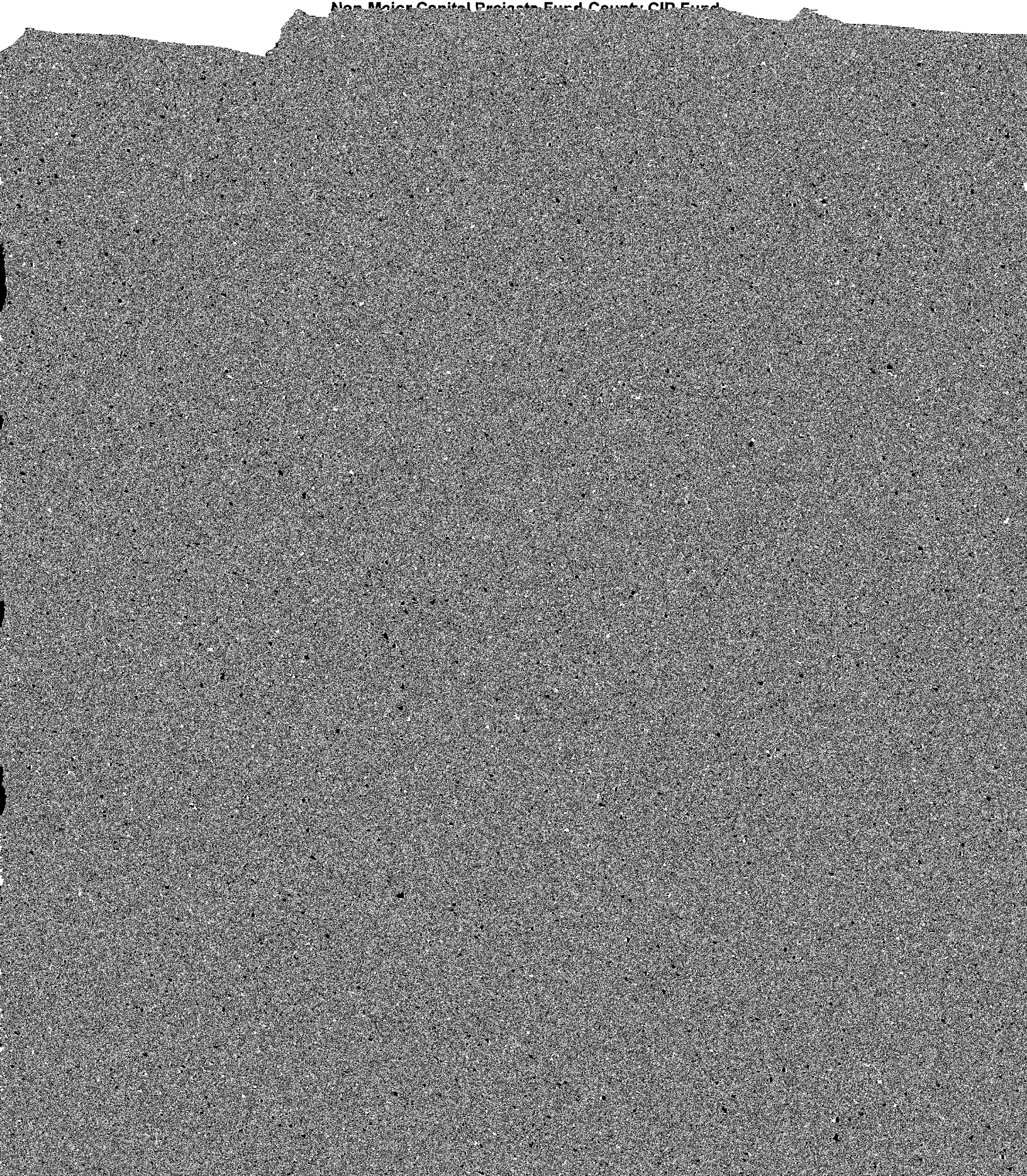
Valuation as of (1)	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded AAL (UAAL) (3)-(2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as a % of Covered Payroll (4)/(6) (7)
June 30, 2006 \$	6,114,738 \$	6,609,721 \$	494,983	92.51% \$	2,070,658	23.90%
June 30, 2005	5,889,319	6,636,324	747,005	88.74%	1,904,761	39.22%
June 30, 2004	5,813,389	5,483,667	(329,722)	106.01%	1,698,073	-19.42%
June 30, 2003	5,796,527	5,180,224	(616,303)	111.90%	1,624,292	-37.94%
June 30, 2002	5,838,796	4,964,533	(874,263)	117.61%	1,656,946	-52.76%

SUPPLEMENTARY FINANCIAL STATEMENTS

County of Pulaski, Virginia
Major Capital Projects-School Construction Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
For the Fiscal Year Ended June 30, 2007

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Pos (Neg)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from Use of Money and Property	\$ -	\$ 378,484	\$ 397,729	\$ 19,245

County of Pulaski, Virginia
Non-Major Capital Projects Fund, County CID Fund



County of Pulaski, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Agency Funds				Total
	Special Welfare	Performance Bonds	Employee Flexible Benefits	Sales Tax Fund	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 30,797	\$ 85,520	\$ 79,124	\$ -	\$ 195,441
Due from Other Governmental Units	-	-	-	117,017	117,017
Total Assets	<u>\$ 30,797</u>	<u>\$ 85,520</u>	<u>\$ 79,124</u>	<u>\$ 117,017</u>	<u>\$ 312,458</u>
LIABILITIES					
Current Liabilities:					
Due to Other Governmental Units	\$ -	\$ -	\$ -	\$ 117,017	\$ 117,017
Amounts Held for Others:					
Social Services Clients	\$ 30,797	\$ -	\$ -	\$ -	\$ 30,797
Contractors	-	85,520	-	-	85,520
County Employees	-	-	79,124	-	79,124
Total amounts held for others	<u>\$ 30,797</u>	<u>\$ 85,520</u>	<u>\$ 79,124</u>	<u>\$ -</u>	<u>\$ 195,441</u>
Total Liabilities	<u>\$ 30,797</u>	<u>\$ 85,520</u>	<u>\$ 79,124</u>	<u>\$ 117,017</u>	<u>\$ 312,458</u>

County of Pulaski, Virginia
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Special Welfare Fund	\$ 32,656	\$ 105,810	\$ 107,669	\$ 30,797
Performance Bond Fund	91,510	34,010	40,000	85,520
Employee Flexible Benefits Fund	45,791	199,633	166,300	79,124
Total cash and cash equivalents	<u>\$ 169,957</u>	<u>\$ 339,453</u>	<u>\$ 313,969</u>	<u>\$ 195,441</u>
Due from Other Governmental Units:				
Local Sales Tax Fund	\$ 89,722	\$ 610,039	\$ 582,744	\$ 117,017
Total Assets	<u>\$ 259,679</u>	<u>\$ 949,492</u>	<u>\$ 896,713</u>	<u>\$ 312,458</u>
LIABILITIES				
Current Liabilities:				
Due to Other Governmental Units:				
Local Sales Tax Fund	\$ 89,722	\$ 610,039	\$ 582,744	\$ 117,017
Amounts Held for Others:				
Special Welfare Fund	\$ 32,656	\$ 105,810	\$ 107,669	\$ 30,797
Performance Bond Fund	91,510	34,010	40,000	85,520
Employee Flexible Benefits Fund	45,791	199,633	166,300	79,124
Total amounts held for others	<u>\$ 169,957</u>	<u>\$ 339,453</u>	<u>\$ 313,969</u>	<u>\$ 195,441</u>
Total Liabilities	<u>\$ 259,679</u>	<u>\$ 949,492</u>	<u>\$ 896,713</u>	<u>\$ 312,458</u>

**DISCRETELY PRESENTED COMPONENT UNIT-
SCHOOL BOARD**

MAJOR GOVERNMENTAL FUND

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

County of Pulaski, Virginia
Special Revenue Fund - Discretely Presented Component Unit - School Board
Balance Sheet
June 30, 2007

	School Fund
ASSETS	
Cash and Cash Equivalents	\$ 712,785
Due from Primary Government	2,526,131
Due from Other Governmental Units	1,189,237
Total Assets	\$ 4,428,153
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 279,146
Contracts Payable	3,617,480
Deferred Revenue	71,423
Total Liabilities	\$ 3,968,049
 Fund Balances:	
Unreserved:	
Designated	\$ 559,815
Undesignated (deficit)	(99,711)
Total Fund Balances	\$ 460,104
Total Liabilities and Fund Balances	\$ 4,428,153

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1)

County of Pulaski, Virginia
Special Revenue Fund-Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2007

	School Fund
REVENUES	
Revenue from Use of Money and Property	\$ 34,919

County of Pulaski, Virginia
Major Special Revenue Fund-Discretely Presented Component Unit-School Board
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Cash Basis)
For the Fiscal Year Ended June 30, 2007

	Budget Amounts		Actual Amounts	Variance with Final Budget Pos (Neg)
	Original	Final		
REVENUES				
Revenue from Use of Money and Property	\$ 16,000	\$ 19,384	\$ 34,919	\$ 15,535
Charges for Services	1,153,000	1,153,000	1,102,540	(50,460)
Miscellaneous	19,100	279,093	280,093	1,000
Recovered Costs	390,868	933,679	1,048,524	114,845
Intergovernmental Revenues:				
Local Government	10,314,369	10,354,098	9,716,713	(637,385)
Commonwealth	28,159,067	28,414,838	28,458,570	43,732

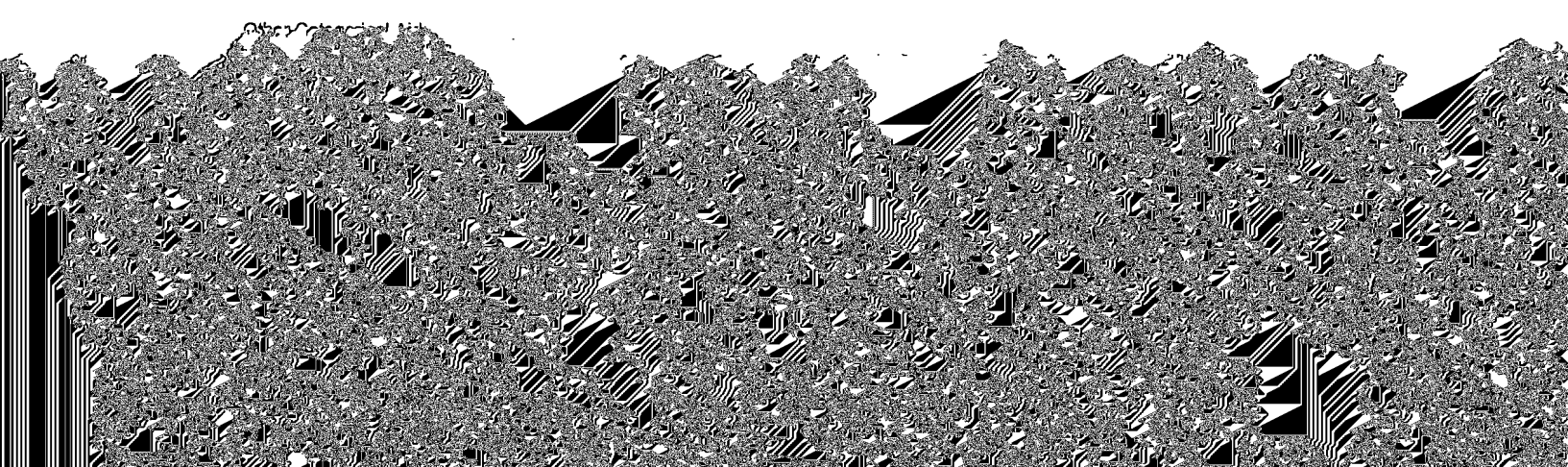
SUPPORTING SCHEDULES

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<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	\$ 10,968,600	\$ 10,968,600	\$ 11,597,288	\$ 628,688
Real and personal public service corporation taxes	592,000	592,000	589,653	(2,347)
Personal property taxes	3,384,631	3,384,631	3,700,764	316,133
Mobile home taxes	40,000	40,000	46,660	6,660
Machinery and tools taxes	2,200,000	2,200,000	2,551,556	351,556
Merchant's capital taxes	270,000	270,000	230,852	(39,148)
Penalties	145,000	145,000	191,252	46,252
Interest	100,000	100,000	142,662	42,662
Collection fees	-	-	9,656	9,656
Total General Property Taxes	<u>\$ 17,700,231</u>	<u>\$ 17,700,231</u>	<u>\$ 19,060,343</u>	<u>\$ 1,360,112</u>
Other Local Taxes:				
Local sales and use taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,596,076	\$ 96,076
Telecommunication taxes	-	-	262,185	262,185
Consumers' utility taxes	1,321,000	1,321,000	1,059,965	(261,035)
E-911 telephone taxes	135,000	135,000	80,453	(54,547)
Franchise license taxes	62,000	62,000	91,891	29,891
Utility license taxes	24,000	24,000	22,651	(1,349)
Consumption taxes	98,000	98,000	105,985	7,985
Motor vehicle licenses	520,000	520,000	547,341	27,341
Bank stock taxes	6,500	6,500	9,610	3,110
Taxes on recordation and wills	220,000	220,000	352,667	132,667
Hotel and motel room taxes	300,000	300,000	318,873	18,873
Restaurant food taxes	840,000	840,000	918,194	78,194
Total Other Local Taxes	<u>\$ 6,026,500</u>	<u>\$ 6,026,500</u>	<u>\$ 6,365,891</u>	<u>\$ 339,391</u>
Permits, Privilege Fees and Regulatory Licenses:				
Animal licenses	\$ 10,000	\$ 10,000	\$ 17,421	\$ 7,421
Land use application fees	1,000	1,000	696	(304)

County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Revenue from Local Sources: (continued)				
Charges for Services: (continued)				
Charges for law library	\$ 4,200	\$ 4,500	\$ 4,503	\$ 3
Charges for library	11,500	21,300	23,384	2,084
Total Charges for Services	<u>\$ 353,670</u>	<u>\$ 407,879</u>	<u>\$ 464,357</u>	<u>\$ 56,478</u>
Miscellaneous:				
Miscellaneous	\$ 31,047	\$ 67,847	\$ 79,595	\$ 11,748
Recovered Costs:				
Administrative fees	\$ 63,000	\$ 63,000	\$ 70,130	\$ 7,130
Juror costs	3,000	3,000	5,370	2,370
Circuit court secretary	12,250	12,250	12,250	-
Town reimbursement-fire works	1,000	1,000	5,000	4,000
CSA recoveries	10,000	10,000	130,146	120,146
Prisoner recoveries	-	-	10,649	10,649
Parks and recreation	-	9,800	17,038	7,238
Landfill recoveries	50,000	50,000	52,572	2,572
Public safety recoveries	31,000	37,000	135,236	98,236
Health department recoveries	7,000	7,000	8,432	1,432
Welfare recoveries	2,000	2,000	34,023	32,023
Hazardous material response	-	4,820	4,820	-
Other recoveries	300	3,981	4,720	739
Total Recovered Costs	<u>\$ 179,550</u>	<u>\$ 203,851</u>	<u>\$ 490,386</u>	<u>\$ 286,535</u>
Total Revenue from Local Sources	<u>\$ 24,662,799</u>	<u>\$ 24,778,903</u>	<u>\$ 27,407,972</u>	<u>\$ 2,629,069</u>
Intergovernmental Revenues:				
Revenue from the Commonwealth:				
Non-categorical Aid:				
ABC profits	\$ 13,698	\$ 13,698	\$ 13,698	-
Wine liter	14,358	14,358	14,358	-
Motor vehicle carriers' tax	34,951	34,951	32,333	(2,618)
Mobile home titling tax	24,000	24,000	93,339	69,339
Motor vehicle rental tax	35,000	35,000	33,157	(1,843)
State recordation tax	112,000	112,000	68,296	(43,704)
Personal property tax relief funds	1,480,369	1,480,369	1,618,639	138,270
Total Non-categorical Aid	<u>\$ 1,714,376</u>	<u>\$ 1,714,376</u>	<u>\$ 1,873,820</u>	<u>\$ 159,444</u>
Categorical Aid:				
Shared Expenses:				
Commonwealth's Attorney	\$ 377,177	\$ 377,177	\$ 401,833	\$ 24,656
Sheriff	1,744,278	1,744,278	1,774,380	30,102
Commissioner of the Revenue	138,963	138,963	146,539	7,576
Treasurer	120,948	121,948	127,196	5,248
Medical Examiner	1,800	1,800	180	(1,620)
Registrar/Electoral Board	47,727	47,727	53,649	5,922
Clerk of the Circuit Court	281,465	353,142	339,261	(13,881)
Total Shared Expenses	<u>\$ 2,712,358</u>	<u>\$ 2,785,035</u>	<u>\$ 2,843,038</u>	<u>\$ 58,003</u>

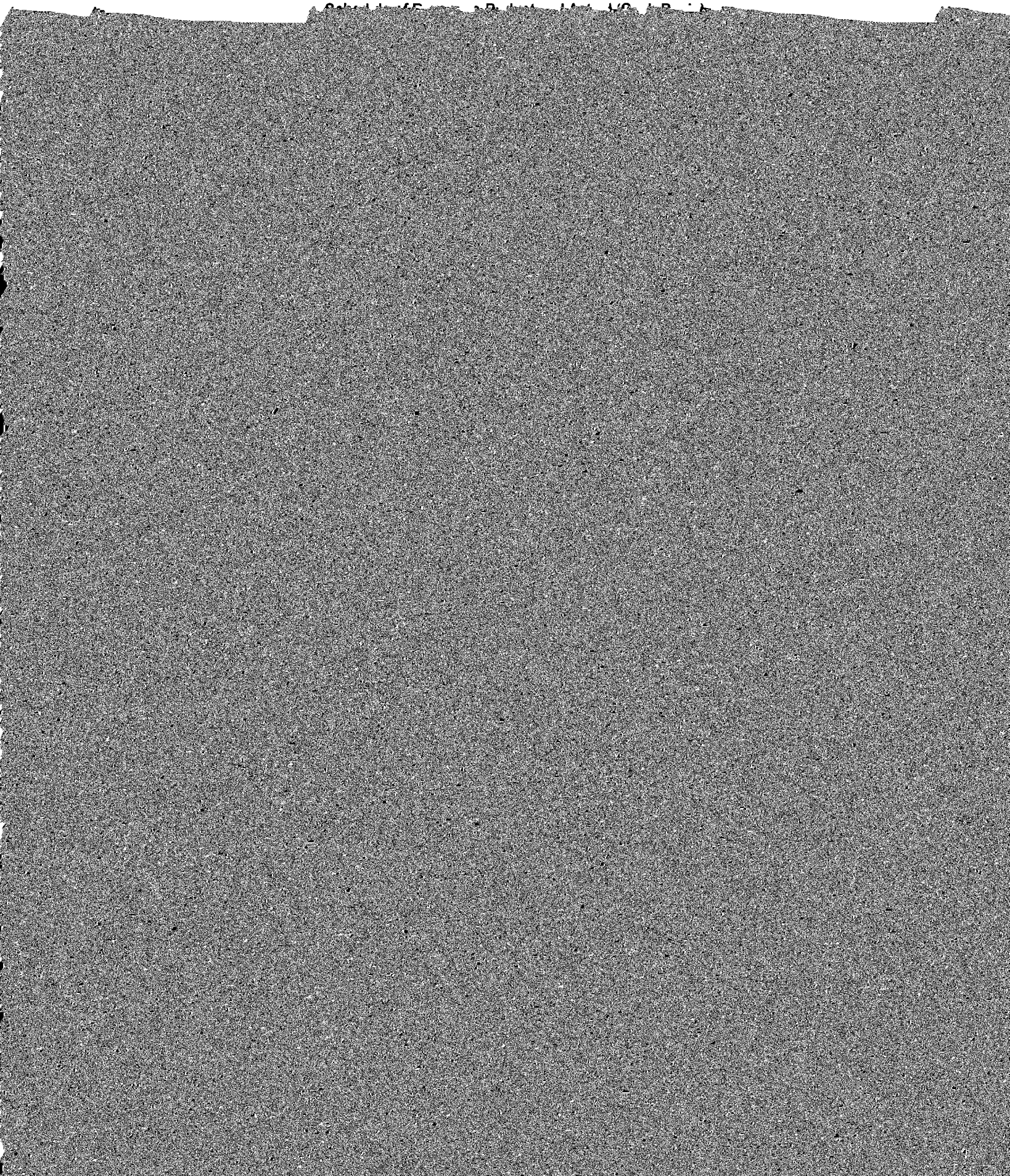


County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
General Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Other Categorical Aid: (continued)				
E-911 wireless grant	\$ 55,800	\$ 55,800	\$ 36,322	\$ (19,478)
DEQ grant	587	587	3,047	2,460
VDOT revenue sharing	-	-	530	530
Commission on the arts	5,000	5,000	5,000	-
Fire programs	48,000	57,525	57,525	-
Virginia Juvenile Commission Crime Control	29,796	29,796	29,796	-
Domestic violence DCJS grant	50,000	50,000	50,000	-
Asset forfeiture funds	-	2,156	2,156	-
Polling place grant	-	-	4,113	4,113
Total Other Categorical Aid	<u>\$ 3,833,624</u>	<u>\$ 3,926,789</u>	<u>\$ 4,002,346</u>	<u>\$ 75,557</u>
Total Revenue from the Commonwealth	<u>\$ 8,260,358</u>	<u>\$ 8,426,200</u>	<u>\$ 8,719,204</u>	<u>\$ 293,004</u>
Revenue from the Federal Government:				
Non-categorical Aid:				
Payment in lieu of taxes	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 19,203</u>	<u>\$ (5,797)</u>
Categorical Aid:				
Public assistance and welfare administration	\$ 4,018,369	\$ 4,018,369	\$ 2,894,034	\$ (1,124,335)
Emergency management preparedness grant	16,904	16,904	16,904	-
State Homeland security grant	-	58,028	58,028	-
Crime victim assistance	96,324	96,324	96,324	-

County of Pulaski, Virginia

Schedule 1 of the County of Pulaski, Virginia



County of Pulaski, Virginia
Schedule of Revenues-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Pos (Neg)</u>
Discretely Presented Component Unit-School Board: (continued)				
Major Special Revenue Fund: (continued)				
School Operating Fund: (continued)				
Intergovernmental Revenues: (continued)				
Revenue from the Commonwealth: (continued)				
Categorical Aid: (continued)				
Textbook payment	\$ 338,376	\$ 338,376	\$ 344,184	\$ 5,808
Vocational education-equipment	-	-	13,515	13,515
Vocational occupational preparedness	-	-	34,749	34,749
Vocational standards of quality payments	485,900	485,900	494,241	8,341
VPSA technology grant	398,498	398,498	329,186	(69,312)
School improvement office	-	-	2,051	2,051
VTSF Virginia tobacco settlement	-	65,165	27,424	(37,741)
Total Categorical Aid	<u>\$ 28,159,067</u>	<u>\$ 28,414,838</u>	<u>\$ 28,458,570</u>	<u>\$ 43,732</u>
Total Revenue from the Commonwealth	<u>\$ 28,159,067</u>	<u>\$ 28,414,838</u>	<u>\$ 28,458,570</u>	<u>\$ 43,732</u>
Revenue from the Federal Government:				
Categorical Aid:				
Forest reserve funds	\$ -	\$ -	\$ 10,816	\$ 10,816
Advanced placement grant	-	936	936	-
Gear up access Virginia	-	19,340	19,250	(90)
Assistive technology grant	-	11,032	-	(11,032)
Blue Ridge West	-	1,500	-	(1,500)
Title I	2,468,867	2,340,940	1,502,086	(838,854)
Title VI-B, special education flow-through	1,152,433	1,150,798	1,093,286	(57,512)
Vocational education	88,645	94,961	51,430	(43,531)
Special education-pre-school	38,929	34,446	29,515	(4,931)
Drug free schools	29,808	29,826	25,580	(4,246)
Title III, LEP	-	1,920	-	(1,920)
Title II, Part A-Teacher quality grant	369,729	337,604	253,115	(84,489)
Literacy challenge grant	35,805	17,008	17,079	71
School Improvement	5,846	55,846	-	(55,846)
Sliver grant	1,931	1,931	-	(1,931)
Title I, Part D	-	1,703	-	(1,703)
Title IV, Part 21	144,367	299,527	152,475	(147,052)
Title V, Part A-Innovative programs	30,206	17,033	10,097	(6,936)
School food	900,000	900,000	952,118	52,118
School food-Summer program	-	-	42,430	42,430
Total Categorical Aid	<u>\$ 5,266,566</u>	<u>\$ 5,316,351</u>	<u>\$ 4,160,213</u>	<u>\$ (1,156,138)</u>
Total Revenue from the Federal Government	<u>\$ 5,266,566</u>	<u>\$ 5,316,351</u>	<u>\$ 4,160,213</u>	<u>\$ (1,156,138)</u>
Total Discretely Presented Component Unit-School Board	<u>\$ 45,318,970</u>	<u>\$ 46,470,443</u>	<u>\$ 44,801,572</u>	<u>\$ (1,668,871)</u>

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<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	\$ 116,170	\$ 144,671	\$ 141,649	\$ 3,022
General and Financial Administration:				
County Administrator	\$ 215,151	\$ 225,151	\$ 223,912	\$ 1,239
Assistant County Administrator	156,201	170,825	170,825	-
County Attorney	65,000	65,000	44,223	20,777
Operations	104,572	104,572	96,377	8,195
Independent Auditor	32,400	33,900	33,900	-
Commissioner of the Revenue	401,302	401,302	382,690	18,612
Treasurer	406,982	435,982	432,967	3,015
Management Services	95,821	95,821	94,514	1,307
Director of Finance	-	83,000	82,717	283
Other General and Financial Administration	11,800	20,423	8,661	11,762
Total General and Financial Administration	\$ 1,489,229	\$ 1,635,976	\$ 1,570,786	\$ 65,190
Board of Elections:				
Electoral Board	\$ 35,896	\$ 48,097	\$ 48,096	\$ 1
Registrar	82,547	82,547	81,587	960
Total Board of Elections	\$ 118,443	\$ 130,644	\$ 129,683	\$ 961
Total General Government Administration	\$ 1,723,842	\$ 1,911,291	\$ 1,842,118	\$ 69,173
Judicial Administration:				
Courts:				
Circuit Court	\$ 60,021	\$ 60,021	\$ 52,413	\$ 7,608
General District Court	3,750	3,887	3,886	1
Magistrate	760	760	-	760
Juvenile and Domestic Relations Court	3,050	10,120	7,981	2,139
Clerk of the Circuit Court	469,447	589,100	542,168	46,932
Law Library	5,000	10,290	10,289	1
Victim's Witness Assistance	120,405	120,570	120,570	-
Domestic Relations Legal Services	50,000	50,000	36,667	13,333
Total Courts	\$ 712,433	\$ 844,748	\$ 773,974	\$ 70,774
Commonwealth's Attorney:				
Commonwealth's Attorney	\$ 506,233	\$ 514,462	\$ 500,330	\$ 14,132
Total Judicial Administration	\$ 1,218,666	\$ 1,359,210	\$ 1,274,304	\$ 84,906
Public Safety				
Law Enforcement and Traffic Control:				
Sheriff	\$ 3,038,232	\$ 3,302,409	\$ 3,035,799	\$ 266,610
Fire and Rescue Services:				
E-911	\$ 135,000	\$ 135,000	\$ 127,806	\$ 7,194
Wireless E-911	55,800	55,800	13,784	42,016
Forest Fire Protection	4,788	4,788	3,981	807
Town of Pulaski Fire Protection	32,473	32,473	32,400	73
Volunteer Fire Departments	231,070	357,204	311,881	45,323
Ambulance and Rescue Services	1,000	1,000	-	1,000
Western Virginia EMS	6,684	6,684	6,684	-
Total Fire and Rescue Services	\$ 466,815	\$ 592,949	\$ 496,536	\$ 96,413
Correction and Detention:				
Regional Jail Payments	\$ 1,241,916	\$ 1,561,368	\$ 1,561,266	\$ 102
Court Services	6,540	10,768	7,598	3,170

General Fund: (continued)

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<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>
Public Safety (continued)				
Correction and Detention: (continued)				
NRV Juvenile Detention Home	\$ 167,875	\$ 167,875	\$ 167,875	\$ -
Pretrial Services Grant	674,785	712,989	712,989	-
Total Correction and Detention	<u>\$ 2,091,116</u>	<u>\$ 2,453,000</u>	<u>\$ 2,449,728</u>	<u>\$ 3,272</u>
Inspections:				
Building Inspections	\$ 125,727	\$ 137,727	\$ 136,109	\$ 1,618
Code Enforcement	54,997	51,645	47,134	4,511
Total Inspections	<u>\$ 180,724</u>	<u>\$ 189,372</u>	<u>\$ 183,243</u>	<u>\$ 6,129</u>
Other Protection:				
Animal Control	\$ 220,310	\$ 247,310	\$ 246,004	\$ 1,306
Medical Examiner	1,800	1,800	560	1,240
Emergency Management	73,126	105,210	102,063	3,147
Emergency Services Grants	-	76,850	64,965	11,885
Contribution to REMSI	106,981	59,996	59,996	-
Total Other Protection	<u>\$ 402,217</u>	<u>\$ 491,166</u>	<u>\$ 473,588</u>	<u>\$ 17,578</u>
Total Public Safety	<u>\$ 6,179,104</u>	<u>\$ 7,028,896</u>	<u>\$ 6,638,894</u>	<u>\$ 390,002</u>
Public Works:				
Sanitation and Waste Removal:				
General Engineering	\$ 121,268	\$ 121,268	\$ 120,063	\$ 1,205
Landfill	99,850	99,850	77,757	22,093
Clean Community Council	56,139	52,179	45,605	6,574
Total Sanitation and Waste Removal	<u>\$ 277,257</u>	<u>\$ 273,297</u>	<u>\$ 243,425</u>	<u>\$ 29,872</u>
Maintenance of General Building and Grounds:				
General Properties	\$ 641,788	\$ 761,288	\$ 745,220	\$ 16,068
NRV Airport Maintenance Contribution	49,490	49,490	49,490	-
Total Maintenance of General Buildings and Grounds	<u>\$ 691,278</u>	<u>\$ 810,778</u>	<u>\$ 794,710</u>	<u>\$ 16,068</u>
Total Public Works	<u>\$ 968,535</u>	<u>\$ 1,084,075</u>	<u>\$ 1,038,135</u>	<u>\$ 45,940</u>
Health and Welfare:				
Health:				
Supplement of Local Health Department	\$ 288,917	\$ 288,917	\$ 288,917	\$ -
Mental health and mental Retardation:				
Community Services Board	\$ 78,300	\$ 78,300	\$ 78,300	\$ -
Welfare:				
Public Assistance	\$ 2,750,613	\$ 2,750,613	\$ 2,226,010	\$ 524,603
Welfare Administration	3,099,434	3,099,434	2,773,473	325,961
Comprehensive Services Act-Administration	88,330	102,530	102,512	18
Comprehensive Services Act	2,850,000	2,994,795	2,732,497	262,298
State and Local Hospitalization	15,500	15,500	12,971	2,529
Area Agency on Aging	15,104	15,104	15,104	-
Office on Youth	45,688	60,862	60,861	1

County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<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>
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Health and Welfare: (continued)

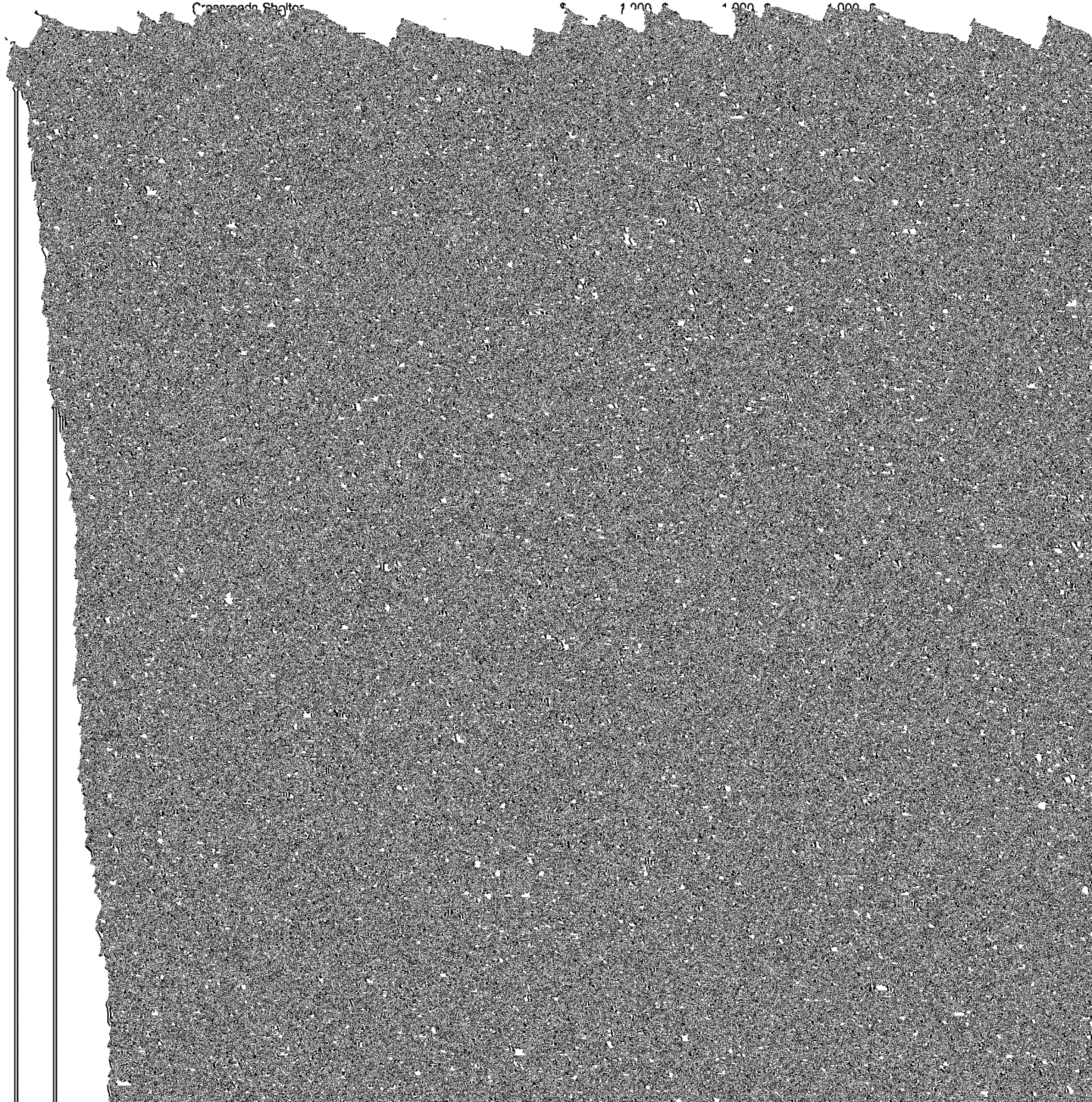
Welfare: (continued)

Crossroads Shelter

1,000

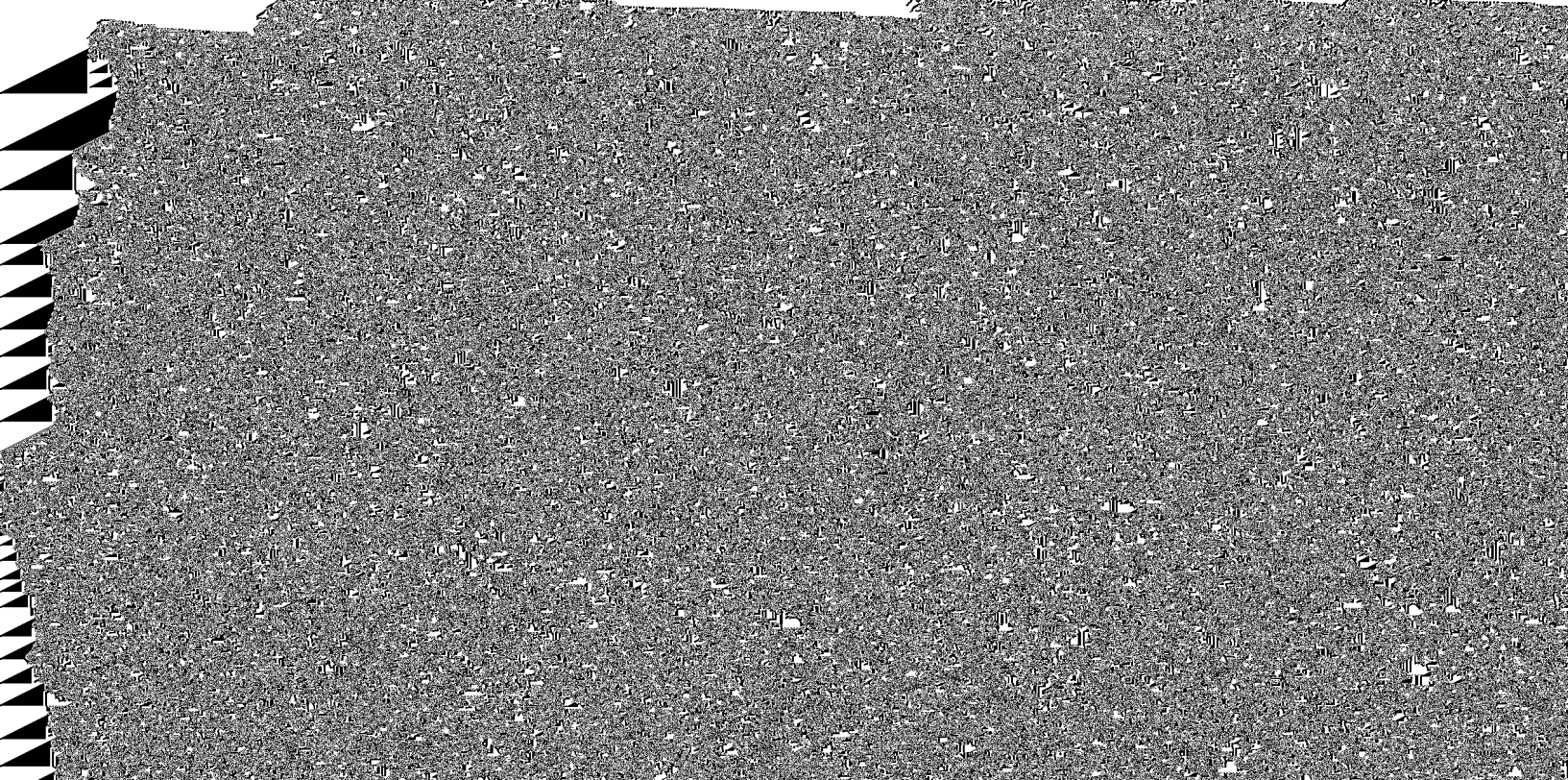
1,000

1,000



County of Pulaski, Virginia
Schedule of Expenditures-Budget and Actual (Cash Basis)
Governmental Funds
For the Fiscal Year Ended June 30, 2007

<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>
Community Development: (continued)				
Environmental Management:				
Contribution to Soil and Water District	\$ 12,028	\$ 12,028	\$ 12,028	\$ -
Cooperative Extension Program:				
Extension Office	\$ 92,166	\$ 93,591	\$ 93,591	\$ -
Total Community Development	<u>\$ 1,806,148</u>	<u>\$ 1,312,222</u>	<u>\$ 914,785</u>	<u>\$ 397,437</u>
Non-departmental:				
Contingency	\$ 234,059	\$ -	\$ -	\$ -
Erroneous Assessments	-	500	384	116
Revenue Refunds	-	14,480	14,015	465
Total Non-departmental	<u>\$ 234,059</u>	<u>\$ 14,980</u>	<u>\$ 14,399</u>	<u>\$ 581</u>
Debt Service:				
Principal Retirement	\$ 1,000,091	\$ 1,000,699	\$ 999,624	\$ 1,075
Interest and Other Fiscal Charges	771,338	771,732	767,202	4,530
Total Debt Service	<u>\$ 1,771,429</u>	<u>\$ 1,772,431</u>	<u>\$ 1,766,826</u>	<u>\$ 5,605</u>
Total General Fund	<u>\$ 34,955,260</u>	<u>\$ 35,871,090</u>	<u>\$ 33,052,273</u>	<u>\$ 2,818,817</u>
Major Capital Project Fund:				
School Construction Fund:				
Capital Projects:				
Pulaski Elementary School	\$ -	\$ 86,569	\$ 86,569	\$ -
Riverlawn Elementary School	-	15,422,520	1,322,091	14,100,429
Total Capital Projects	<u>\$ -</u>	<u>\$ 15,509,089</u>	<u>\$ 1,408,660</u>	<u>\$ 14,100,429</u>
Total School Construction Fund	<u>\$ -</u>	<u>\$ 15,509,089</u>	<u>\$ 1,408,660</u>	<u>\$ 14,100,429</u>
Non-Major Capital Project Fund:				
County CIP Fund:				
General Government Administration:				
General and Financial Administration:				
Treasurer	\$ 15,000	\$ 15,000	\$ 6,890	\$ 8,110
Information Technology	25,000	61,700	2,221	58,660



County of Pulaski, Virginia

OTHER STATISTICAL INFORMATION

Table 1

**County of Pulaski, Virginia
Government-wide Expenses by Function
Last Ten Fiscal Years (1)**

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
2006-07	\$ 2,103,757	\$ 1,238,375	\$ 7,335,947	\$ 682,855	\$ 8,562,139	\$ 10,531,127	\$ 1,411,041	\$ 963,542	\$ 764,711	\$ 33,593,494
2005-06	1,796,526	1,122,413	7,157,316	1,265,365	8,297,944	11,595,909	1,352,900	4,467,301	677,076	37,732,750
2004-05	1,631,622	1,054,657	5,942,439	983,789	7,647,508	11,941,747	1,351,666	1,758,886	748,392	33,060,706
2003-04	1,915,680	956,609	5,461,400	973,451	7,206,259	10,826,692	1,282,212	2,124,508	821,066	31,567,877
2002-03	1,706,790	998,516	5,014,474	962,203	5,641,033	11,618,614	1,101,550	2,286,541	653,460	29,983,181

(1) Information has only been available for 5 years.

Table 2

**County of Pulaski, Virginia
Government-wide Revenues
Last Ten Fiscal Years (1)**

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	
2006-07	\$ 640,715	\$ 10,311,656	\$ 81,476	\$ 18,839,172	\$ 6,580,583	\$ 1,167,434	\$ 57,658	\$ 1,868,491	\$ 39,547,185
2005-06	649,254	9,904,124	168,817	17,049,730	5,972,264	678,035	85,237	2,014,456	36,521,917
2004-05	652,274	9,453,881	244,127	17,993,697	5,393,167	294,452	178,333	1,886,557	36,096,488
2003-04	633,778	8,831,964	-	17,064,682	5,281,449	222,137	271,273	2,103,491	34,408,774
2002-03	575,030	7,698,650	-	15,446,118	5,091,930	280,151	369,071	1,723,105	31,184,055

(1) Information has only been available for 5 years.

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

General

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2006-07	\$ 18,762,559	\$ 6,580,583	\$ 125,564	\$ 46,158	\$ 804,624	\$ 1,571,533	\$ 337,750	\$ 1,523,869	\$ 45,088,763	\$ 74,841,403
2005-06	18,162,045	5,972,264	131,295	41,858	443,408	1,546,531	248,459	1,087,512	41,256,945	68,890,317
2004-05	18,104,757	5,393,167	128,038	42,290	132,667	1,451,416	324,965	988,947	39,864,833	66,431,080
2003-04	16,938,019	5,281,449	125,968	42,329	82,074	1,882,954	392,137	1,113,046	34,960,933	60,818,909
2002-03	15,197,779	5,091,930	110,761	41,060	123,122	1,454,088	510,807	1,046,559	33,061,944	56,638,050
2001-02	14,656,188	4,736,025	107,427	48,290	182,732	2,325,279	310,985	604,413	32,720,051	55,691,390
2000-01	14,239,273	4,678,290	135,298	38,019	837,703	1,142,027	381,615	674,446	30,909,876	53,036,547
1999-00	13,260,604	4,542,349	123,444	31,285	671,504	1,124,342	417,522	1,360,291	29,627,199	51,158,540
1998-99	13,456,639	4,080,244	141,220	25,315	914,904	1,182,938	502,028	1,411,420	28,568,410	50,283,118
1997-98	12,743,838	3,875,764	123,981	26,146	568,071	1,058,113	206,707	701,142	25,300,597	44,604,359

(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.

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

Fiscal Year	Total Tax Levy (1,2)	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
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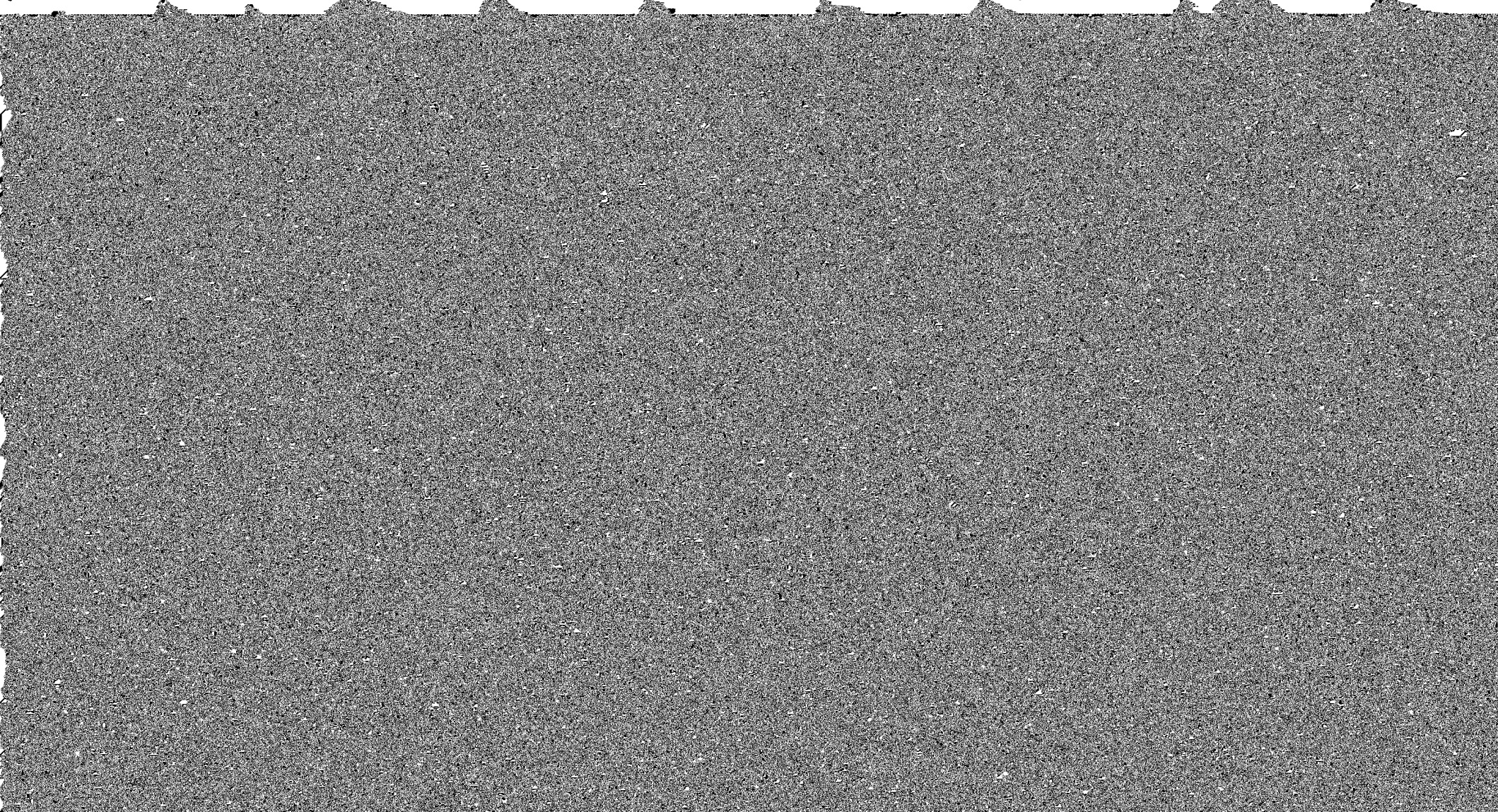


Table 6

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

Fiscal Year	Real Estate	Personal Property and Mobile Home	Machinery and Tools	Merchants' Capital	Public Service (2)	Total
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
2002-03	1,286,185,921	253,395,027	193,718,350	6,053,385	83,318,494	1,822,671,177
2001-02	1,263,351,827	256,306,443	180,434,300	6,940,767	79,355,700	1,786,389,037
2000-01	1,216,537,254	243,929,790	156,636,700	7,649,710	86,547,367	1,711,300,821
1999-00	1,203,723,178	224,149,419	152,479,740	7,085,390	86,520,951	1,673,958,678
1998-99	1,226,465,162	218,636,615	145,169,133	5,208,979	55,697,903	1,651,177,792

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchants' Capital	Mobile Homes
2006-07	\$ 0.62	\$ 2.00	\$ 1.50	\$ 4.80	\$ 0.62
2005-06	0.62	2.00	1.50	4.80	0.62
2004-05	0.62	2.00	1.50	4.80	0.62
2003-04 (3)	0.66/0.62	2.00	1.50	4.80	0.66/0.62
2002-03	0.66	2.00	1.50	4.80	0.66
2001-02 (2)	0.62/0.66	2.00	1.50	4.80	0.62/0.66
2000-01	0.62	2.00	1.50	4.80	0.62
1999-00	0.62	1.50	1.50	4.80	0.62
1998-99	0.62	1.50	1.50	4.80	0.62
1997-98	0.70	1.50	1.50	4.80	0.70

(1) Per \$100 of assessed value.
 (2) Real estate/mobile home rates increased from \$0.62 to \$0.66 beginning with the first half 2002.
 (3) Real estate/mobile home rates decreased from \$0.66 to \$0.62 beginning with the first half 2004.

Table 8

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
2006-07	35,127	\$ 2,474,426	\$ 30,478,933	\$ 30,478,933	1.23%	\$ 868
2005-06	35,127	2,365,443	15,478,557	15,478,557	0.65%	441
2004-05	35,127	2,330,218	16,917,563	16,917,563	0.73%	482
2003-04	35,127	2,059,098	18,451,174	18,451,174	0.90%	525
2002-03	35,127	1,822,671	19,941,066	19,941,066	1.09%	568
2001-02	35,127	1,786,389	9,954,240	9,954,240	0.56%	283
2000-01	34,496	1,711,301	11,021,522	11,021,522	0.64%	320
1999-00	34,496	1,673,959	9,890,000	9,890,000	0.59%	287
1998-99	34,496	1,651,178	9,890,000	9,890,000	0.60%	287
1997-98	34,496	1,876,752	3,205,000	3,205,000	0.17%	93

(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 care liability, 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
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%

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO THE BOARD OF SUPERVISORS COUNTY OF PULASKI, VIRGINIA

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Pulaski, Virginia, as of and for the year ended June 30, 2007, which collectively comprise the County of Pulaski, Virginia's basic financial statements and have issued our report thereon dated November 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County of Pulaski, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or

This report is intended solely for the information and use of management, County's Board and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Co. Associates

Christiansburg, Virginia
November 29, 2007

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

TO THE BOARD OF SUPERVISORS
COUNTY OF PULASKI, VIRGINIA

Compliance

We have audited the compliance of the County of Pulaski, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Robinson, Turner, Co. Associates

Christiansburg, Virginia
November 30, 2007

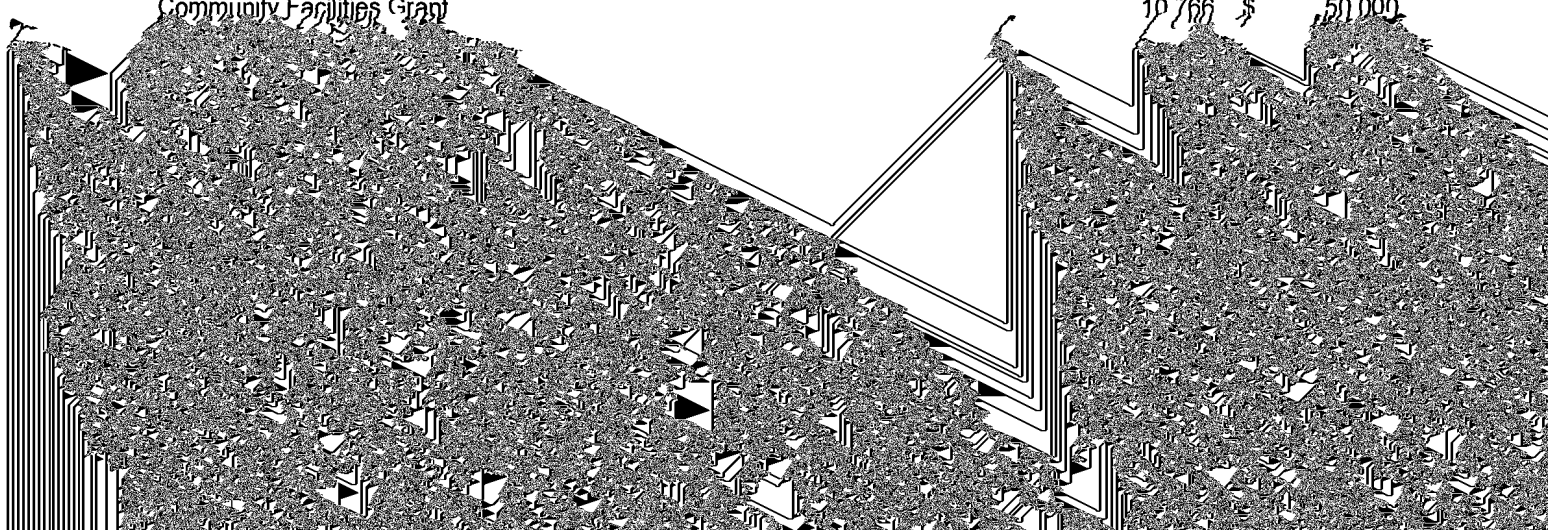
County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

Federal Grantor/State Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)	Federal Catalog Number	Federal Awards
Department of Health and Human Services:		
Pass-through Payments:		
Department of Social Services:		
Family Preservation and Support	93.556	\$ 45,289
Temporary Assistance to Needy Families (TAN)	93.558	720,052
Refugee and Entrant Assistance - Discretionary Grants	93.566	324
Low Income Home Energy Assistance	93.568	36,873
Payments to States for Child Care Assistance	93.575	101,956
Child Care and Development Fund	93.596	144,244
Child Welfare Services-State Grants	93.645	109
Foster Care - Title IV-E	93.658	747,235
Adoption Assistance	93.659	31,594
Social Services Block Grant	93.667	422,033
State Children's Insurance Program	93.767	635
Medical Assistance Program (Title XIX)	93.778	<u>310,149</u>
Total Department of Health and Human Services		\$ 2,560,493
Department of Agriculture:		
Pass-through Payments:		
Department of Agriculture:		
Food Distribution (Note 2)	10.555	\$ 212,874
Summer Feeding Program	10.559	<u>2,778</u>
Total Department of Agriculture		\$ 215,652
Department of Education:		
National School Breakfast Program	10.553	\$ 212,874
National School Lunch Program	10.555	739,244
Summer Feeding Program	10.550	42,430
Forest Reserve Payments	10.665	<u>10,816</u>
Total Department of Education		\$ 1,005,364
Department of Social Services:		
State Admin Matching Grants for Food Stamp Program	10.561	<u>\$ 356,596</u>

Direct Payments:

Community Facilities Grant

10,766 \$ 50,000



County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2007

Federal Grantor/State Pass-Through Grantor/ Program Title (Pass-Through Grantor's Number)	Federal Catalog Number	Federal Awards
Department of Education:		
Pass-through Payments:		
Department of Education:		
Title I: Educationally Deprived Children	84.010	\$ 1,643,500
Title VI-B: Handicapped State Grants	84.027	1,100,244
Vocational Education: Basic Grants to States	84.048	147,102
Title VI-B: Handicapped Preschool Incentive Grant	84.173	32,331
Drug Free Schools and Communities	84.186	29,826
Title IV, Part 21	84.287	135,115
Title V, Part A: Innovative Programs	84.298	10,097
Technology Literacy Challenge Funds	84.318	17,080
Advanced Placement Grant	84.330	936
GEAR Up Access Virginia	84.334	19,250
Title II, Part A: Improving Teacher Quality	84.367	<u>253,436</u>
 Total Department of Education		 <u>\$ 3,388,917</u>
Appalachian Region Commission:		
Direct Payments:		
Appalachian Regional Development	23.001	<u>\$ 6,960</u>
Department of Homeland Security:		
Pass-through Payments:		
Department of Emergency Management:		
Emergency Management Preparedness Grant	97.042	\$ 8,452
State Homeland Security Grant	97.004	<u>48,104</u>
 Total Department of Homeland Security		 <u>\$ 56,556</u>
 Total Federal Assistance		 <u>\$ 7,738,668</u>

Note 1 -- Basis of Presentation

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

Note 2 -- Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed.

County of Pulaski, Virginia
Schedule of Expenditures of Federal Awards (continued)
For the Fiscal Year Ended June 30, 2007

Note 3 -- Relationship to the Financial Statements:

follows:

Intergovernmental federal revenues per the basic financial statements:

Primary Government:

General Fund total	\$ 3,147,938
Less: Payment in lieu of taxes	<u>(19,203)</u>

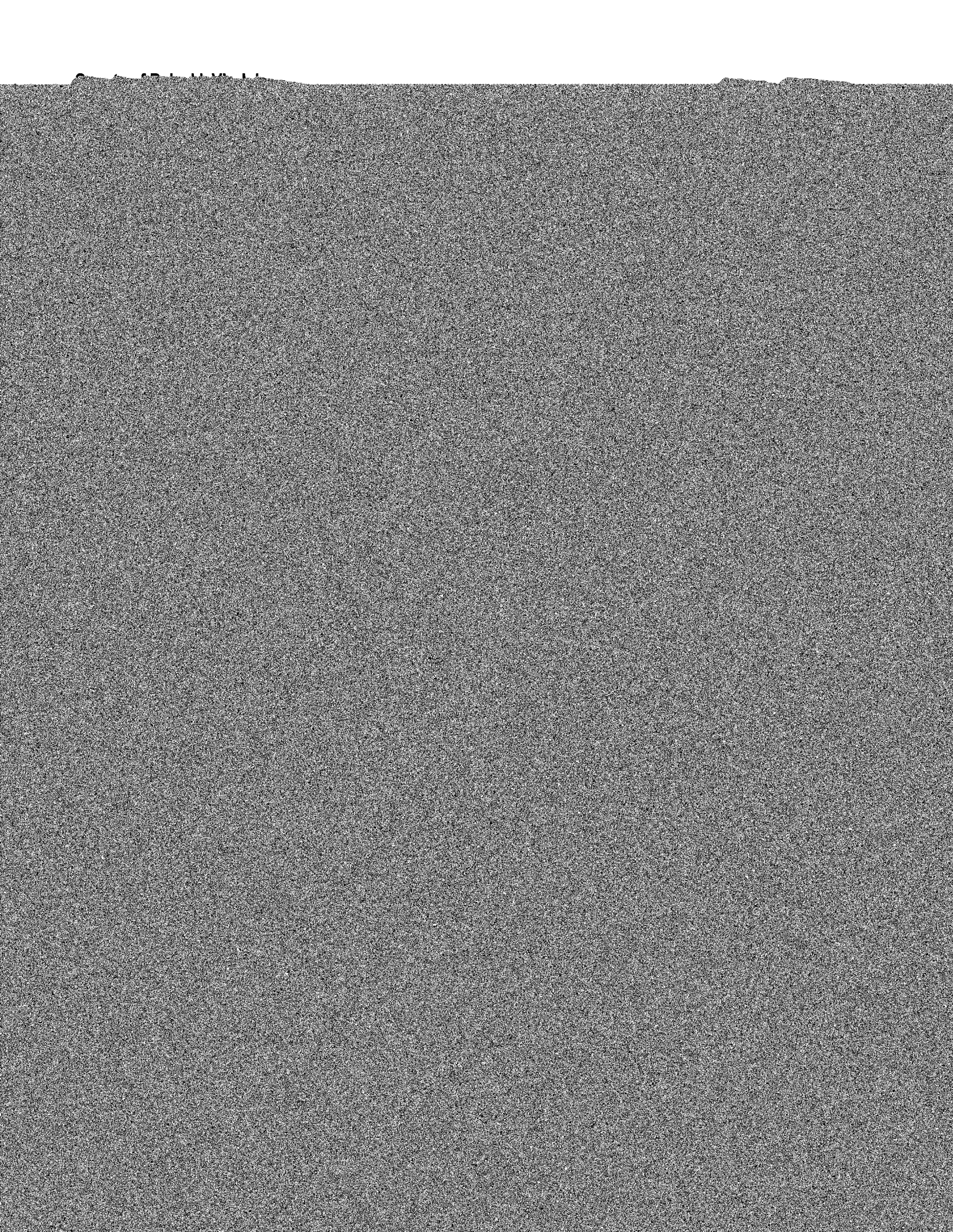
Total Primary Government	<u>\$ 3,128,735</u>
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Component Unit Schools:

School Operating Fund total	\$ 4,394,281
Add: Non-cash expenditures - value of donated commodities	<u>215,652</u>

Total Component Unit Schools	<u>\$ 4,609,933</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 7,738,668</u>
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County of Pulaski, Virginia

Schedule of Findings, Responses and Questioned Costs
Year Ended June 30, 2007

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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