

TOWN OF BLACKSTONE, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TOWN OF BLACKSTONE, VIRGINIA

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TOWN OF BLACKSTONE, VIRGINIA

TOWN COUNCIL

William D. Coleburn, Mayor

Richard Eaton
Eric M. Nash
Barbara Thompson

Richard C. Keller
Alfred V. Tucker
Sam Moncure
Lee F. Scott, Jr.

OTHER OFFICIALS

Town Manager
Town Clerk
Chief of Police
Town Attorney

Philip Vannoorbeeck
Jennifer Daniel
Nicholas C. Kuzmiak
Kennon C. Walden Jr.

TOWN OF BLACKSTONE, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITOR'S REPORT

To The Honorable Members of the Town Council
Town of Blackstone
Blackstone, Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blackstone, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Blackstone, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blackstone, Virginia, as of June 30, 2011, 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.

As described in Note 1 to the financial statements, the Town of Blackstone, Virginia adopted the provisions of *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2012, on our consideration of the Town of Blackstone, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Blackstone, Virginia's financial statements as a whole. The other supplementary information and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the financial statements. The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Robinson, Farmer, Cox Associate

Richmond, Virginia
January 23, 2012

BASIC FINANCIAL STATEMENTS

Town of Blackstone, Virginia
Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 368,770	\$ 1,857,097	\$ 2,225,867
Receivables (net of allowance for uncollectibles):			
Taxes receivable	87,154	-	87,154
Accounts receivable	92,172	489,537	581,709
Notes receivable	100,000	-	100,000
Due from other governmental units	117,020	108,114	225,134
Prepaid expenses	44,333	-	44,333
Capital assets (net of accumulated depreciation):			
Land	1,112,822	249,575	1,362,397
Buildings and improvements	6,829,179	-	6,829,179
Utility plant in service	-	11,671,531	11,671,531
Machinery and equipment	1,795,750	168,092	1,963,842
Infrastructure	371,292	-	371,292
Construction in progress	436,728	-	436,728
Total assets	<u>\$ 11,355,220</u>	<u>\$ 14,543,946</u>	<u>\$ 25,899,166</u>
LIABILITIES			
Accounts payable	\$ 613,482	\$ 341,112	\$ 954,594
Accrued interest payable	-	122,426	122,426
Customer deposits payable	-	164,318	164,318
Unearned revenue	850	-	850
Long-term liabilities:			
Due within one year	272,337	710,631	982,968
Due in more than one year	1,757,472	8,221,533	9,979,005
Total liabilities	<u>\$ 2,644,141</u>	<u>\$ 9,560,020</u>	<u>\$ 12,204,161</u>
DEFERRED OUTFLOW OF RESOURCES	<u>\$ (60,997)</u>	<u>\$ -</u>	<u>\$ (60,997)</u>
TOTAL LIABILITIES NET OF DEFERRED OUTFLOW OF RESOURCES	<u>\$ 2,583,144</u>	<u>\$ 9,560,020</u>	<u>\$ 12,143,164</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 8,720,695	\$ 3,311,866	\$ 12,032,561
Unrestricted (deficit)	51,381	1,672,060	1,723,441
Total net assets	<u>\$ 8,772,076</u>	<u>\$ 4,983,926</u>	<u>\$ 13,756,002</u>

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

Town of Blackstone, Virginia
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 595,710	\$ -	\$ -	\$ -	\$ (595,710)		\$ (595,710)
Public safety	1,431,174	37,979	102,434	-	(1,290,761)		(1,290,761)
Public works	1,721,599	578,894	1,823,872	76,745	757,912		757,912
Health and welfare	63,637	-	-	-	(63,637)		(63,637)
Parks, recreation, and cultural	70,165	-	-	-	(70,165)		(70,165)
Community development	979,646	24,338	170,992	189,040	(595,276)		(595,276)
Interest on long-term debt	106,279	-	-	-	(106,279)		(106,279)
Total governmental activities	<u>\$ 4,968,210</u>	<u>\$ 641,211</u>	<u>\$ 2,097,298</u>	<u>\$ 265,785</u>	<u>\$ (1,963,916)</u>		<u>\$ (1,963,916)</u>
Business-type activities:							
Electric Fund	\$ 4,274,036	\$ 4,101,359	\$ -	\$ -		\$ (172,677)	\$ (172,677)
Water and Sewer Fund	2,284,600	2,388,320	-	-		103,720	103,720
Total business-type activities	<u>\$ 6,558,636</u>	<u>\$ 6,489,679</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (68,957)</u>	<u>\$ (68,957)</u>
Total primary government	<u>\$ 11,526,846</u>	<u>\$ 7,130,890</u>	<u>\$ 2,097,298</u>	<u>\$ 265,785</u>			<u>\$ (2,032,873)</u>
General revenues:							
General property taxes					\$ 399,600	\$ -	\$ 399,600
Other local taxes:							
Local sales and use tax					188,514	-	188,514
Business license tax					163,141	-	163,141
Restaurant food tax					559,037	-	559,037
Other local taxes					256,439	-	256,439
Unrestricted revenues from use of money and property					406,865	-	406,865
Miscellaneous					189,122	39,354	228,476
Grants and contributions not restricted to specific programs					67,248	-	67,248
Total general revenues					<u>\$ 2,229,966</u>	<u>\$ 39,354</u>	<u>\$ 2,269,320</u>
Change in net assets					<u>\$ 266,050</u>	<u>\$ (29,603)</u>	<u>\$ 236,447</u>
Net assets - beginning - as restated					8,506,026	5,013,529	13,519,555
Net assets - ending					<u>\$ 8,772,076</u>	<u>\$ 4,983,926</u>	<u>\$ 13,756,002</u>

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

FUND FINANCIAL STATEMENTS

Town of Blackstone, Virginia
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 33,983	\$ 42,907	\$ 291,880	\$ 368,770
Receivables (net of allowance for uncollectibles):				
Taxes receivable	87,154	-	-	87,154
Accounts receivable	89,677	-	2,495	92,172
Notes receivable	-	100,000	-	100,000
Due from other governmental units	37,416	-	79,604	117,020
Prepaid items	-	44,333	-	44,333
Total assets	<u>\$ 248,230</u>	<u>\$ 187,240</u>	<u>\$ 373,979</u>	<u>\$ 809,449</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 578,883	\$ -	\$ 34,599	\$ 613,482
Deferred revenue	82,945	-	-	82,945
Total liabilities	<u>\$ 661,828</u>	<u>\$ -</u>	<u>\$ 34,599</u>	<u>\$ 696,427</u>
Fund balances:				
Nonspendable	\$ -	\$ 44,333	\$ 212,877	\$ 257,210
Restricted	-	-	126,503	126,503
Committed	-	142,907	-	142,907
Unassigned	(413,598)	-	-	(413,598)
Total fund balances	<u>\$ (413,598)</u>	<u>\$ 187,240</u>	<u>\$ 339,380</u>	<u>\$ 113,022</u>
Total liabilities and fund balances	<u>\$ 248,230</u>	<u>\$ 187,240</u>	<u>\$ 373,979</u>	<u>\$ 809,449</u>

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

Town of Blackstone, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 113,022
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,545,771
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. This item consists of deferred tax revenues.	82,095
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:	
Compensated absences	\$ (143,736)
General obligation bond	(1,725,000)
Capital leases	(100,076)
	(1,968,812)
Net assets of governmental activities	<u>\$ 8,772,076</u>

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

Town of Blackstone, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 383,061	\$ -	\$ -	\$ 383,061
Other local taxes	1,167,131	-	-	1,167,131
Permits, privilege fees, and regulatory licenses	3,595	-	-	3,595
Fines and forfeitures	34,384	-	-	34,384
Revenue from the use of money and property	140,855	260,382	5,628	406,865
Charges for services	578,894	-	24,338	603,232
Miscellaneous	133,678	55,444	-	189,122
Recovered costs	1,298,624	-	89,831	1,388,455
Intergovernmental revenues:				
Commonwealth	1,146,843	169,017	94,287	1,410,147
Federal	9,327	171,498	839,359	1,020,184
Total revenues	<u>\$ 4,896,392</u>	<u>\$ 656,341</u>	<u>\$ 1,053,443</u>	<u>\$ 6,606,176</u>
EXPENDITURES				
Current:				
General government administration	\$ 961,268	\$ -	\$ -	\$ 961,268
Public safety	1,247,469	-	-	1,247,469
Public works	2,260,429	-	-	2,260,429
Parks, recreation, and cultural	55,525	-	-	55,525
Community development	63,008	-	1,085,826	1,148,834
Capital projects	92,869	405,072	-	497,941
Debt service:				
Principal retirement	88,536	170,000	-	258,536
Interest and other fiscal charges	9,594	96,685	-	106,279
Total expenditures	<u>\$ 4,778,698</u>	<u>\$ 671,757</u>	<u>\$ 1,085,826</u>	<u>\$ 6,536,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 117,694</u>	<u>\$ (15,416)</u>	<u>\$ (32,383)</u>	<u>\$ 69,895</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 79,790	\$ 850,247	\$ 227,280	\$ 1,157,317
Transfers out	(864,650)	(18,049)	(274,618)	(1,157,317)
Total other financing sources (uses)	<u>\$ (784,860)</u>	<u>\$ 832,198</u>	<u>\$ (47,338)</u>	<u>\$ -</u>
Net change in fund balances	\$ (667,166)	\$ 816,782	\$ (79,721)	\$ 69,895
Fund balances - beginning - as restated	253,568	(629,542)	419,101	43,127
Fund balances - ending	<u>\$ (413,598)</u>	<u>\$ 187,240</u>	<u>\$ 339,380</u>	<u>\$ 113,022</u>

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

Town of Blackstone, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$	69,895
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 519,830	
Depreciation expense	<u>(528,054)</u>	(8,224)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of changes in deferred taxes.		16,539
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. A summary of items supporting this adjustment is as follows:

Principal retirement on capital leases	\$ 88,536	
Principal retirement on general obligation bond	<u>170,000</u>	258,536

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 following is a summary of items supporting this adjustment:

Increase in accrued leave		(70,696)
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Change in net assets of governmental activities	\$	<u><u>266,050</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Blackstone, Virginia
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Enterprise Funds		
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 851,223	\$ 1,005,874	\$ 1,857,097
Accounts receivables, net of allowance for uncollectibles	347,739	141,798	489,537
Due from other governmental units	-	108,114	108,114
Total current assets	<u>\$ 1,198,962</u>	<u>\$ 1,255,786</u>	<u>\$ 2,454,748</u>
Noncurrent assets:			
Capital assets:			
Land	\$ 238,213	\$ 11,362	\$ 249,575
Utility plant in service	1,036,190	10,635,341	11,671,531
Machinery and equipment	168,092	-	168,092
Total capital assets	<u>\$ 1,442,495</u>	<u>\$ 10,646,703</u>	<u>\$ 12,089,198</u>
Total noncurrent assets	<u>\$ 1,442,495</u>	<u>\$ 10,646,703</u>	<u>\$ 12,089,198</u>
 Total assets	 <u>\$ 2,641,457</u>	 <u>\$ 11,902,489</u>	 <u>\$ 14,543,946</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 294,106	\$ 47,006	\$ 341,112
Accrued interest payable	4,499	117,927	122,426
Customer deposits payable	-	164,318	164,318
Compensated absences - current portion	1,252	6,490	7,742
Bonds payable - current portion	255,897	413,934	669,831
Leases - current portion	33,058	-	33,058
Total current liabilities	<u>\$ 588,812</u>	<u>\$ 749,675</u>	<u>\$ 1,338,487</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 128,609	\$ 7,951,419	\$ 8,080,028
Leases - net of current portion	71,831	-	71,831
Compensated absences - net of current portion	11,262	58,412	69,674
Total noncurrent liabilities	<u>\$ 211,702</u>	<u>\$ 8,009,831</u>	<u>\$ 8,221,533</u>
Total liabilities	<u>\$ 800,514</u>	<u>\$ 8,759,506</u>	<u>\$ 9,560,020</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 965,614	\$ 2,346,252	\$ 3,311,866
Unrestricted	875,329	796,731	1,672,060
Total net assets	<u>\$ 1,840,943</u>	<u>\$ 3,142,983</u>	<u>\$ 4,983,926</u>

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

Town of Blackstone, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Enterprise Funds		
	Water and		
	<u>Electric</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Water and sewer revenues	\$ -	\$ 2,320,382	\$ 2,320,382
Electricity	4,094,562	-	4,094,562
Miscellaneous	6,797	67,938	74,735
Total operating revenues	<u>\$ 4,101,359</u>	<u>\$ 2,388,320</u>	<u>\$ 6,489,679</u>
OPERATING EXPENSES			
Personnel services	\$ 274,975	\$ 338,590	\$ 613,565
Fringe benefits	108,507	107,219	215,726
Contractual services	76,589	308,799	385,388
Electric power purchased	2,638,841	-	2,638,841
Payment in lieu of taxes	728,069	-	728,069
Other supplies and expenses	313,779	640,732	954,511
Depreciation	109,211	581,260	690,471
Total operating expenses	<u>\$ 4,249,971</u>	<u>\$ 1,976,600</u>	<u>\$ 6,226,571</u>
Operating income (loss)	<u>\$ (148,612)</u>	<u>\$ 411,720</u>	<u>\$ 263,108</u>
NONOPERATING REVENUES (EXPENSES)			
Connection/reconnection fees	\$ 14,520	\$ 24,834	\$ 39,354
Interest expense	(24,065)	(308,000)	(332,065)
Total nonoperating revenues (expenses)	<u>\$ (9,545)</u>	<u>\$ (283,166)</u>	<u>\$ (292,711)</u>
Income before contributions and transfers	<u>\$ (158,157)</u>	<u>\$ 128,554</u>	<u>\$ (29,603)</u>
Change in net assets	<u>\$ (158,157)</u>	<u>\$ 128,554</u>	<u>\$ (29,603)</u>
Total net assets - beginning	1,999,100	3,014,429	5,013,529
Total net assets - ending	<u>\$ 1,840,943</u>	<u>\$ 3,142,983</u>	<u>\$ 4,983,926</u>

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

Town of Blackstone, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Enterprise Funds		
	<u>Electric</u>	<u>Water and Sewer</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,041,330	\$ 2,329,119	\$ 6,370,449
Payments for operating expenses	(3,695,021)	(925,656)	(4,620,677)
Payments to and for employees	(375,071)	(399,311)	(774,382)
Net cash provided (used) by operating activities	\$ (28,762)	\$ 1,004,152	\$ 975,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to capital assets	\$ (152,612)	\$ -	\$ (152,612)
Principal payments on bonds and capital leases	(105,150)	(551,412)	(656,562)
Principal payments on leases	(5,923)	-	(5,923)
Connection fees	14,520	24,834	39,354
Proceeds from indebtedness	110,812	-	110,812
Interest payments	(25,295)	(313,036)	(338,331)
Net cash provided (used) by capital and related financing activities	\$ (163,648)	\$ (839,614)	\$ (1,003,262)
Net increase (decrease) in cash and cash equivalents	\$ (192,410)	\$ 164,538	\$ (27,872)
Cash and cash equivalents - beginning	1,043,633	841,336	1,884,969
Cash and cash equivalents - ending	\$ 851,223	\$ 1,005,874	\$ 1,857,097
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (148,612)	\$ 411,720	\$ 263,108
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	109,211	581,260	690,471
(Increase) decrease in accounts receivable	(60,029)	(59,201)	(119,230)
Increase (decrease) in customer deposits payable	-	10,630	10,630
Increase (decrease) in accounts payable	62,256	13,245	75,501
Increase (decrease) in compensated absences	8,412	46,498	54,910
Total adjustments	\$ 119,850	\$ 592,432	\$ 712,282
Net cash provided (used) by operating activities	\$ (28,762)	\$ 1,004,152	\$ 975,390

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

Town of Blackstone, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

Agency
Fund

ASSETS

Cash and cash equivalents	\$ 40,711
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LIABILITIES

Amounts held for others	\$ 40,711
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies:

The Town of Blackstone, Virginia (the "Town") is governed by an elected seven member Council and an elected Mayor. The Town provides a full range of services for its citizens. These services include police and fire protection, sanitation services, utilities, and bus services.

The financial statements of the Town of Blackstone, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Financial Statement Presentation - The Town's financial report is prepared in accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). The Town has chosen not to present a Management's Discussion and Analysis.

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

Government-wide and Fund Financial Statements (Continued)

Statement of Activities - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

A. Financial Reporting Entity (Continued)

body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the Town of Blackstone (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Units. The Town has no blended component units at June 30, 2011.

Discretely Presented Component Units. - The Town has no discretely presented component units at June 30, 2011.

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

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

The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

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

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the Town, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the Town.

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 cash is received by the government.

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The Town reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the Town. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. The General Fund is considered a major fund for reporting purposes.

b. Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The operations of the cemetery, the Bus Program, Project Lifesaver, and Airport Projects are reported as Special Revenue Fund.

c. Capital Projects Funds

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

d. Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Cemetery Perpetual Care Fund.

2. Proprietary Funds

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

a. Enterprise Funds

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Electric Fund and the Water and Sewer Fund.

3. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the Town in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Private Purpose Trust and Agency Funds. Private Purpose Trust and Agency Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The Town's Agency Funds include amounts held for others in a fiduciary capacity, which includes the Blackstone Memorial Center Committee.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments for the government, as well as for its component units, are reported at fair value.

E. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Investments maturing in three months or less of the date acquired are reported in the accompanying financial statements as cash and cash equivalents.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$243,317 at June 30, 2011 and is comprised of property taxes of \$3,564, electric revenues of \$174,755, and water and sewer charges of \$64,998.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

F. Receivables and Payables (Continued)

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 15	December 15
Lien Date	January 1	January 1

The Town bills and collects its own property taxes.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40
Machinery and Equipment	5-10
Infrastructure	20-40
Utility Plant	20-40

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

H. Compensated Absences

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

I. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service costs over a 30-year period. The Town's policy is to fund pension cost as it accrues.

J. Use of Estimates

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

K. Net Assets

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

L. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

M. Fund Equity

Beginning with fiscal year 2011, the Town implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Town Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Town Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 1—Summary of Significant Accounting Policies: (Continued)

M. Fund Equity (Continued)

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General	Other Governmental	Capital Projects	Total
Fund balances:				
Nonspendable:				
Cemetery perpetual care	\$ -	\$ 212,877	\$ -	\$ 212,877
Prepaid items	-	-	44,333	44,333
Total nonspendable fund balance	\$ -	\$ 212,877	\$ 44,333	\$ 257,210
Restricted for:				
Cemetery	\$ -	\$ 142,527	\$ -	\$ 142,527
Bus	-	(11,361)	-	(11,361)
Project lifesaver	-	200	-	200
Airport projects	-	(4,863)	-	(4,863)
Total restricted fund balance	\$ -	\$ 126,503	\$ -	\$ 126,503
Committed to:				
Note receivable	\$ -	\$ -	\$ 100,000	\$ 100,000
Capital projects	-	-	42,907	42,907
Total committed fund balance	\$ -	\$ -	\$ 142,907	\$ 142,907
Unassigned fund balance	\$ (413,598)	\$ -	\$ -	\$ (413,598)
Total fund balances	\$ (413,598)	\$ 339,380	\$ 187,240	\$ 113,022

Note 2—Stewardship, Compliance, and Accounting:

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

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 2—Stewardship, Compliance, and Accounting: (Continued)

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, every year.
7. All budgetary data presented in the accompanying financial statements is from the revised budget as of June 30, 2011, as adopted, appropriated and legally amended.

Expenditures and Appropriations

Expenditures exceeded appropriations in the General Fund at year end.

Fund Deficits

The General Fund, Bus Fund, and Airport Projects Fund did not realize sufficient revenue to affect their beginning deficit balance.

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The Town's rated debt investments as of June 30, 2011 were rated by Standard and Poor's and the ratings are presented below using Standard and Poor's rating scale.

Locality's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAAm</u>
First American Prime Obligations Fund	\$ 736,685
Total	<u>\$ 736,685</u>

Interest Rate Risk

Investment Maturities (in years)		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
First American Prime Obligations Fund	\$ 736,685	\$ 736,685
Total	<u>\$ 736,685</u>	<u>\$ 736,685</u>

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 4—Due to/from Other Governments:

At June 30, 2011, the Town has receivables from other governments as follows:

	Primary Government	Business-type Activities
Other Local Governments:		
County of Nottoway	\$ 33,532	\$ -
Commonwealth of Virginia:		
Rolling stock tax	55	-
Excise tax refund	1,001	-
Communications tax	2,828	-
Fort Pickett water and sewer payment	-	108,114
Federal Government:		
Mass Transit grant	70,607	-
Mass Transit grant - ARRA	8,997	-
Total due from other governments	<u>\$ 117,020</u>	<u>\$ 108,114</u>

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Primary Government:</i>				
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,112,822	\$ -	\$ -	\$ 1,112,822
Construction in progress	436,728	-	-	436,728
Total capital assets not subject to depreciation	<u>\$ 1,549,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,549,550</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 8,236,758	\$ -	\$ -	\$ 8,236,758
Infrastructure	472,283	-	-	472,283
Machinery and equipment	2,978,184	519,830	-	3,498,014
Total capital assets subject to depreciation	<u>\$ 11,687,225</u>	<u>\$ 519,830</u>	<u>\$ -</u>	<u>\$ 12,207,055</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 1,192,596	\$ 214,983	\$ -	\$ 1,407,579
Infrastructure	72,603	28,388	-	100,991
Machinery and equipment	1,417,581	284,683	-	1,702,264
Total accumulated depreciation	<u>\$ 2,682,780</u>	<u>\$ 528,054</u>	<u>\$ -</u>	<u>\$ 3,210,834</u>
Total capital assets subject to depreciation, net	<u>\$ 9,004,445</u>	<u>\$ (8,224)</u>	<u>\$ -</u>	<u>\$ 8,996,221</u>
Governmental activities capital assets, net	<u>\$ 10,553,995</u>	<u>\$ (8,224)</u>	<u>\$ -</u>	<u>\$ 10,545,771</u>

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 5—Capital Assets: (Continued)

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<i>Business-Type Activities:</i>				
Capital assets not subject to depreciation:				
Land	\$ 249,575	\$ -	\$ -	\$ 249,575
Total capital assets not subject to depreciation	\$ 249,575	\$ -	\$ -	\$ 249,575
Capital assets subject to depreciation:				
Utility plant in service	\$ 21,905,170	\$ -	\$ -	\$ 21,905,170
Buildings	24,852	-	-	24,852
Machinery and equipment	1,223,210	152,612	-	1,375,822
Total capital assets subject to depreciation	\$ 23,153,232	\$ 152,612	\$ -	\$ 23,305,844
Less: accumulated depreciation for:				
Utility plant in service	\$ 9,578,720	\$ 654,919	\$ -	\$ 10,233,639
Buildings	24,852	-	-	24,852
Machinery and equipment	1,172,179	35,551	-	1,207,730
Total accumulated depreciation	\$ 10,775,751	\$ 690,470	\$ -	\$ 11,466,221
Total capital assets subject to depreciation, net	\$ 12,377,481	\$ (537,858)	\$ -	\$ 11,839,623
Business-type activities capital assets, net	\$ 12,627,056	\$ (537,858)	\$ -	\$ 12,089,198

Depreciation expense was charged to functions/programs/funds as follows:

Governmental activities:		
General government	\$	17,108
Public safety		146,710
Public works		182,719
Health and welfare		63,637
Parks, recreation and cultural		14,640
Community development		103,240
Total depreciation expense - governmental activities	\$	528,054
Business - type activities:		
Electric fund	\$	109,210
Water and Sewer fund		581,260
Total depreciation expense - business - type activities	\$	690,470
Total depreciation expense - primary government	\$	1,218,524

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 6—Long Term Obligations:

The following is a summary of changes to long-term obligations for the fiscal year-ended June 30, 2011:

	Amounts Payable at July 1, 2010	Increases	Decreases	Amounts Payable at June 30, 2011	Amounts Due Within One Year
Primary Government Obligations:					
Governmental Activities Obligations:					
Compensated absences payable	\$ 73,040	\$ 78,000	\$ 7,304	\$ 143,736	\$ 14,374
Capital leases (Note 7)	188,612	-	88,536	100,076	77,963
General obligation bond	1,895,000	-	170,000	1,725,000	180,000
Derivative instrument liability	60,570	427	-	60,997	-
Total Governmental Activities Obligations	\$ 2,217,222	\$ 78,427	\$ 265,840	\$ 2,029,809	\$ 272,337
Business-Type Activities:					
Compensated absences payable	\$ 22,507	\$ 57,160	\$ 2,251	\$ 77,416	\$ 7,742
Capital lease (Note 7)	-	110,812	5,923	104,889	33,058
General obligation bond	6,005,000	-	145,000	5,860,000	145,000
Revenue bonds	3,401,421	-	511,562	2,889,859	524,831
Total Business-Type Activities Obligations	\$ 9,428,928	\$ 167,972	\$ 664,736	\$ 8,932,164	\$ 710,631
Total Primary Government Obligations	\$ 11,646,150	\$ 246,399	\$ 930,576	\$ 10,961,973	\$ 982,968

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

Year Ending June 30	Governmental Activities Obligations			
	General Obligation Bonds		Capital Leases	
	Principal	Interest	Principal	Interest
2012	\$ 180,000	\$ 88,123	\$ 77,963	\$ 4,271
2013	185,000	79,039	22,113	365
2014	195,000	69,432	-	-
2015	210,000	59,308	-	-
2016	220,000	48,565	-	-
2017	230,000	36,891	-	-
2018	245,000	25,039	-	-
2019	260,000	12,315	-	-
Total	\$ 1,725,000	\$ 418,712	\$ 100,076	\$ 4,636

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 6—Long-Term Obligations: (Continued)

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

Year Ending June 30	Business-Type Activities Obligations					
	Revenue Bonds		General Obligation Bond		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 524,831	\$ 61,328	\$ 145,000	\$ 252,560	\$ 33,058	\$ 2,234
2013	542,659	44,812	150,000	246,660	37,012	1,489
2014	560,119	27,540	160,000	240,460	34,819	473
2015	377,758	10,710	165,000	233,960	-	-
2016	287,285	3,686	170,000	227,260	-	-
2017	123,852	-	175,000	220,360	-	-
2018	123,852	-	185,000	213,160	-	-
2019	123,852	-	190,000	205,660	-	-
2020	88,109	-	200,000	197,860	-	-
2021	68,770	-	205,000	189,658	-	-
2022	68,772	-	215,000	181,021	-	-
2023	-	-	225,000	171,805	-	-
2024	-	-	235,000	161,971	-	-
2025	-	-	245,000	151,559	-	-
2026	-	-	255,000	140,590	-	-
2027	-	-	270,000	128,905	-	-
2028	-	-	280,000	116,530	-	-
2029	-	-	295,000	103,593	-	-
2030	-	-	310,000	89,981	-	-
2031	-	-	325,000	75,693	-	-
2032	-	-	340,000	60,730	-	-
2033	-	-	355,000	44,915	-	-
2034	-	-	375,000	28,125	-	-
2035	-	-	390,000	9,750	-	-
Total	<u>\$ 2,889,859</u>	<u>\$ 148,076</u>	<u>\$ 5,860,000</u>	<u>\$ 3,692,766</u>	<u>\$ 104,889</u>	<u>\$ 4,196</u>

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 6—Long-Term Obligations: (Continued)

Long-Term Obligations:

	Total Amount
<u>Governmental Activities:</u>	
Capital Lease obligations (Note 7)	\$ 100,076
<u>General Obligation Bond:</u>	
\$2,055,000 general obligation bond issued May 21, 2009, due in annual installments through May 1, 2019 with interest due monthly at varying rates.	\$ 1,725,000
Derivative instrument liability	\$ 60,997
Compensated absences (payable from General Fund)	\$ 143,736
Total Long-Term Obligations, Governmental Activities	\$ 2,029,809

Business-Type Activities:

Capital Lease obligations (Note 7)	\$ 104,889
<u>Revenue Bonds:</u>	
\$2,431,481 Utility Revenue Bond, Series 1995, issued July 7, 1995, due in semi-annual installments through April 1, 2016; interest at 3%	\$ 770,602
\$1,107,095 Utility Revenue Bond, issued February 1, 2000, due in semi-annual installments through August 1, 2019; interest at 0%	459,996
\$2,794,722 Utility Revenue Bond, issued October 1, 2001, due in semi-annual installments through October 1, 2014; interest at 4.68%	902,787
\$1,386,875 Utility Revenue Bond, issued April 17, 2002, due in semi-annual installments through April 1, 2022; interest at 0%	756,474
Total Revenue Bonds Payable	\$ 2,889,859

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 6—Long-Term Obligations: (Continued)

General Obligation Bond:

\$6,665,000 General Obligation Bond, issued December 15, 2004, due in annual principal installments, through August 1, 2034; interest payable semi-annually at rates varying from 2.5% to 5.0%

\$ 5,860,000

Compensated absences (payable from Enterprise Fund)

\$ 77,416

Total Long-Term Obligations, Business-Type Activities

\$ 8,932,164

Total Long-Term Obligations, Primary Government

\$ 10,961,973

In a prior year the Town issued a derivative financial instrument in the form of an interest rate swap. The Town has implemented Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* during fiscal year 2010.

Interest rate swap

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate loans at the time of issuance in May 2009, the Town entered into an interest rate swap in connection with its \$2,055,000 variable rate demand general obligation bonds. The intention of the swap was to effectively change the Town's variable interest rate on the bonds to a synthetic fixed rate of 4.87 percent. Utilizing the synthetic instrument method, the Town has determined that the swap is an effective hedging derivative instrument and hedge accounting applies.

Terms. The bonds and the related swap agreement mature on May 1, 2019. The swap's notional value of \$1,785,997 is more than the balance outstanding on the bonds payable of \$1,725,000. The difference of \$60,997 is reported in these financial statements as a derivative instrument liability within the long-term obligations of the Town.

A corresponding deferred outflow of resources is reported on the statement of net assets as a reduction to total liabilities before computing net assets. The swap was entered into at the same time as the bonds were issued. Under the swap, the Town pays the counter party a fixed payment of 4.87 percent and receives a variable payment computed as 100 percent of the London Interbank Offered Rate (LIBOR). Annual amounts required to amortize the Town loan using the fixed rate provided by the swap agreement which is not significantly different from the variable rate are referenced above under "Governmental Activities Obligations - General Obligation Bonds."

Fair Value. The fair values and changes in fair values of the swap are as follows:

	As of and for the year ended June 30, 2011	
Fair value	\$	(60,997)
Change in fair value		(427)

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 7—Capital Leases:

The government has entered into lease agreements as lessee for financing the acquisition of three (3) police cruisers, two (2) trucks for the police department, a truck for the fire department and a street sweeper for the street department, two (2) backhoes, a tractor, and a bucket truck. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Equipment	\$ 894,240	\$ 140,812
Less: accumulated depreciation	(433,017)	(14,081)
Total	<u>\$ 461,223</u>	<u>\$ 126,731</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Year Ended June 30	Governmental Activities	Business-type Activities
2012	\$ 82,234	\$ 35,292
2013	22,478	38,501
2014	-	35,292
Total minimum lease payments	\$ 104,712	\$ 109,085
Less: amount representing interest	(4,636)	(4,196)
Present value of minimum lease payments	<u>\$ 100,076</u>	<u>\$ 104,889</u>

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 8—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$82,945 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$82,095 at June 30, 2011.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2011 but paid in advance by the taxpayers totaled \$850 at June 30, 2011.

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the Town participates were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

The Town received a consent order from the Commonwealth of Virginia's Department of Environmental Quality requiring utility upgrades that could create up to \$3.5 million in debt over the next several years.

Note 10—Litigation:

At June 30, 2011, there were no matters of litigation involving the Town which would materially affect the Town's financial position should any court decisions on pending matters not be favorable to the Town.

Note 11—Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates with other localities in a public entity risk pool for their coverage of worker's compensation and public officials' liability. The Town pays an annual premium to the pools for its general insurance through member premiums. The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 12—Defined Benefit Pension Plan:

Primary Government:

A. Plan Description

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

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

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with a least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the members plan apply.

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

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2011

Note 12—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

A. Plan Description (Continued)

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

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Website at: <http://varetire.org/Pdf/Publications/2010-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the Town is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended 2011 was 8.24% of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2011, the Town's annual pension cost of \$259,756 (which includes the portion of the employee share assumed by the employer which was \$98,095) was equal to the Town's required and actual contributions.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 12—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

C. Annual Pension Cost (Continued)

Three Year Trend Information for Town of Blackstone			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
Town:			
June 30, 2011	\$ 161,661	100%	\$ -
June 30, 2010	162,405	100%	-
June 30, 2009	173,775	100%	-

(1) Employer portion only

The fiscal year 2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 12—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 79.70% funded. The actuarial accrued liability for benefits was \$5,896,700, and the actuarial value of assets was \$4,699,403, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,197,297. The covered payroll (annual payroll of active employees covered by the plan) was \$1,965,416, and ratio of the UAAL to the covered payroll was 60.92%.

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

Note 13—Surety Bonds:

	<u>Amount</u>
Virginia Municipal Group:	
Town employees - blanket bond	\$ 500,000 per occurrence

Note 14—Restatement of Beginning Net Assets:

The following changes were made to beginning fund balances at June 30, 2011:

	Governmental Activities	General Fund
Net assets as previously reported at June 30, 2010	\$ 8,609,472	\$ -
Fund balance as previously reported at June 30, 2010	-	357,014
To adjust for prior year revenue recorded twice	(103,446)	(103,446)
Fund balance, general fund, as restated at July 1, 2010	<u>\$ 8,506,026</u>	<u>\$ 253,568</u>

TOWN OF BLACKSTONE, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2011

Note 15—Notes Receivable:

The Town has two interest bearing notes receivable for \$80,000 and \$20,000 respectively secured by separate deeds of trust. The interest rate on both notes is 3%. The \$80,000 note is payable monthly over ten years beginning February 6, 2011, with the first 12 interest only payments at \$200.00 a month and the remaining 108 payments at combined principal and interest amounts of \$846.16. The \$20,000 note is payable monthly beginning July 9, 2011 over five years at combined principal interest amounts of \$359.40. Both notes resulted from the Downtown Revitalization Project.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Blackstone, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
General property taxes	\$ 378,100	\$ 378,100	\$ 383,061	\$ 4,961
Other local taxes	1,128,965	1,128,965	1,167,131	38,166
Permits, privilege fees, and regulatory licenses	1,000	1,000	3,595	2,595
Fines and forfeitures	20,450	20,450	34,384	13,934
Revenue from the use of money and property	31,655	31,655	140,855	109,200
Charges for services	618,938	618,938	578,894	(40,044)
Miscellaneous	99,190	99,190	133,678	34,488
Recovered costs	1,122,603	1,122,603	1,298,624	176,021
Intergovernmental revenues:				
Commonwealth	883,555	1,170,688	1,146,843	(23,845)
Federal	-	-	9,327	9,327
Total revenues	\$ 4,284,456	\$ 4,571,589	\$ 4,896,392	\$ 324,803
EXPENDITURES				
Current:				
General government administration	\$ 786,115	\$ 786,115	\$ 961,268	\$ (175,153)
Public safety	1,139,436	1,151,477	1,247,469	(95,992)
Public works	1,890,643	2,177,777	2,260,429	(82,652)
Parks, recreation, and cultural	72,585	72,585	55,525	17,060
Community development	57,386	57,386	63,008	(5,622)
Capital projects	345,870	351,059	92,869	258,190
Debt service:				
Principal retirement	88,536	88,536	88,536	-
Interest and other fiscal charges	11,019	11,019	9,594	1,425
Total expenditures	\$ 4,391,590	\$ 4,695,954	\$ 4,778,698	\$ (82,744)
Excess (deficiency) of revenues over (under) expenditures	\$ (107,134)	\$ (124,365)	\$ 117,694	\$ 242,059
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 9,225	\$ 9,225	\$ 79,790	\$ 70,565
Transfers out	-	-	(864,650)	(864,650)
Total other financing sources and uses	\$ 9,225	\$ 9,225	\$ (784,860)	\$ (794,085)
Net change in fund balances	\$ (97,909)	\$ (115,140)	\$ (667,166)	\$ (552,026)
Fund balances - beginning - as restated	97,909	115,140	253,568	138,428
Fund balances - ending	\$ -	\$ -	\$ (413,598)	\$ (413,598)

Town of Blackstone, Virginia
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Revenue from the use of money and property	\$ 6,936	\$ 6,936	\$ 5,628	\$ (1,308)
Charges for services	43,450	43,450	24,338	(19,112)
Recovered costs	187,546	187,546	89,831	(97,715)
Intergovernmental revenues:				
Commonwealth	242,904	229,185	94,287	(134,898)
Federal	1,015,343	1,015,343	839,359	(175,984)
Total revenues	<u>\$ 1,496,179</u>	<u>\$ 1,482,460</u>	<u>\$ 1,053,443</u>	<u>\$ (429,017)</u>
EXPENDITURES				
Current:				
Community development	\$ 1,479,710	\$ 1,491,991	\$ 1,085,826	\$ 406,165
Total expenditures	<u>\$ 1,479,710</u>	<u>\$ 1,491,991</u>	<u>\$ 1,085,826</u>	<u>\$ 406,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 16,469</u>	<u>\$ (9,531)</u>	<u>\$ (32,383)</u>	<u>\$ (22,852)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 26,000	\$ 227,280	\$ 201,280
Transfers out	(9,225)	(9,225)	(274,618)	(265,393)
Total other financing sources and uses	<u>\$ (9,225)</u>	<u>\$ 16,775</u>	<u>\$ (47,338)</u>	<u>\$ (64,113)</u>
Net change in fund balances	\$ 7,244	\$ 7,244	\$ (79,721)	\$ (86,965)
Fund balances - beginning	(7,244)	(7,244)	419,101	426,345
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,380</u>	<u>\$ 339,380</u>

Town of Blackstone, Virginia
Schedule of Pension Funding Progress
As of June 30, 2011

Primary Government:

Town Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2010	\$ 4,699,403	\$ 5,896,700	\$ 1,197,297	79.70%	\$ 1,965,416	60.92%
6/30/2009	4,644,200	5,830,307	1,186,107	79.66%	2,046,913	57.95%
6/30/2008	4,494,584	5,513,125	1,018,541	81.53%	2,065,020	49.32%
6/30/2007	3,894,016	4,951,720	1,057,704	78.64%	1,880,938	56.23%
6/30/2006	3,405,296	4,680,774	1,275,478	72.75%	1,733,932	73.56%
6/30/2005	3,091,307	4,866,281	1,774,974	63.53%	1,840,612	96.43%
6/30/2004	2,939,210	4,132,576	1,193,366	71.12%	1,761,596	67.74%
6/30/2003	2,795,147	3,646,087	850,940	76.66%	1,426,220	59.66%
6/30/2002	2,607,474	3,606,103	998,629	72.31%	1,786,110	55.91%
6/30/2001	2,378,535	3,081,972	703,437	77.18%	1,720,633	40.88%

OTHER SUPPLEMENTARY INFORMATION

Town of Blackstone, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds				Permanent Fund	
	Cemetery Fund	Bus Fund	Project Lifesaver Fund	Airport Projects Fund	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 142,577	\$ -	\$ 200	\$ 2,884	\$ 212,877	\$ 358,538
Receivables (net of allowance for uncollectibles):						
Accounts receivable	-	2,494	-	-	-	2,494
Due from other governmental units	-	79,604	-	-	-	79,604
Total assets	<u>\$ 142,577</u>	<u>\$ 82,098</u>	<u>\$ 200</u>	<u>\$ 2,884</u>	<u>\$ 212,877</u>	<u>\$ 440,636</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 50	\$ 26,802	\$ -	\$ 7,747	\$ -	\$ 34,599
Reconciled overdraft payable	-	66,657	-	-	-	66,657
Total liabilities	<u>\$ 50</u>	<u>\$ 93,459</u>	<u>\$ -</u>	<u>\$ 7,747</u>	<u>\$ -</u>	<u>\$ 101,256</u>
Fund balances:						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 212,877	\$ 212,877
Restricted	142,527	(11,361)	200	(4,863)	-	126,503
Total fund balances	<u>\$ 142,527</u>	<u>\$ (11,361)</u>	<u>\$ 200</u>	<u>\$ (4,863)</u>	<u>\$ 212,877</u>	<u>\$ 339,380</u>
Total liabilities and fund balances	<u>\$ 142,577</u>	<u>\$ 82,098</u>	<u>\$ 200</u>	<u>\$ 2,884</u>	<u>\$ 212,877</u>	<u>\$ 440,636</u>

Town of Blackstone, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 213,750	\$ 213,750	\$ 260,382	\$ 46,632
Miscellaneous	33,236	33,236	55,444	22,208
Intergovernmental revenues:				
Commonwealth	261,751	261,751	169,017	(92,734)
Federal	182,003	182,003	171,498	(10,505)
Total revenues	<u>\$ 690,740</u>	<u>\$ 690,740</u>	<u>\$ 656,341</u>	<u>\$ (34,399)</u>
EXPENDITURES				
Capital projects	\$ 668,796	\$ 668,796	\$ 405,072	\$ 263,724
Debt service:				
Principal retirement	170,833	170,833	170,000	833
Interest and other fiscal charges	96,922	96,922	96,685	237
Total expenditures	<u>\$ 936,551</u>	<u>\$ 936,551</u>	<u>\$ 671,757</u>	<u>\$ 264,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (245,811)</u>	<u>\$ (245,811)</u>	<u>\$ (15,416)</u>	<u>\$ 230,395</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 201,250	\$ 201,250	\$ 850,247	\$ 648,997
Transfers out	-	-	(18,049)	(18,049)
Total other financing sources and uses	<u>\$ 201,250</u>	<u>\$ 201,250</u>	<u>\$ 832,198</u>	<u>\$ 630,948</u>
Net change in fund balances	\$ (44,561)	\$ (44,561)	\$ 816,782	\$ 861,343
Fund balances - beginning	44,561	44,561	(629,542)	(674,103)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,240</u>	<u>\$ 187,240</u>

Town of Blackstone, Virginia
Fiduciary Funds
Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2011

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Blackstone Memorial Center Committee				
Assets:				
Cash and cash equivalents	\$ 40,670	\$ 41	\$ -	\$ 40,711
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities:				
Amounts held for others	\$ 40,670	\$ 41	\$ -	\$ 40,711
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SUPPORTING SCHEDULES

Town of Blackstone, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 303,600	\$ 303,600	\$ 312,085	\$ 8,485
Personal property taxes	66,000	66,000	61,228	(4,772)
Penalties	4,500	4,500	5,265	765
Interest	4,000	4,000	4,483	483
Total general property taxes	<u>\$ 378,100</u>	<u>\$ 378,100</u>	<u>\$ 383,061</u>	<u>\$ 4,961</u>
Other local taxes:				
Local sales and use taxes	\$ 122,500	\$ 122,500	\$ 188,514	\$ 66,014
Consumption tax	64,300	64,300	10,842	(53,458)
Business license taxes	183,515	183,515	163,141	(20,374)
Motor vehicle licenses	56,250	56,250	49,550	(6,700)
Bank stock taxes	90,000	90,000	98,588	8,588
Cigarette taxes	85,500	85,500	68,393	(17,107)
Hotel and motel room taxes	25,250	25,250	29,066	3,816
Restaurant food taxes	501,650	501,650	559,037	57,387
Total other local taxes	<u>\$ 1,128,965</u>	<u>\$ 1,128,965</u>	<u>\$ 1,167,131</u>	<u>\$ 38,166</u>
Permits, privilege fees, and regulatory licenses:				
Permits and other licenses	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 3,595</u>	<u>\$ 2,595</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 20,450</u>	<u>\$ 20,450</u>	<u>\$ 34,384</u>	<u>\$ 13,934</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 2,455	\$ 2,455	\$ 5,082	\$ 2,627
Revenue from use of property	29,200	29,200	135,773	106,573
Total revenue from use of money and property	<u>\$ 31,655</u>	<u>\$ 31,655</u>	<u>\$ 140,855</u>	<u>\$ 109,200</u>
Charges for services:				
Charges for sanitation and waste removal	\$ 306,638	\$ 306,638	\$ 309,104	\$ 2,466
Charges for garage services	11,300	11,300	23,649	12,349
Charges for airport maintenance	1,000	1,000	750	(250)
Charges for aviation fuel	300,000	300,000	245,391	(54,609)
Total charges for services	<u>\$ 618,938</u>	<u>\$ 618,938</u>	<u>\$ 578,894</u>	<u>\$ (40,044)</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 99,190</u>	<u>\$ 99,190</u>	<u>\$ 133,678</u>	<u>\$ 34,488</u>

Town of Blackstone, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
General administration allocation	\$ 356,734	\$ 356,734	\$ 356,734	\$ -
DMV	27,300	27,300	29,705	2,405
Zoning variance	2,500	2,500	-	(2,500)
Garage labor	-	-	35,891	35,891
Pay per performance	-	-	10,134	10,134
Nottoway County - decal money	-	-	35,062	35,062
Castle housing rehabilitation	-	-	55,944	55,944
County fire and rescue	8,000	8,000	33,445	25,445
Excise tax refund	-	-	13,640	13,640
Payment in lieu of taxes-Electric fund	728,069	728,069	728,069	-
Total recovered costs	<u>\$ 1,122,603</u>	<u>\$ 1,122,603</u>	<u>\$ 1,298,624</u>	<u>\$ 176,021</u>
Total revenue from local sources	<u>\$ 3,400,901</u>	<u>\$ 3,400,901</u>	<u>\$ 3,740,222</u>	<u>\$ 339,321</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 5,800	\$ 5,800	\$ 5,694	\$ (106)
Communications tax	16,475	16,475	18,568	2,093
Personal property tax relief funds	42,900	42,900	42,986	86
Total noncategorical aid	<u>\$ 65,175</u>	<u>\$ 65,175</u>	<u>\$ 67,248</u>	<u>\$ 2,073</u>
Categorical aid:				
Other categorical aid:				
Streets and highway maintenance	\$ 581,740	\$ 821,260	\$ 821,260	\$ -
DJCP grants for law enforcement	70,000	70,000	88,640	18,640
Street improvements grant	115,640	163,253	163,253	-
VML safety grant	2,000	2,000	-	(2,000)
Law enforcement special equip	36,000	36,000	4,467	(31,533)
Litter control	2,000	2,000	1,975	(25)
Fire programs	11,000	11,000	-	(11,000)
Total other categorical aid	<u>\$ 818,380</u>	<u>\$ 1,105,513</u>	<u>\$ 1,079,595</u>	<u>\$ (25,918)</u>
Total categorical aid	<u>\$ 818,380</u>	<u>\$ 1,105,513</u>	<u>\$ 1,079,595</u>	<u>\$ (25,918)</u>
Total revenue from the Commonwealth	<u>\$ 883,555</u>	<u>\$ 1,170,688</u>	<u>\$ 1,146,843</u>	<u>\$ (23,845)</u>

Town of Blackstone, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the federal government:				
Other categorical aid:				
Transportation safety	\$ -	\$ -	\$ 9,327	\$ 9,327
Total revenue from the federal government	\$ -	\$ -	\$ 9,327	\$ 9,327
Total General Fund	\$ 4,284,456	\$ 4,571,589	\$ 4,896,392	\$ 324,803
Special Revenue Funds:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 6,936	\$ 6,936	\$ 5,628	\$ (1,308)
Charges for services:				
Charges for cemetery care	\$ 2,700	\$ 2,700	\$ 1,100	\$ (1,600)
Cemetery lot sales	6,000	6,000	4,200	(1,800)
Charges for bus fares	34,750	34,750	19,038	(15,712)
Total charges for services	\$ 43,450	\$ 43,450	\$ 24,338	\$ (19,112)
Recovered costs:				
Reimbursement from localities	\$ 187,546	\$ 187,546	\$ 89,831	\$ (97,715)
Total recovered costs	\$ 187,546	\$ 187,546	\$ 89,831	\$ (97,715)
Total revenue from local sources	\$ 237,932	\$ 237,932	\$ 119,797	\$ (118,135)
Revenue from the Commonwealth:				
Categorical aid:				
Transportation grant	\$ 125,185	\$ 125,185	\$ 76,745	\$ (48,440)
Airport grant	117,719	104,000	17,542	(86,458)
Total categorical aid	\$ 242,904	\$ 229,185	\$ 94,287	\$ (134,898)
Total revenue from the Commonwealth	\$ 242,904	\$ 229,185	\$ 94,287	\$ (134,898)

Town of Blackstone, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 1
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Transportation grant	\$ 396,343	\$ 396,343	\$ 243,702	\$ (152,641)
Transportation grant - ARRA	619,000	619,000	595,657	(23,343)
Total categorical aid	<u>\$ 1,015,343</u>	<u>\$ 1,015,343</u>	<u>\$ 839,359</u>	<u>\$ (175,984)</u>
Total revenue from the federal government	<u>\$ 1,015,343</u>	<u>\$ 1,015,343</u>	<u>\$ 839,359</u>	<u>\$ (175,984)</u>
Total Special Revenue Fund	<u>\$ 1,496,179</u>	<u>\$ 1,482,460</u>	<u>\$ 1,053,443</u>	<u>\$ (429,017)</u>
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 13,519	\$ 13,519
Revenue from the use of property	213,750	213,750	246,863	33,113
Total revenue from use of money and property	<u>\$ 213,750</u>	<u>\$ 213,750</u>	<u>\$ 260,382</u>	<u>\$ 46,632</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 33,236</u>	<u>\$ 33,236</u>	<u>\$ 55,444</u>	<u>\$ 22,208</u>
Total revenue from local sources	<u>\$ 246,986</u>	<u>\$ 246,986</u>	<u>\$ 315,826</u>	<u>\$ 68,840</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Broadband grant	\$ -	\$ -	\$ 11,500	\$ 11,500
Indoor plumbing grant	261,751	261,751	157,517	(104,234)
Total categorical aid	<u>\$ 261,751</u>	<u>\$ 261,751</u>	<u>\$ 169,017</u>	<u>\$ (92,734)</u>
Total revenue from the Commonwealth	<u>\$ 261,751</u>	<u>\$ 261,751</u>	<u>\$ 169,017</u>	<u>\$ (92,734)</u>
Revenue from the federal government:				
Categorical aid:				
Community development block grant	<u>\$ 182,003</u>	<u>\$ 182,003</u>	<u>\$ 171,498</u>	<u>\$ (10,505)</u>
Total revenue from the federal government	<u>\$ 182,003</u>	<u>\$ 182,003</u>	<u>\$ 171,498</u>	<u>\$ (10,505)</u>
Total Capital Projects Fund	<u>\$ 690,740</u>	<u>\$ 690,740</u>	<u>\$ 656,341</u>	<u>\$ (34,399)</u>
Grand Total Revenues -- Primary Government	<u>\$ 6,471,375</u>	<u>\$ 6,744,789</u>	<u>\$ 6,606,176</u>	<u>\$ (138,613)</u>

Town of Blackstone, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Town Council	\$ 13,456	\$ 13,456	\$ 13,456	\$ -
General and financial administration:				
Town Manager and financial administration	\$ 752,659	\$ 752,659	\$ 928,412	\$ (175,753)
Independent Auditor	20,000	20,000	19,400	600
Total general and financial administration	\$ 772,659	\$ 772,659	\$ 947,812	\$ (175,153)
Total general government administration	\$ 786,115	\$ 786,115	\$ 961,268	\$ (175,153)
Public safety:				
Law enforcement and traffic control:				
Police	\$ 1,040,802	\$ 1,044,853	\$ 1,111,387	\$ (66,534)
Fire and rescue services:				
Fire department	\$ 98,634	\$ 106,624	\$ 136,082	\$ (29,458)
Total public safety	\$ 1,139,436	\$ 1,151,477	\$ 1,247,469	\$ (95,992)
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street maintenance	\$ 918,117	\$ 1,205,251	\$ 1,316,821	\$ (111,570)
Traffic lights	2,475	2,475	3,145	(670)
Streetlights	18,750	18,750	-	18,750
Total maintenance of highways, streets, bridges & sidewalks	\$ 939,342	\$ 1,226,476	\$ 1,319,966	\$ (93,490)
Sanitation and waste removal:				
Refuse collection	\$ 242,563	\$ 242,563	\$ 262,265	\$ (19,702)
Maintenance of general buildings and grounds:				
General properties	\$ 495,470	\$ 495,470	\$ 448,101	\$ 47,369
Garage department	87,068	87,068	208,554	(121,486)
Fuel purchases	126,200	126,200	21,543	104,657
Total maintenance of general buildings and grounds	\$ 708,738	\$ 708,738	\$ 678,198	\$ 30,540
Total public works	\$ 1,890,643	\$ 2,177,777	\$ 2,260,429	\$ (82,652)

Town of Blackstone, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 2
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural:				
Cultural enrichment:				
Museum	\$ 50,910	\$ 50,910	\$ 35,711	\$ 15,199
Library:				
Contribution to library	\$ 2,000	\$ 2,000	\$ 4,000	\$ (2,000)
Library administration	19,675	19,675	15,814	3,861
Total library	\$ 21,675	\$ 21,675	\$ 19,814	\$ 1,861
Total parks, recreation, and cultural	\$ 72,585	\$ 72,585	\$ 55,525	\$ 17,060
Community development:				
Planning and community development:				
Downtown Blackstone	\$ 57,386	\$ 57,386	\$ 63,008	\$ (5,622)
Capital projects:				
Administration	\$ 13,800	\$ 13,800	\$ 12,618	\$ 1,182
Police department	101,000	106,189	19,728	86,461
Street maintenance	131,170	131,170	18,102	113,068
Garbage department	6,200	6,200	-	6,200
Garage department	5,100	5,100	-	5,100
General	50,000	50,000	23,453	26,547
Fire department	37,600	37,600	18,968	18,632
Library	1,000	1,000	-	1,000
Total capital projects	\$ 345,870	\$ 351,059	\$ 92,869	\$ 258,190
Debt service:				
Principal retirement	\$ 88,536	\$ 88,536	\$ 88,536	\$ -
Interest and other fiscal charges	11,019	11,019	9,594	1,425
Total debt service	\$ 99,555	\$ 99,555	\$ 98,130	\$ 1,425
Total General Fund	\$ 4,391,590	\$ 4,695,954	\$ 4,778,698	\$ (82,744)
Special Revenue Funds:				
Community Development:				
Planning and community development:				
Bus program	\$ 1,361,991	\$ 1,361,991	\$ 1,055,672	\$ 306,319
Cemetery	-	-	7,748	(7,748)
Airport	117,719	130,000	22,406	107,594
Total planning and community development	\$ 1,479,710	\$ 1,491,991	\$ 1,085,826	\$ 406,165
Total Special Revenue Fund	\$ 1,479,710	\$ 1,491,991	\$ 1,085,826	\$ 406,165

Town of Blackstone, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

Schedule 2
Page 3 of 3

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
Capital projects:				
Indoor plumbing rehab	\$ 463,003	\$ 463,003	\$ 158,032	\$ 304,971
Medical center	25,000	25,000	-	25,000
Church Street project	-	-	15,975	(15,975)
Castle housing rehabilitation	112,793	112,793	85,136	27,657
Downtown revitalization	68,000	68,000	145,929	(77,929)
Total capital projects	<u>\$ 668,796</u>	<u>\$ 668,796</u>	<u>\$ 405,072</u>	<u>\$ 263,724</u>
Debt service:				
Principal retirement	\$ 170,833	\$ 170,833	\$ 170,000	\$ 833
Interest and other fiscal charges	96,922	96,922	96,685	237
Total debt service	<u>\$ 267,755</u>	<u>\$ 267,755</u>	<u>\$ 266,685</u>	<u>\$ 1,070</u>
Total Capital Projects Fund	<u>\$ 936,551</u>	<u>\$ 936,551</u>	<u>\$ 671,757</u>	<u>\$ 264,794</u>
Total Primary Government	<u>\$ 6,807,851</u>	<u>\$ 7,124,496</u>	<u>\$ 6,536,281</u>	<u>\$ 588,215</u>

OTHER STATISTICAL INFORMATION

Table 1

Town of Blackstone, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years (1)

Fiscal Year	General Government Administration	Public Safety	Public Works	Health and Welfare	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Enterprise Funds	Total
2003-04	\$ 312,959	\$ 1,287,012	\$ 549,128	\$ -	\$ 9,069	\$ 169,581	\$ 16,594	\$ 6,057,729	\$ 8,402,072
2004-05	247,110	1,056,944	996,097	-	11,672	243,017	8,325	5,639,032	8,202,197
2005-06	379,338	1,330,903	1,229,299	-	11,566	312,198	6,906	5,939,434	9,209,644
2006-07	438,710	1,381,715	1,667,300	-	(242,019)	390,624	3,194	6,458,979	10,098,503
2007-08	765,509	1,564,640	3,126,359	47,121	25,640	472,599	21,556	6,659,667	12,683,091
2008-09	273,519	1,317,646	1,389,844	100,000	31,555	233,371	100,989	6,579,703	10,026,627
2009-10	720,992	1,132,805	2,674,742	63,787	31,664	117,731	105,556	5,600,173	10,447,450
2010-11	595,710	1,431,174	1,721,599	63,637	70,165	979,646	106,279	6,558,636	11,526,846

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

Table 2

Town of Blackstone, Virginia
Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					
	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	Total
2003-04	\$ 4,661,406	\$ 885,540	\$ 166,436	\$	313,722	772,506	\$ 137,237	\$ 162,415	\$ 56,031	\$ 7,155,293
2004-05	5,685,997	1,193,327	317,341		308,648	786,977	84,943	69,134	48,790	8,495,157
2005-06	6,183,042	1,681,177	61,759		320,134	820,539	166,090	221,919	51,081	9,505,741
2006-07	6,708,900	1,210,377	121,763		392,458	862,395	127,463	185,919	52,099	9,661,374
2007-08	7,098,916	1,131,351	3,183,061		382,855	864,671	78,049	252,156	52,425	13,043,484
2008-09	7,029,526	1,718,438	1,996,751		398,720	1,094,802	48,291	131,022	48,633	12,466,183
2009-10	6,656,870	1,315,904	681,243		413,321	1,155,000	296,502	396,473	61,821	10,977,134
2010-11	7,130,890	2,097,298	265,785		399,600	1,167,131	406,865	228,476	67,248	11,763,293

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

Table 3

Town of Blackstone, Virginia
General Governmental Expenditures by Function (1,2)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Public Safety	Public Works	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2002	\$ 622,468	\$ 933,469	\$ 1,633,269	\$ 9,589	\$ -	\$ -	3,198,795
2003	577,939	983,357	1,411,724	8,501	62,607	-	3,044,128
2004	599,803	1,082,439	1,369,793	6,954	58,781	49,815	3,167,585
2005	577,595	1,082,161	1,390,467	5,247	49,713	85,915	3,191,098
2006	696,102	1,158,600	1,426,872	11,451	85,486	85,915	3,464,426
2007	792,118	1,135,603	1,842,748	8,091	252,843	49,815	4,081,218
2008	881,308	1,366,326	2,508,697	11,000	238,804	120,218	5,126,353
2009	864,999	1,183,054	1,655,405	10,499	318,784	787,675	4,820,416
2010	1,144,515	1,185,585	2,090,957	19,024	465,277	362,361	5,267,719
2011	961,268	1,247,469	2,260,429	55,525	1,148,834	364,815	6,038,340

(1) Includes General and Special Revenue Funds of the Primary Government.

(2) Excludes Capital Projects funds.

Table 4

Town of Blackstone, Virginia
General Governmental Revenues by Source (1,2)
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	Total
2002	\$ 271,845	\$ 762,665	\$ 706	\$ 16,481	\$ 341,027	\$ 239,983	\$ 301,106	\$ 479,854	\$ 776,104	\$ 3,189,771
2003	306,634	772,488	513	27,244	127,574	235,662	895,458	468,995	901,238	3,735,806
2004	309,998	772,506	4,188	35,951	114,590	252,414	154,055	1,314,498	1,015,093	3,973,293
2005	296,102	786,977	820	38,204	18,392	603,232	23,624	1,120,248	1,242,117	4,129,716
2006	325,612	820,539	895	33,055	21,126	438,991	134,772	1,127,899	1,732,258	4,635,147
2007	391,102	862,395	1,500	28,728	40,740	823,118	185,288	902,288	1,384,239	4,619,398
2008	388,355	864,671	1,805	30,142	36,621	1,115,387	236,096	1,062,803	4,142,053	7,877,933
2009	378,692	1,094,802	670	32,406	48,153	744,923	98,258	1,356,787	2,049,443	5,804,134
2010	384,442	1,155,000	955	20,980	46,004	878,722	90,939	1,465,876	1,605,230	5,648,148
2011	383,061	1,167,131	3,595	34,384	146,483	603,232	133,678	1,388,455	2,089,816	5,949,835

(1) Includes General and Special Revenue funds of the Primary Government.

(2) Excludes Capital projects funds.

Table 5

Town of Blackstone, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,2)	Current Tax Collections (1,2)	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
2002	\$ 309,103	\$ 302,596	97.89%	\$ 2,578	\$ 305,174	98.73%	\$ 14,585	4.72%
2003	355,906	334,870	94.09%	4,993	339,863	95.49%	17,372	4.88%
2004	366,339	342,061	93.37%	2,797	344,858	94.14%	19,818	5.41%
2005	347,742	328,309	94.41%	2,304	330,613	95.07%	26,270	7.55%
2006	356,439	351,394	98.58%	5,024	356,418	99.99%	24,958	7.00%
2007	433,157	425,429	98.22%	-	425,429	98.22%	26,237	6.06%
2008	427,249	420,649	98.46%	757	421,406	98.63%	31,204	7.30%
2009	423,708	406,576	95.96%	8,463	415,039	97.95%	36,635	8.65%
2010	417,968	410,236	98.15%	8,201	418,437	100.11%	59,502	14.24%
2011	417,800	405,130	96.97%	11,169	416,299	99.64%	68,833	16.48%

(1) Exclusive of penalties, interest and land redemptions.

(2) Tax levy and collections include the Commonwealth's personal property tax relief revenues.

Table 6

Town of Blackstone, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools			Mobile Homes	Public Service (2)	Total
2002	\$ 112,640,165	\$ 14,554,138	\$ 1,764,922	\$	640,089	\$ 5,953,937	\$	135,553,251
2003	114,218,906	13,773,404	1,937,546		542,819	5,917,627		136,390,302
2004	115,920,896	15,545,085	1,455,650		483,625	5,636,593		139,041,849
2005	116,642,006	13,548,593	2,274,611		450,949	5,339,664		138,255,823
2006	117,739,751	14,833,072	2,329,980		449,227	4,242,097		139,594,127
2007	153,074,984	15,935,101	1,851,056		476,386	5,210,837		176,548,364
2008	152,806,641	15,309,035	1,739,285		453,044	4,946,755		175,254,760
2009	153,148,654	15,082,778	1,662,745		374,435	3,814,016		174,082,628
2010	153,997,331	13,790,012	1,867,357		314,950	3,706,860		173,676,510
2011	155,688,423	13,283,866	1,776,616		296,735	3,897,480		174,943,120

(1) Real estate is assessed at 100% of fair market value.

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

Table 7

Town of Blackstone, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate			Personal Property	Machinery and Tools	Mobile Homes	Public Utility	
	\$	0.17	\$				Real Estate	Personal Property
2002	\$	0.17	\$	0.65	0.65	0.17	\$	0.65
2003		0.20		0.65	0.65	0.20	0.20	0.65
2004		0.20		0.65	0.65	0.20	0.20	0.65
2005		0.20		0.65	0.65	0.20	0.20	0.65
2006		0.20		0.65	0.65	0.20	0.20	0.65
2007		0.20		0.65	0.65	0.20	0.20	0.65
2008		0.20		0.65	0.65	0.20	0.20	0.65
2009		0.20		0.65	0.65	0.20	0.20	0.65
2010		0.20		0.65	0.65	0.20	0.20	0.65
2011		0.20		0.65	0.65	0.20	0.20	0.65

(1) Per \$100 of assessed value.

Table 8

Town of Blackstone, Virginia
Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Payable from Enterprise Revenue	Debt			
2002	3,675	\$ 135,553,251	\$ -	- \$	-	0.00%	\$ -	-
2003	3,675	136,390,302	-	-	-	0.00%	-	-
2004	3,675	139,041,849	-	-	-	0.00%	-	-
2005	3,675	138,255,823	6,665,000	6,665,000	-	0.00%	-	-
2006	3,675	139,594,127	6,540,000	6,540,000	-	0.00%	-	-
2007	3,675	176,548,364	6,410,000	6,410,000	-	0.00%	-	-
2008	3,675	175,254,760	6,760,000	6,280,000	480,000	0.27%	131	131
2009	3,675	174,082,628	8,200,000	6,145,000	2,055,000	1.18%	559	559
2010	3,621	173,676,510	7,900,000	6,005,000	1,895,000	1.09%	523	523
2011	3,621	174,943,120	7,585,000	5,860,000	1,725,000	0.99%	476	476

(1) Weldon Cooper Center for Public Service, 2000 and 2010 Census counts.

(2) From Table 6

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

Table 9

Town of Blackstone, Virginia
Computation of Legal Debt Margin
At June 30, 2011

Assessed value of real property, January 1, 2010 (1)	\$ 159,130,460
	<u> </u>
Debt limit: 10% of assessed value	\$ 15,913,046
Amount of debt applicable to debt limit:	
Gross debt (2)	\$ 10,474,859
Less: Revenue bonds	<u>(2,889,859)</u>
Net general obligation bonds and loans	<u>\$ 7,585,000</u>
Legal debt limit	<u><u>\$ 8,328,046</u></u>

(1) Assessed value of real property, including public service corporations as of January 1, 2010.

(2) Includes bonded debt and long-term notes payable.

COMPLIANCE SECTION

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

To The Honorable Members of the Town Council
Town of Blackstone
Blackstone, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blackstone, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the Town of Blackstone, Virginia's basic financial statements and have issued our report thereon dated January 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; 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 Town of Blackstone, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Blackstone, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Blackstone, Virginia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (2011-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Blackstone, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Town of Blackstone, Virginia, in a separate letter dated January 23, 2012.

The Town of Blackstone, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Blackstone, Virginia's response and, accordingly, we express no opinion on it.

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

Robinson, Farmer, Cox Associates

Richmond, Virginia
January 23, 2012

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

*Independent Auditor's Report on Compliance with Requirements That Could Have a
Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133*

To The Honorable Members of the Town Council
Town of Blackstone
Blackstone, Virginia

Compliance

We have audited Town of Blackstone, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Blackstone, Virginia's major federal programs for the year ended June 30, 2011. The Town of Blackstone, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Blackstone, Virginia's management. Our responsibility is to express an opinion on the Town of Blackstone, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Blackstone, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Blackstone, Virginia's compliance with those requirements.

In our opinion, the Town of Blackstone, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Town of Blackstone, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Blackstone, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Blackstone, Virginia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Town Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Richmond, Virginia
January 23, 2012

Town of Blackstone, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and community highway safety program	20.600	6050700-59122	\$ 9,327
Department of Rail and Public Transportation:			
Formula grants for other than urbanized areas	20.509	6090100-42008/42009	\$ 243,702
ARRA - Formula grants for other than urbanized areas	20.509	6090100-44010	595,657
			839,359
Total Department of Transportation			\$ 848,686
Department of Housing and Urban Development:			
Pass Through Payments:			
Department of Housing and Community Development:			
Community development block grant	14.228	5330500-50796	\$ 171,498
Total Expenditures of Federal Awards			\$ 1,020,184

See accompanying notes to schedule of expenditures of federal awards.

Town of Blackstone, Virginia

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2011

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Blackstone, Virginia under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town of Blackstone, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Blackstone, Virginia.

Note B - Summary of Significant Accounting Policies

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

Note C - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 9,327
Special Revenue Fund	839,359
Capital Projects Fund	171,498
Total primary government	\$ <u>1,020,184</u>

Total federal expenditures per basic financial statements	\$ <u>1,020,184</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>1,020,184</u></u>
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Town of Blackstone, Virginia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2011

Section I-Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<u>✓</u>	yes	<u> </u>	no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> </u>	<u>✓</u> none reported

Noncompliance material to financial statements noted?

<u> </u>	yes	<u> </u>	<u>✓</u>	no
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u>	yes	<u> </u>	<u>✓</u> no
Significant deficiency(ies) identified?	<u> </u>	yes	<u> </u>	<u>✓</u> none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

<u> </u>	yes	<u> </u>	<u>✓</u>	no
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Identification of major programs:

CFDA Number(s)

20.509

Name of Federal Program or Cluster

Formula Grants for Other Than Urbanized Areas and
ARRA - Formula Grants for Other Than Urbanized Areas

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

<u> </u>	yes	<u> </u>	<u>✓</u>	no
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Town of Blackstone, Virginia
Schedule of Findings and Questioned Costs
For the year ended June 30, 2011

Section II-Financial Statement Findings

2011-01

Financial Reporting

Criteria:	Internal controls should be in place that provide assurance that audited financial statements reconcile to the Town's internal documents.
Condition:	Inadequate internal controls over financial statement reporting.
Effect:	Audited financial statements, including related footnotes, may contain an undetected material misstatement.
Recommendation:	Procedures should be implemented providing for the posting of all year-end adjusting entries to allow for reconciliation between the audited financial statements and the Town's general ledger reports. This may require hiring an accounting consultant to assist with posting of year-end accruals in order to get ready for the annual audit.
Management's Response:	The Town is considering corrective action for FY12.

Section III-Federal Award Findings and Questioned Costs

None

Town of Blackstone, Virginia
Schedule of Prior Year Findings and Questioned Costs
For the year ended June 30, 2011

There were Financial Statement Findings in the prior year and a description of those findings are included in the Audited Annual Financial Report for the fiscal year ended June 30, 2010.