

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013



COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2013

Prepared by the Department of Financial and Management Services,
Division of Budget and Financial Reporting

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COUNTY OF YORK, VIRGINIA
Comprehensive Annual Financial Report
June 30, 2013

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November 12, 2013

The Board of Supervisors
County of York, Virginia

Dear Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report of the County of York for the fiscal year ended June 30, 2013, as required by the Code of Virginia. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP), the standards of financial reporting prescribed by the Governmental Accounting Standards Board, and the Auditor of Public Accounts of the Commonwealth of Virginia. The independent certified public accounting firm of Cherry Bekaert LLP has audited the financial statements, and their opinions are contained within this report.

Responsibility for both the accuracy of the presented data and the fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the various funds of the County; and that all disclosures necessary to enable the reader to gain maximum understanding of the County's financial activity have been included.

The County government is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and US Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of Federal awards, findings and questioned costs, and auditors' reports on internal control and compliance with applicable laws and regulations, are included in the compliance section of this report.

The County, as a separate and distinct political entity, provides a wide range of municipal services as contemplated by statute. Major functions include general government services, judicial services, public safety, environmental and development services, finance and planning, education, human services, general services, and community services. In addition, the County operates and maintains a solid waste disposal program and water and sewer utility systems, which service geographically dispersed areas of the jurisdiction.

The County has included in its financial statements three discretely presented component units. Discretely presented component units are entities that are legally separate from the County, but for which the County is financially accountable, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The component units are the York County School Division, the Economic Development Authority of York County, and the Marquis Community Development Authority.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors, beginning on page C-1 of this report.

PROFILE OF THE GOVERNMENT

Established in 1634, the County has played a role in the development of this nation in that it was the location of the culminating battle of the Revolutionary War and the subsequent surrender of Lord Cornwallis and his British army on October 19, 1781. The County is located in the Virginia coastal plain on the peninsula formed by the James and York Rivers and the Chesapeake Bay. The County consists of 108 square miles and is bounded by James City County and the Cities of Poquoson, Hampton, Newport News, and Williamsburg, and by the York River. The County land area is effectively split into two distinct sections by a large area of federal landholdings, including the Coast Guard Training Center, the Colonial National Historical Park, and the U.S. Naval Weapons Station. In addition, the U.S. Navy's Cheatham Annex, the U.S. Army's Camp Peary, and the U.S. Air Force's Bethel Manor Housing Complex (Langley Air Force Base) with its associated reservoir bring the total federal landholdings in the County to approximately 40%. There are no incorporated towns within the County. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County is organized under the traditional form of government (as defined under Virginia Law). The governing body of the County, the Board of Supervisors, establishes policies for the administration of the County. The Board of Supervisors comprises five members: one member from each of five districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County.

The County provides a full range of services, including law enforcement and fire protection. The County also is financially accountable for the legally separate School Division, Economic Development Authority, and Community Development Authority, all of which are reported separately as discretely presented component units within the County's financial statements. Additional information on each of these legally separate entities can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. All departments and agencies of the County are required to submit requests for appropriation to the County Administrator during November of each year. The County Administrator uses these requests as a starting point for developing a proposed budget for presentation to the Board of Supervisors for review in February. The Board of Supervisors is required to hold public hearings on the proposed budget and to adopt a final budget by May 1, or within thirty days of the receipt by the County of the estimates of state funds, whichever shall later occur.

The budget is prepared by fund and function (e.g. public safety). The County Administrator may make transfers of appropriations within a function. Transfers between functions require the prior approval of the Board of Supervisors. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

For the general fund and the tourism fund, a major special revenue fund, this comparison is presented on pages G-2 through G-7 as part of the required supplementary information other than management's discussion and analysis.

For governmental funds with appropriated budgets, other than the general and tourism funds, this comparison is presented beginning on page H-4, in the other supplementary information subsection of this report.

ECONOMIC CONDITION AND OUTLOOK

During the year ended June 30, 2013, York County continued to feel the impact of the national and state slow economic recovery. The strong military presence in the region and the significant tourism base allowed the County to fare better than many other communities. Through careful monitoring of revenues and expenditures, measures to control spending continued, including a 90 day hiring freeze, holding vacant positions open, and delaying capital projects, to ensure the County would end the fiscal year in a sound financial condition.

At \$130.1 million, the fiscal year 2014 General Fund adopted budget is 2.3% higher than the fiscal year 2013 budget. Savings achieved in fiscal year 2013 continue with an on-going hiring freeze and delay of certain capital expenditures and other major purchases. The 2014 General Fund budget is balanced and it does not propose to use any of the unassigned fund balance. We believe that the conservative fiscal policy of the Board of Supervisors and County management will enable the continued provision of the same high level of government service that has come to be expected of York County. Further, these conservative policies will enable York County to emerge from the recovery in a strong financial position.

MAJOR INITIATIVES

During the formulation of the fiscal year 2014 budget, the Board of Supervisors directed that the governmental emphasis be focused on maintaining a high level of support for the operation and construction of the schools, public safety, and continued maintenance and extension of municipal sewer and stormwater systems. Accordingly, this direction was translated into a number of specific projects to which major portions of the available resources were allocated.

Operations

The Comprehensive Plan, titled *Charting the Course to 2025*, is the long-range plan for the physical development of the County. The plan was adopted in 2005 after an extensive review process involving citizens and civic and business groups, the Planning Commission, and the Board of Supervisors. The goals and initiatives discussed in the current plan include encouraging a balance of quality residential and commercial growth, supporting the County's School division, purchasing conservation easements and environmentally sensitive lands, developing new recreational facilities, beautifying major entrances and commercial corridors including placing existing overhead utilities underground, constructing bicycle and pedestrian improvements leveraged with local funding, and continuing the modernization and improvement of the County's emergency response and management capabilities. In fiscal year 2013, the Planning Commission conducted an extensive review and update process and the County's Board of Supervisors adopted the updated plan on September 3, 2013. The updated plan continues most of the major goals and policies already in place while making changes to some of the land use designations in various areas of the County.

Economic Development

York County's economy experienced steady growth in fiscal year 2013 however, commercial development continued to lag below pre-2009 levels.

A major refinery continued its work to expand and modernize its terminal facilities with the goal to fully implement its new business operations in December 2013, adding to the employment base. At completion, the expansion will amount to a \$130 million investment. A major car dealership constructed a new \$8 million facility that will ultimately employ 75 to 100 individuals. Also, a major developer made significant investments in renovating several hotel properties, which will be beneficial for tourism in our area. The retail space on the County's waterfront was fully leased and welcomed a new restaurant. Furthermore, one of the County's primary business corridors, Route 17, is being widened. This joint project with the Virginia Department of Transportation will result in an additional lane on both sides of the highway and the relocation of overhead utilities to underground, significantly improving the business appeal in the corridor.

The Office of Economic Development (OED) and the Economic Development Authority (EDA) continued to focus on improving the County's entrepreneurial eco system and accelerating existing business growth. The EDA was a major sponsor of the new "START Peninsula" endeavor, which provided over 30 entrepreneurs an opportunity to compete for \$10,000 towards their venture and free time in an area business incubator. The EDA also awarded several economic gardening grants to provide funding for specialized marketing analysis to diversify and expand the companies' customer bases. The OED and EDA launched a new "Buy Local" initiative titled "Keep It In York County". The campaign aims to educate local residents and businesses about the direct benefits of spending their dollars at home, namely lower taxes and increased choices and services. The main component of the campaign is an interactive website that features a free, searchable, online database of all York County's existing businesses.

The Marquis Retail development acquired by a Dallas firm, Todd Interests in May 2011 continued to make progress. Todd Interests sold the JC Penney, Best Buy, Kohl's and Dick's Sporting Goods stores to investors, further validating the Marquis as a successful retail location. The Marquis is poised for additional growth and is currently being evaluated as a location for a large warehouse club store.

Capital Improvements Program

Growth in the County's population is projected to continue an upward trend. Along with this growth, the County can anticipate an increased demand for government services. The County's ten-year capital improvements program (CIP) indicates that a major emphasis will continue to be placed on the expansion of sewer facilities, school facilities, maintenance of buildings, and on drainage improvements.

There were no significant projects during fiscal year 2013, but rather the focus was on maintaining the current infrastructure through the County's repair and maintenance program.

The Stormwater Maintenance Program continues to address ongoing drainage maintenance within County easements. The Stormwater Capital Improvements Program includes Lakeside Forest, Moore's Creek, Cook Road/Falcon Road, Edgehill, Victory Industrial Park, Dare Elementary, Coventry Boulevard, Greensprings, Tabb Lakes/King's Bottom, Goodwin Neck/Rosewood, Claxton Creek, Wormley Creek Headwaters, Marlbank Cove Ravine, Poquoson Headwaters and Route 134/Bayberry.

The only major water construction project is the Lightfoot Newport News Waterworks Water Extension.

Major sewer construction projects that are in progress or that are in the County's Capital Improvements Program include Queen's Lake, Waterview, Carver Place, Old Wormley Creek, Wolftrap, Acree Acres, Moore's Creek, Allen's Mill, Bruton High School, Hornsbyville, National Lane, Dare-Jethro Lane, Kentucky Farms, Sinclair, Schneck Estates, Big Bethel, Whites-Faulkner, Burt's Road, and Payne's Road.

The York County School Division has several major repair/replacement and classroom addition projects, as well as a new elementary school, planned in its ten-year Capital Improvement Program.

Regional and Joint Cooperation

Regional Jail

Along with James City County and the Cities of Williamsburg and Poquoson, the County is a member of the Virginia Peninsula Regional Jail Authority. The Authority was created in 1993 for the purpose of constructing and operating a single jail for the participating localities. The project was developed to relieve the severely overcrowded conditions at existing facilities in the County and other jurisdictions.

Juvenile Jail Facility

A regional coalition was created involving 16 counties and 2 cities, of which the County is a voting member, to secure a juvenile detention facility. A 48-bed facility was opened in December 1997 to meet the demand for secure juvenile detention placements among the member jurisdictions.

Other Projects

The County will continue to participate in a number of entities intended to address regional activities such as transportation, economic development, and planning. The number of studies and planning projects done regionally will likely increase over time as localities within Hampton Roads recognize their shared future. The design, procurement, and operation of the Communications System Upgrade project is a joint venture with James City County and Gloucester County.

FINANCIAL INFORMATION

The County's accounting records for general governmental operations are maintained on the modified accrual basis. This essentially involves the recording of revenues when they become measurable and available and the recording of expenditures when the goods and/or services are received or related fund liability is incurred. Accounting records for the County's enterprise (utility systems) and internal service (motor vehicle pool and other post-employment benefits) funds are maintained on the accrual basis.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are a system of methods, practices, and procedures designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived therefrom; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that the County's system of internal accounting control adequately safeguards assets and provides reasonable assurance for the proper recording of financial transactions. Budgetary controls are maintained to ensure compliance with the budget approved by the Board of Supervisors. The approved budget is used as a tool to monitor general government expenditures within the limits adopted by the Board. Encumbrances are used to reserve a portion of the applicable appropriation for purchase orders, contracts, and commitments of the County. Open encumbrances are reported in the governmental funds as a component of restricted, committed, and assigned fund balances, as applicable, at year-end.

POLICIES

Several policy decisions related to the economic situation continued to have a significant impact on financial operations in 2013. The postponement of major capital projects (excluding sewer projects, whereby the revenue source is user fees) continued. Only minimal maintenance projects were approved, whereby further delay of such would have been cost-prohibitive. Another policy decision that began in fiscal year 2009 and continues through the date of this report is a 90-day hiring freeze for positions that became vacant. There were several positions that were held vacant beyond that period to achieve further savings. It is anticipated that the freeze will continue through the remainder of fiscal year 2014, to assist with balancing the budget.

INDEPENDENT AUDIT

The Code of Virginia and the Commonwealth's Auditor of Public Accounts require an annual audit of the books of account, financial records, and the transactions of all administrative departments, agencies, and activities of the County by an independent certified public accountant selected by the Board of Supervisors. This requirement has been complied with and the report of independent auditors has been included in the financial section of this report.

In addition to meeting the requirements set forth in State statutes and regulations, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The reports of the independent auditors that relate specifically to the single audit are also included in the compliance section of this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of York, Virginia, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the 27th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers' Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the County of York, Virginia, for its annual budget for the fiscal year beginning July 1, 2012. This was the 9th consecutive year that the County has achieved this prestigious award.

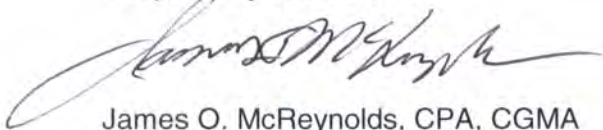
In order to receive this award, a governmental entity must publish a budget document that meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements and it has been submitted to the GFOA to determine its eligibility for another award.

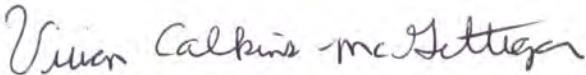
ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Department of Financial and Management Services, especially the Division of Budget and Financial Reporting, the Office of the Treasurer, the School Division, and the York/Poquoson Department of Social Services. I would like to express my appreciation to all of the members of these staffs who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors who, both individually and collectively, provided the guidance and support essential to the conduct of the financial operations of the County in a responsible and progressive manner.

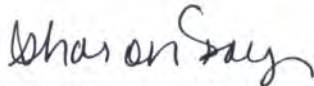
Respectfully submitted,



James O. McReynolds, CPA, CGMA
County Administrator



Vivian Calkins-McGettigan, MBA, CPA, CIA, CPFO, CFE
Deputy County Administrator



Sharon B. Day, CPA, MSA
Controller

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

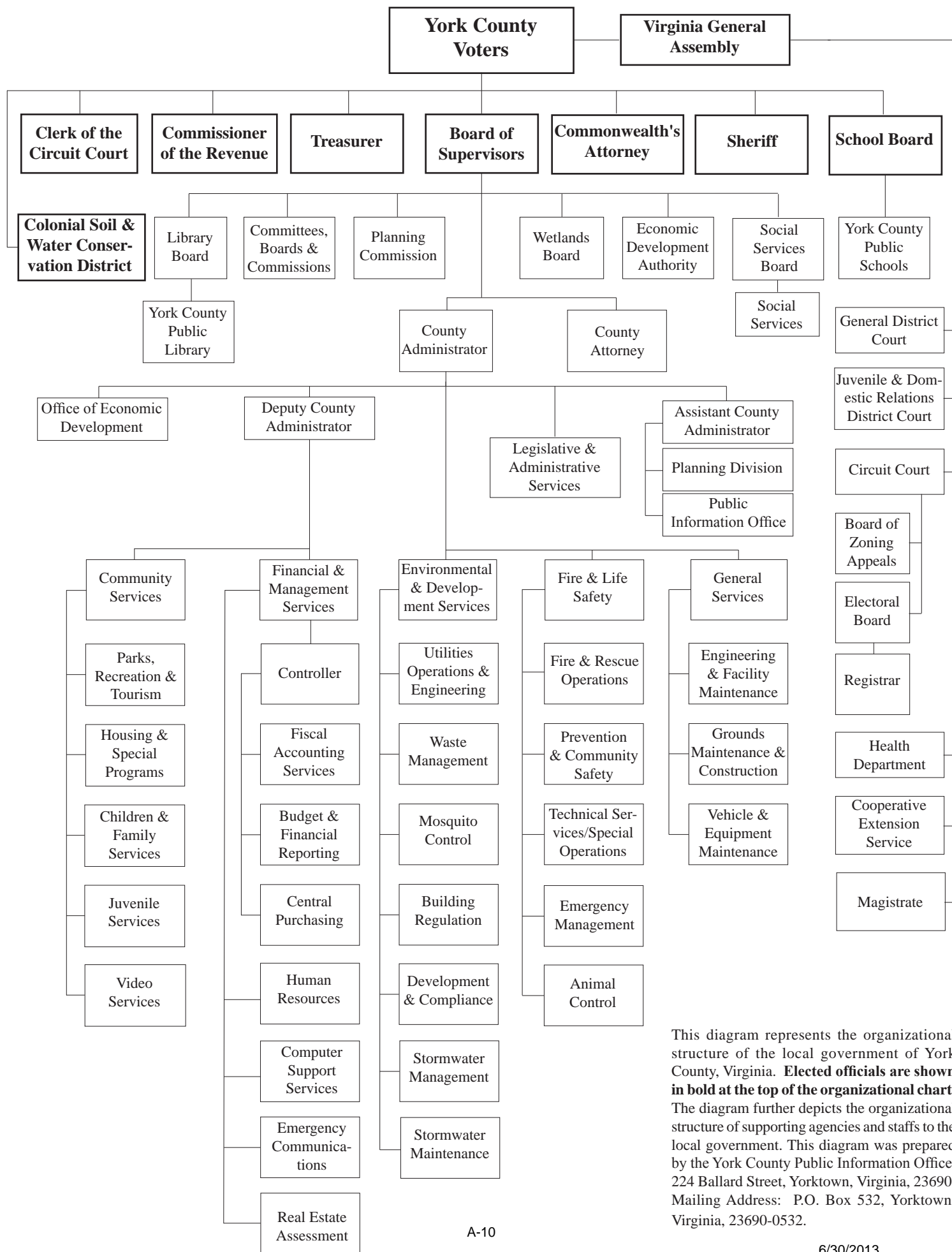
**County of York
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Organizational Diagram of York County Government



This diagram represents the organizational structure of the local government of York County, Virginia. **Elected officials are shown in bold at the top of the organizational chart.** The diagram further depicts the organizational structure of supporting agencies and staffs to the local government. This diagram was prepared by the York County Public Information Office, 224 Ballard Street, Yorktown, Virginia, 23690. Mailing Address: P.O. Box 532, Yorktown, Virginia, 23690-0532.

COUNTY OF YORK, VIRGINIA
Principal Officials
For the Fiscal Year Ended June 30, 2013

Board of Supervisors

Walter C. Zaremba, Chairman
Donald E. Wiggins, Vice-Chairman
Sheila S. Noll
George S. Hrichak
Thomas G. Shepperd, Jr.

Constitutional Officers

Clerk of the Circuit Court
Commissioner of the Revenue
County Treasurer
Commonwealth's Attorney
Sheriff

Lynn S. Mendibur
Ann H. Thomas
Deborah B. Robinson
Benjamin M. Hahn
J. D. Diggs

County Officials

County Administrator
County Attorney
Assistant County Administrator
Deputy County Administrator
Director of Community Services
Director of Environmental and Development Services
Director of General Services
Fire Chief
Controller

James O. McReynolds
James E. Barnett
J. Mark Carter
Vivian McGettigan
Laurie Blanton-Coleman
John Hudgins
Mark Bellamy
Stephen P. Kopczynski
Sharon B. Day

School Board

Barbara S. Haywood, Chair
Mark A. Medford, Vice Chair
Cindy Kirschke
R. Page Minter
Robert W. George, D.D.S.

School Officials

Superintendent of Schools
Chief Academic Officer
Chief Financial Officer
Chief Operations Officer
Director of Accountability & Instructional Services
Director of Elementary Instruction
Director of Human Resources
Director of Information Technology
Director of School Administration
Director of Secondary Instruction

Dr. Eric S. Williams
Dr. Stephanie L. Guy
Dennis R. Jarrett, CPA, CPFO, SFO
Dr. Carl L. James
Dr. Lisa L. Pennycuff
Candi Skinner
Noreen B. Becci, Esq.
Douglas E. Meade
Dr. Catherine L. Jones
Dr. Kipp D. Rogers

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Report of Independent Auditor

To the Honorable Members of the Board of Supervisors
County of York, Virginia

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages C-1 through C-13 and G-2 through G-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

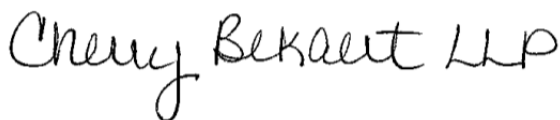
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of York, Virginia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for the purpose 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 Organizations. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Virginia Beach, Virginia
November 12, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of York's (the "County's") comprehensive annual financial report presents management's discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the transmittal letter on pages A-1 through A-8 at the front of this report and the County's basic financial statements, which begin on page D-1.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2013 (FY2013)

- The assets of the County on a government-wide basis excluding component units, exceeded its liabilities as of June 30, 2013 by \$177,927,123 (net position). Under Virginia law, School Divisions hold title to all school property and local governments incur financial obligations for school property. The assets are reported on the School Division's Statement of Net Position and the related debt is reported on the County's Statement of Net Position. Consequently, the County reports \$54,961,398 in school debt without the related assets.
- The County's total net assets increased by \$6,657,341. Governmental activities increased by \$5,199,675, primarily due to a decrease in overall expenses, a decrease in program revenues and an increase in property taxes. Business-type activities increased by \$1,457,666, mainly attributable to capital contributions for sewer infrastructure.
- As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$69,229,187, an increase of \$1,697,310 from the prior year. Unassigned fund balance totaled \$8,326,561 and is available for spending at the County's discretion. This amount reflects a General Fund unassigned fund balance of \$15,612,469, or 14.3% of total General Fund expenditures and an unassigned fund deficit of (\$7,285,908) in the Yorktown Capital Improvements Fund, attributable to a long-term advance payable to another fund.
- The County's noncurrent liabilities at June 30, 2013 were \$116,130,681, which is a decrease of \$6,260,724 from the prior year. The key factor in this decrease was the principal payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report consists of three (3) sections: introductory, financial and statistical. The financial section includes the basic financial statements consisting of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Statements - The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to a private-sector business. One of the most frequently asked questions about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all of the assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and the changes in them. One can think of the County's net position - the difference between assets and liabilities - as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors will need to be considered, such as changes in the County property tax base, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, the County is divided into three kinds of activities:

- Governmental activities - Most of the County's basic services are reported here, including general government, judicial services, public safety, environmental and development services, finance and planning, education, human services, general services, and community services. Property taxes, other local taxes, and state and federal grants finance most of these activities.
- Business-type activities - The County charges a fee to customers to help cover the majority of the costs of services it provides. The County's water and sewer utilities, solid waste, Yorktown operations, the two Sanitary Districts, and Regional Radio System operations are reported here.
- Component units - The County includes three separate legal entities in its report - the York County School Division, the Economic Development Authority of York County and the Marquis Community Development Authority. Although legally separate, the County is financially accountable for the component units and provides operating and capital funding.

The government-wide financial statements can be found on pages D-1 through D-2 of this report.

Fund Financial Statements - Traditional users of government financial statements will find the fund statement presentation more familiar, although the focus is only on the County's most significant funds. The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The County has three kinds of funds:

- Governmental funds - Most of the County's basic services are reported in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view of the County's general government operations and the basic services it provides.

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the future to finance the County's programs. Because this information does not address the long-term focus of the government-wide statements, additional information is provided after the governmental funds statements that explains the relationship (or differences) between the fund financial statements and the government-wide financial statements. The basic governmental fund financial statements can be found on pages E-1 through E-4 of this report. The County maintains eleven individual governmental funds.

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tourism Fund, Yorktown Capital Improvements and County Capital Funds, all of which are considered to be major funds.

Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages H-2 through H-6 of this report.

- **Proprietary funds** - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

In fact, the County's enterprise funds (one type of proprietary fund) are its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flow. The basic proprietary fund financial statements can be found on pages E-5 through E-7 of this report. The County maintains eight individual enterprise funds. Information is presented separately in the proprietary fund statement of net position, the proprietary fund statement of revenues, expenses and changes in fund net position and the proprietary fund statement of cash flows for the Sewer Utility Fund, which is a major fund. Data for the other seven enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements on pages I-2 through I-4 of this report.

The County uses two internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the County's other programs and activities. The Vehicle Maintenance Fund provides for the accumulation of resources to replace capital equipment and maintenance services for the County's vehicle fleet and the Other Post-Employment Benefits Fund (OPEB) accounts for subsidy payments for eligible retirees of the County towards health insurance coverage in a plan sponsored by the County. The internal service funds are presented as a separate column in the proprietary fund financial statements, on pages E-5 through E-7 of this report. Individual fund data for each of these internal service funds is provided in the form of combining statements on pages J-2 through J-4 of this report.

- **Fiduciary funds** - All of the County's fiduciary activities are reported in separate agency fund statements of assets and liabilities and changes in assets and liabilities. The County excludes these activities from the County's government-wide statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is the custodian.

The Statement of Assets and Liabilities - Agency funds can be found on page E-8 of this report. Individual fund data for the agency funds is provided in the form of combining statements on pages K-2 through K-3 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-1 through F-36 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's General Fund and Tourism Fund budgets and progress in funding its obligations to provide pension benefits and other post-employment benefits to its employees and contributions for other-post employment benefits and for the single-employer defined benefit pension plan of the School Division. Required supplementary information can be found beginning on page G-2 of this report.

The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages H-2 through K-3 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Statement of Net Position - As of June 30, 2013 and 2012

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Current and other assets	\$ 100,418,507	\$ 101,535,203	\$ 14,044,383	\$ 19,582,097	\$ 114,462,890	\$ 121,117,300
Capital assets	86,324,016	87,624,581	118,668,615	112,772,722	204,992,631	200,397,303
Total assets	<u>\$ 186,742,523</u>	<u>\$ 189,159,784</u>	<u>\$ 132,712,998</u>	<u>\$ 132,354,819</u>	<u>\$ 319,455,521</u>	<u>\$ 321,514,603</u>
Current and other liabilities	\$ 21,525,978	\$ 23,597,922	\$ 3,871,739	\$ 4,255,494	\$ 25,397,717	\$ 27,853,416
Long-term liabilities	92,695,442	98,240,434	23,435,239	24,150,971	116,130,681	122,391,405
Total liabilities	<u>114,221,420</u>	<u>121,838,356</u>	<u>27,306,978</u>	<u>28,406,465</u>	<u>141,528,398</u>	<u>150,244,821</u>
Net position:						
Net investment in capital assets	57,401,484	57,208,246	97,496,807	91,705,008	154,898,291	148,913,254
Restricted net position	1,520,094	1,235,126	174,935	182,087	1,695,029	1,417,213
Unrestricted net position	<u>13,599,525</u>	<u>8,878,056</u>	<u>7,734,278</u>	<u>12,061,259</u>	<u>21,333,803</u>	<u>20,939,315</u>
Total net position	<u>72,521,103</u>	<u>67,321,428</u>	<u>105,406,020</u>	<u>103,948,354</u>	<u>177,927,123</u>	<u>171,269,782</u>
Total liabilities and net position	<u>\$ 186,742,523</u>	<u>\$ 189,159,784</u>	<u>\$ 132,712,998</u>	<u>\$ 132,354,819</u>	<u>\$ 319,455,521</u>	<u>\$ 321,514,603</u>

Current and other assets decreased by \$6,654,410 from the prior year. Most of the decrease was attributable to cash, restricted cash and accounts receivable balances. Capital assets increased by \$4,595,328 from the prior year. This is primarily related to the capitalization of land, buildings and improvements, equipment and sewer infrastructure.

The County's net position totaled \$177,927,123, an increase of \$6,657,341. This result is comprised of an increase of net position in governmental activities of \$5,199,675, and an increase of \$1,457,666 in business-type activities. The increase in governmental activities was primarily due to a decrease in overall expenses, a decrease in program revenues and an increase in property taxes. The increase for business-type activities was primarily attributable to capital contributions for the sewer infrastructure.

Approximately .95% of net position represented resources that are subject to external restrictions. Restrictions do not significantly affect the availability of fund resources for future use. The majority of the County's net position reflected its investment in capital assets, less any related debt used to acquire those assets that were still outstanding. These assets are used to provide services to citizens and consequently are not available for future spending. Unrestricted net position represents the part that can be used to finance day-to-day operations. At June 30, 2013, the County reported unrestricted net position of \$21,333,803.

Under Virginia law, School Divisions hold title to all school property, except when the governing bodies of the local government and school division agree that title may vest in the locality. Since Virginia school divisions do not have taxing authority, local governments incur financial obligations for school property. In June 2003, the York County Board of Supervisors passed a resolution electing not to acquire tenancy in common of school property in the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The County borrows funds to finance the acquisition, construction, and improvement of school property and the School Division holds title to this property.

With the County opting out of Senate Bill 276, the asset values are reported on the School Division's Statement of Net Assets and the related debt or liability are reported on the County's Statement of Net Position. Consequently, the County reports \$54,961,398 in school debt without the related assets.

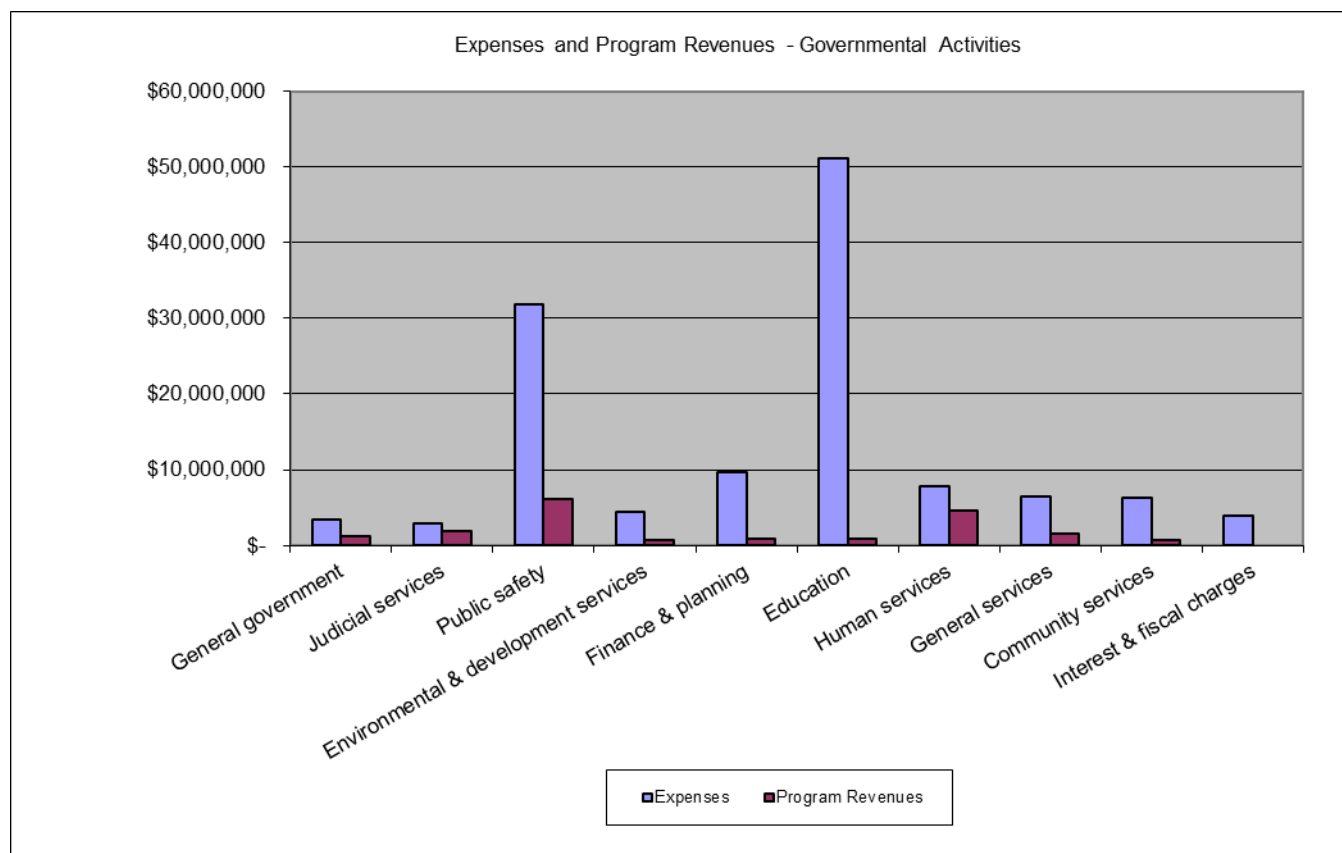
Summary of Changes in Net Position - Years Ended June 30, 2013 and 2012

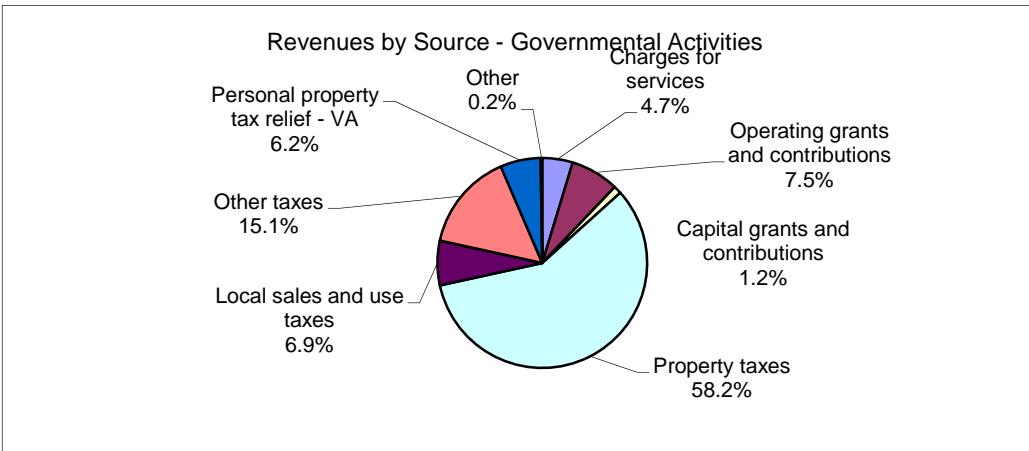
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,410,147	\$ 7,128,720	\$ 14,616,181	\$ 13,123,273	\$ 21,026,328	\$ 20,251,993
Operating grants and contributions	10,205,585	10,146,333	300,180	1,342,550	10,505,765	11,488,883
Capital grants and contributions	1,668,035	2,727,017	1,139,604	1,063,452	2,807,639	3,790,469
General revenues:	-	-	-	-	-	-
Property taxes	79,711,885	76,373,509	-	-	79,711,885	76,373,509
Other taxes	30,070,719	29,921,005	-	-	30,070,719	29,921,005
Personal property tax relief from Commonwealth of Virginia, net	-	-	-	-	-	-
Local Aid to Commonwealth	8,525,325	8,485,927	-	-	8,525,325	8,485,927
Unrestricted investment earnings	85,087	174,000	54,762	66,982	139,849	240,982
Miscellaneous	232,168	414,057	82,881	30,039	315,049	444,096
Gain on sale of capital assets	25,631	28,907	103,632	-	129,263	28,907
Total revenues	<u>136,934,582</u>	<u>135,399,475</u>	<u>16,297,240</u>	<u>15,626,296</u>	<u>153,231,822</u>	<u>151,025,771</u>
Expenses:						
Governmental activities:						
General government	3,469,315	3,852,265	-	-	3,469,315	3,852,265
Judicial services	2,974,509	2,983,284	-	-	2,974,509	2,983,284
Public safety	31,809,187	30,651,085	-	-	31,809,187	30,651,085
Environmental and development services	4,392,549	5,110,799	-	-	4,392,549	5,110,799
Finance and planning	9,605,982	9,246,805	-	-	9,605,982	9,246,805
Education	51,052,753	55,589,523	-	-	51,052,753	55,589,523
Human services	7,895,079	8,250,918	-	-	7,895,079	8,250,918
General services	6,400,928	7,185,728	-	-	6,400,928	7,185,728
Community services	6,333,119	6,667,688	-	-	6,333,119	6,667,688
Interest and fiscal charges on noncurrent debt	3,974,566	4,048,324	-	-	3,974,566	4,048,324
Business-type activities:						
Sewer Utility	-	-	10,086,788	10,467,392	10,086,788	10,467,392
Water Utility	-	-	1,002,427	346,275	1,002,427	346,275
Solid Waste	-	-	4,651,045	5,599,987	4,651,045	5,599,987
Yorktown Operations	-	-	98,893	112,258	98,893	112,258
Sanitary Districts	-	-	424,857	431,544	424,857	431,544
Regional Radio System	-	-	2,402,484	2,024,644	2,402,484	2,024,644
Total expenses	<u>127,907,987</u>	<u>133,586,419</u>	<u>18,666,494</u>	<u>18,982,100</u>	<u>146,574,481</u>	<u>152,568,519</u>
Change in net position, before transfers	9,026,595	1,813,056	(2,369,254)	(3,355,804)	6,657,341	(1,542,748)
Transfers	<u>(3,826,920)</u>	<u>(3,739,725)</u>	<u>3,826,920</u>	<u>3,739,725</u>	<u>-</u>	<u>-</u>
Change in net position	5,199,675	(1,926,669)	1,457,666	383,921	6,657,341	(1,542,748)
Net position, beginning	<u>67,321,428</u>	<u>69,248,097</u>	<u>103,948,354</u>	<u>103,564,433</u>	<u>171,269,782</u>	<u>172,812,530</u>
Net position, ending	<u>\$ 72,521,103</u>	<u>\$ 67,321,428</u>	<u>\$ 105,406,020</u>	<u>\$ 103,948,354</u>	<u>\$ 177,927,123</u>	<u>\$ 171,269,782</u>

Governmental Activities - For the fiscal year ended June 30, 2013, revenues from governmental activities totaled \$136,934,582. Real estate tax revenue, the County's largest revenue source, was \$67,297,908. The County's assessed real property tax base for calendar year 2013 was \$9,111,885,703. The County reported current year collections of \$20,357,564 in personal property taxes, the County's second largest revenue source. Of that amount, \$8,741,680 was from the Commonwealth of Virginia as an entitlement grant under the provisions of the Personal Property Tax Relief Act (PPTRA), offset by \$216,355 of local aid returned to the Commonwealth. Property taxes increased by \$3,338,376, due to an increase in the real estate rate of .01 cent per \$100 of value in 2nd half of the fiscal year.

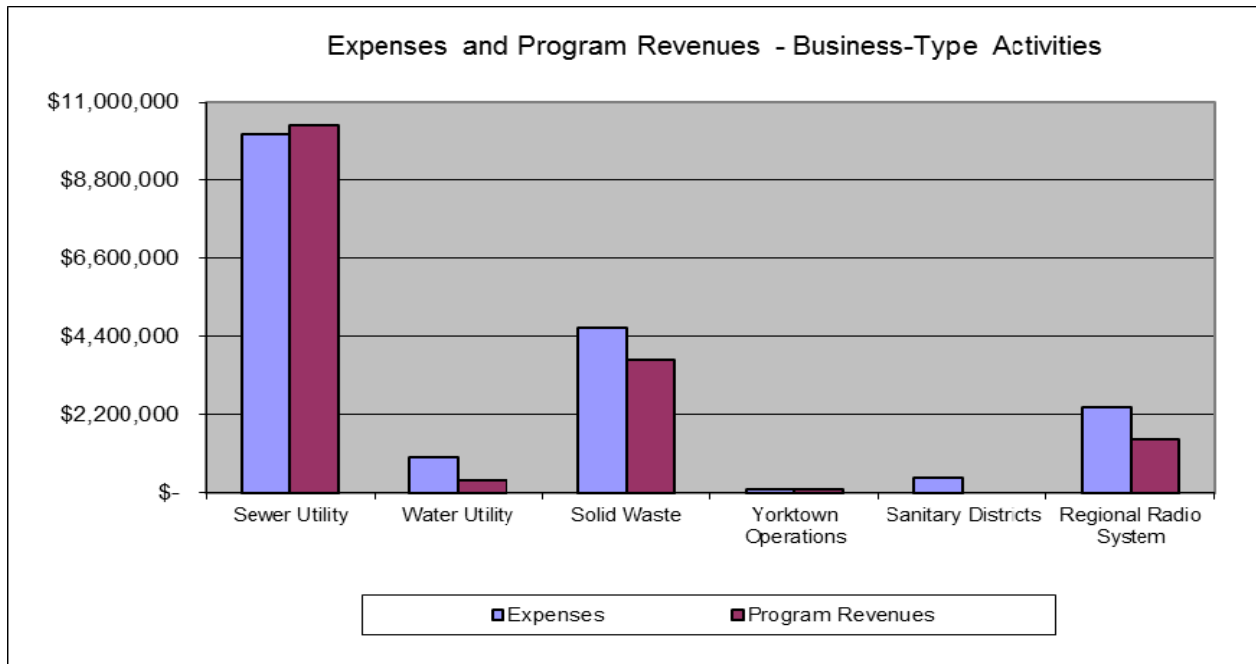
Other taxes increased by \$149,714 from the prior year as a result of increases in hotel and motel room taxes, restaurant food taxes and motor vehicle licenses. Most of the overall decrease of \$1,058,982 in capital grants and contributions related to a Community Development Block Grant and Public Safety grants.

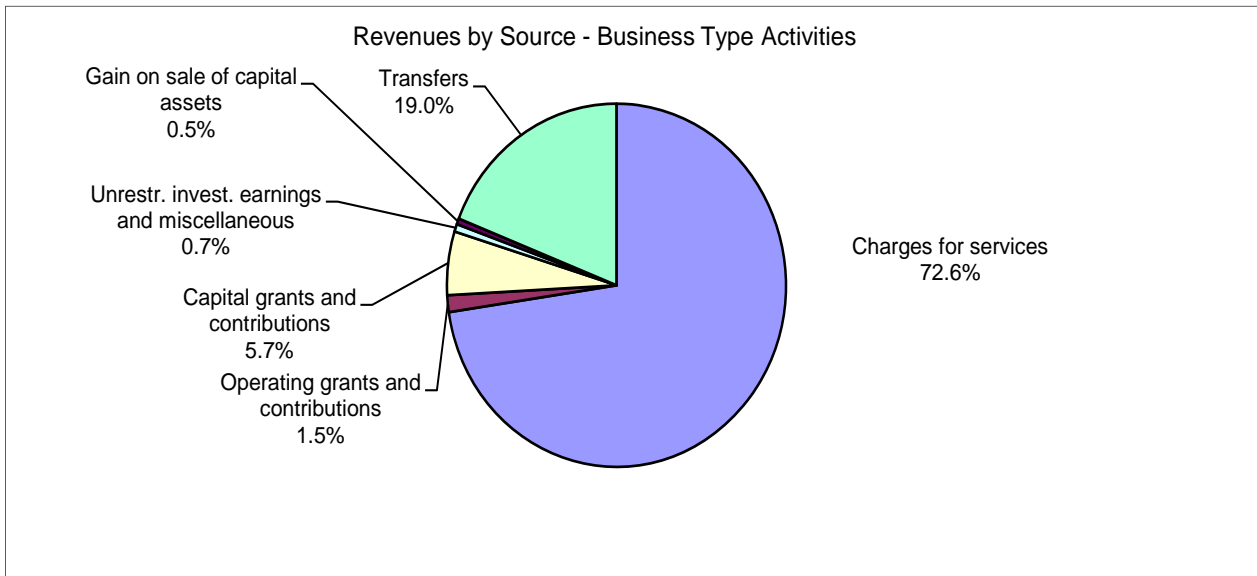
For the fiscal year ended June 30, 2013, expenses for governmental activities totaled \$127,907,987, including the following payments to the component unit - School Division: \$48,246,996 for operations; the component unit - Economic Development Authority: \$44,250 for operations and \$5,000 for an economic grant, and the component unit - Community Development Authority: \$1,072,036 in incremental taxes.





Business-Type Activities - Business-type activities increased the County's net assets by \$1,457,666 for the fiscal year ended June 30, 2013. This increase is primarily attributable to capital contributions. Significant transfers include \$666,667 to support the operations of the County's curbside recycling program in the Solid Waste Fund, \$2,220,994 of meals tax to support capital projects in the Sewer Utility Fund, and \$944,565 for the maintenance on the emergency radio system in the Regional Radio System Fund.



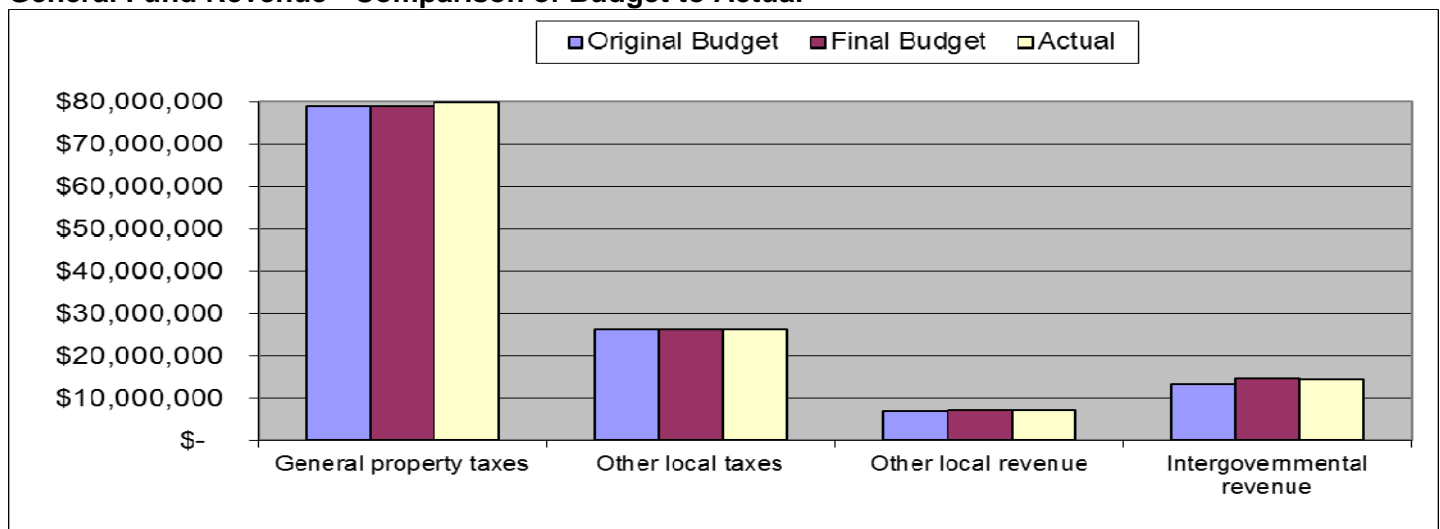


GENERAL FUND

As of June 30, 2013, the County's governmental funds reported combined ending fund balances of \$69,229,187, an increase of \$1,697,310 from the prior year. Unassigned fund balance totaled \$8,326,561 and is available for spending at the County's discretion. Of the remainder of fund balance, \$10,656,929 is nonspendable, \$1,520,094 is restricted, \$22,457,945 is committed and \$26,267,658 is assigned. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,612,469, and total fund balance was \$53,558,699. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.3% of total General Fund expenditures while total fund balance represents 49.1% of the same amount.

During the year, the Board of Supervisors approved various budget revisions. The following chart shows the original approved budget, the revised budget at the end of the fiscal year and the actual amounts for both revenues and expenditures in the General Fund.

General Fund Revenue - Comparison of Budget to Actual

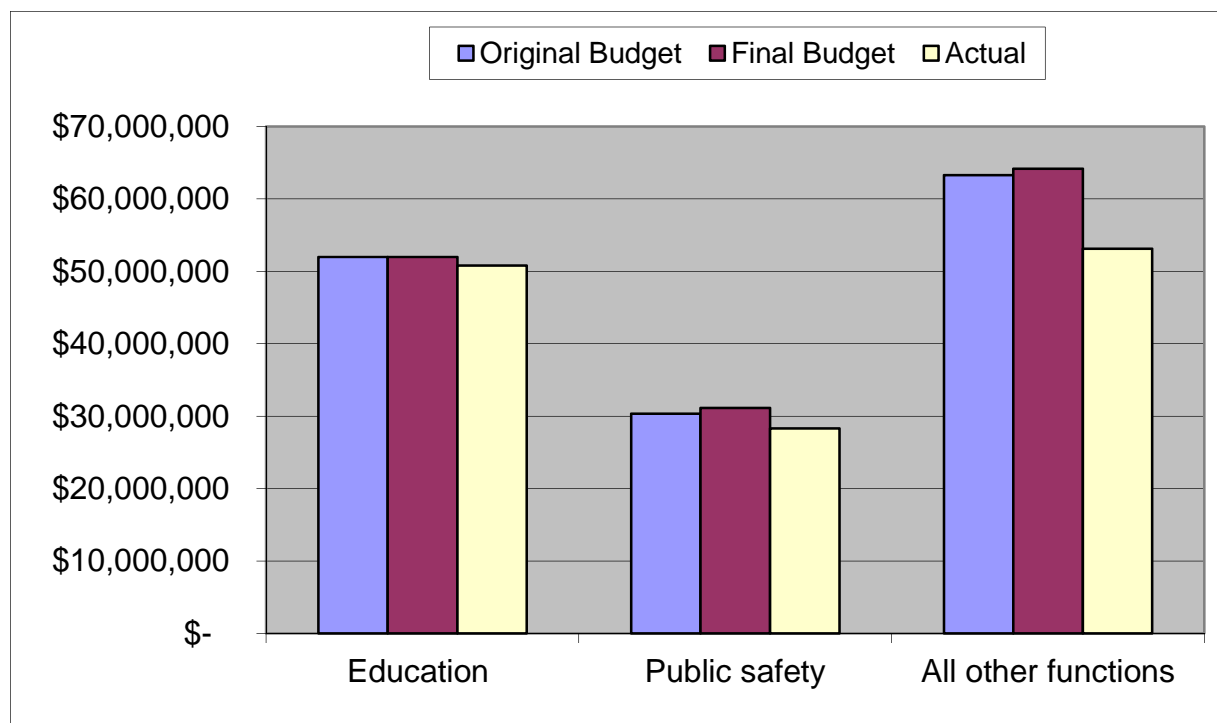


The total General Fund final budgeted revenues were \$1,514,142 (1.2%) over the original budget. The majority of the increase was driven by federal and state grants appropriated during the year.

The total General Fund actual revenues were \$616,131 (.5%) over the final budget. Significant variances include the following:

- General property taxes were higher than the final budget by \$838,606 (1.1%), which was primarily driven by higher than anticipated personal property tax collections.
- Charges for services was less than the final budget by \$179,341 (4.6%), mainly due to decreases in collections from medic recovery fees and parks and recreation programs.
- Recovered costs increased by \$129,430 from the final budget (8.5%). Of this net increase, the more significant variances were the result of a contribution from the York Public School Division for other post-employment benefits and a new memorandum of understanding to fund operations for the regional radio system, approved after the budget was adopted.
- Intergovernmental revenue was below the final budget by \$147,845 (1%). The main contributors to the decrease were as follows: the Assistance to Firefighters and Violence Against Women grants were budgeted for the full grant however, the revenue is reimbursement-based and the expenditures are expected to be incurred over multiple years; and the County was reimbursed for a disaster grant related to Hurricane Irene for expenditures incurred in fiscal year 2012 but not received during the availability time period.

General Fund Expenditures - Comparison of Budget to Actual



The total General Fund final budgeted expenditures were \$1,712,395 (1.18%) over the original budget. The majority of the increase was driven by federal and state grants and donations appropriated during the year.

The total General Fund actual expenditures were \$15,064,713 (10.2%) under the final budget. A portion of the variance (\$239,341) is attributable to outstanding encumbrances at June 30, 2013, which are not reflected in the budgetary comparison schedule. Other significant variances include the following:

- Education: the payment to the School Division is under budget due to the return of unspent funds to the County per State code and savings from vacant positions and turnover in Library Services.
- Public Safety: the department was under budget due to grants and donations that had not been fully expended at year-end. In addition, personnel savings were realized as a result of turnover and a 90 day hiring freeze. Various amendments to the original budget resulted from donations and the award of grants.
- All Other Functions with significant variances:
 - General Government: The Electoral Board was under budget because there were no significant withdrawals from the voting machine replacement reserve during the year.
 - Judicial Services: The Circuit Court, the Clerk of the Court, and the Commonwealth's Attorney were under budget as a result of vacancies and a 90 day hiring freeze. These offices also realized savings due to grants not fully expended at year-end.
 - Environmental and Development Services: the department was under budget due to vacancies, a 90 day hiring freeze and unspent funds set aside for the demolition of structures.
 - Finance and Planning: the department was under budget due to vacancies and a 90 day hiring freeze; savings from funds set aside for network and technology enhancements yet to occur; and economic development incentives set aside for future purposes.
 - General Services: this department realized savings in operations and capital outlay. Also, utility charges for electricity, heating, water and sewer usage came in below budget.
 - Community Services: the department had savings from holding positions vacant and from turnover during the year.
 - Non-departmental: the budget underage primarily reflects lower payments for employee termination pay.
 - Capital Outlay: the budget underage was due to the timing of projects.
 - Transfers Out: savings resulted from lower than budgeted local match transfers for Social Services and Head Start programs and budgeted funds set aside for future payments toward other post-employment benefits.

GOVERNMENTAL FUNDS

The County maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Tourism, Yorktown Capital Improvements and County Capital Funds, all of which are considered to be major funds.

The Tourism Fund accounts for transactions related to the lodging tax restricted by the State for tourism activities. The Yorktown Capital Improvements and County Capital Funds account for major capital improvements.

For fiscal year ended June 30, 2013, the Tourism Fund had an increase in fund balance of \$240,999. The Yorktown Capital Improvements Fund had an increase in fund balance of \$22,975, mainly due to transfers in, and a year-end deficit of \$7,285,908. The County Capital Fund had an increase in fund balance of \$5,028,759, due to transfers in of \$6,423,985.

PROPRIETARY FUNDS

The County currently operates eight enterprise funds and two internal service funds. The enterprise funds provide the means to account for the operations of the County-operated utilities, the two sanitary districts, the County solid waste disposal activity, the operations at Yorktown and the operations of the Regional Radio System.

The internal service funds are used to account for the operation of the centralized motor vehicle pool and for subsidy payments for eligible retirees towards health insurance coverage.

The Sewer Utility Fund earned \$8,928,385 through charges for services. The Vehicle Maintenance Fund (internal service fund) collects its revenues through charges for services imposed on the various County departments to which fleet vehicles are assigned. The expenses relate directly to the maintenance and depreciation of the County's fleet of vehicles. The Other Post-Employment Benefits Fund (OPEB), also an internal service fund, allows for subsidy payments for County retirees towards health insurance coverage in a plan sponsored by the County.

The enterprise funds in the aggregate had an increase in net position during the fiscal period of \$1,457,666, and the internal service funds reported a decrease in net position of \$278,623. The net position for the enterprise funds and internal service funds were \$105,406,020 and \$5,595,901, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013, the County's investment in capital assets for its governmental and business-type activities amounts to \$204,992,631 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, land improvements, buildings and improvements, infrastructure, equipment, vehicles and computer software. The increase in governmental activities is mainly attributable to land, buildings and improvements and equipment.

The County does not own its roads and they are therefore not included in the capital assets. In addition, the School Division owns school buildings and the related debt is County debt. For this reason, the assets are reflected in the statement of net assets of the component unit School Division, while the related debt is reflected in the statement of net assets of the County.

The increase in capital assets for business-type activities is driven by developers donating sewer systems to the County, the completion of Kings Villa pump station, Oak-Dogwood and East Rochambeau, and the additional phases of the Queens Lake, Waterview and Old Wormley Creek Sewer projects, captured in construction in progress.

Governmental Activities and Business-Type Activities - Capital Assets, Net of Depreciation and Amortization

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Land	\$ 10,768,484	\$ 9,279,019	\$ 3,936,755	\$ 3,936,755	\$ 14,705,239	\$ 13,215,774
Easements	502,875	476,023	356,455	250,973	859,330	726,996
Construction in progress	242,834	2,043,679	14,610,893	7,369,415	14,853,727	9,413,094
Land improvements	12,998,077	14,303,051	26,300	28,159	13,024,377	14,331,210
Buildings and improvements	34,073,340	34,345,911	7,930,702	8,050,596	42,004,042	42,396,507
Infrastructure	10,306,144	10,798,887	89,898,055	90,786,606	100,204,199	101,585,493
Equipment	9,736,094	8,842,655	1,295,986	1,650,989	11,032,080	10,493,644
Vehicles	7,009,826	7,254,215	587,305	665,590	7,597,131	7,919,805
Computer software	686,342	281,141	26,164	33,639	712,506	314,780
Total	<u>\$ 86,324,016</u>	<u>\$ 87,624,581</u>	<u>\$ 118,668,615</u>	<u>\$ 112,772,722</u>	<u>\$ 204,992,631</u>	<u>\$ 200,397,303</u>

Capital Project Funds

The capital project funds are used by the County to acquire and construct major capital projects.

Yorktown Capital Improvements Fund

For fiscal year 2013, \$100,000 was transferred to the Yorktown Capital Improvements Fund from the Tourism Fund to pay down an advance. This fund had a (\$7,285,908) deficit at June 30, 2013, resulting from advances from the Tourism Fund.

County Capital Fund

For fiscal year 2013, a transfer of \$6,423,985 was from the General Fund for future projects. Capital expenditures of \$1,765,080 included the following repair and maintenance projects: public safety equipment, telephone system upgrade, grounds maintenance equipment, heating, ventilation and air conditioning and roof and building repairs.

Additional information on the County's capital assets can be found in note 5 beginning on page F-15 of this report.

Governmental Activities and Business-Type Activities - Long-Term Debt

At the end of the fiscal year, the County had total bonded debt of \$103,162,580. Capital leases, the School Division's note payable to the Virginia Retirement System, compensated absences and net OPEB obligation are not included in these figures.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2012</u>
Bonds payable	\$ 81,021,050	\$ 87,322,019	\$ 22,141,530	\$ 22,570,884	\$ 103,162,580	\$ 109,892,903
Total	<u>\$ 81,021,050</u>	<u>\$ 87,322,019</u>	<u>\$ 22,141,530</u>	<u>\$ 22,570,884</u>	<u>\$ 103,162,580</u>	<u>\$ 109,892,903</u>

Under Virginia state law, school divisions do not have the authority to issue debt. Therefore, all school debt is issued by and is a liability of the County. In fiscal year 2013, the County paid debt service of \$5,066,653 and \$2,610,528 for education related principal and interest and fiscal charges, respectively, through the Education Debt Service Fund.

The County continues to maintain an excellent bond rating for local governmental jurisdictions of its type and size. The rating assigned by Standard & Poor's Corporation is AA+ and Moody's is Aa2 for debt backed by the full faith and credit of the County and for the lease revenue bonds issued in December 2008.

Additional information on the County's long-term debt can be found in note 7 beginning on page F-18 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

The County's staff and Board of Supervisors considered many factors when developing the fiscal year 2014 budget. The fiscal year 2014 approved budget for the General Fund is \$130,103,905, a 2.3% increase from the fiscal year 2013 budget. Local revenue, which includes property tax, was expected to increase from fiscal year 2013 by 2.4%. The projected increase in real estate is due to raising the tax rate from \$0.7415 per \$100 of assessed valuation to \$0.7515. State and federal revenues comprise about 10.5% of the total. State revenues are expected to be up by \$231,591 or 1.8%. Federal revenues are projected to increase by \$90,152 or 29.9% due to a reclassification of the DCJS Victim Witness grant from state to federal funding.

The final approved budget resulted in a \$2.9 million General Fund increase, which included a real estate tax rate increase of 1.00 cent for calendar year 2013. The fiscal year 2014 budget provides no new initiatives and focuses on maintaining County services. It provides \$1.2M in funding to the York County School Division and includes a compensation package that adjusts for health insurance and a 2% market adjustment. It also delays General Fund capital projects for another year, with critical maintenance projects funded from the County Capital Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Sharon B. Day, CPA, Controller, P.O. Box 532, Yorktown, VA 23690, telephone (757) 890-3700.

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COUNTY OF YORK, VIRGINIA

Statement of Net Position

June 30, 2013

ASSETS	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Community Development Authority
Cash and investments	\$ 81,192,376	\$ 10,762,808	\$ 91,955,184	\$ 14,558,830	\$ 354,593	\$ -
Restricted cash	22,430	1,839,004	1,861,434	3,626,741	14,810	2,174,459
Receivables, net	15,741,605	3,476,926	19,218,531	2,579,905	224,075	83
Due from component unit - EDA	-	18,870	18,870	-	-	-
Due from primary government	-	-	-	11,876,936	-	335,485
Prepaid expenses	491,911	75,876	567,787	-	1,671	1,200
Other assets	-	-	-	-	1,100,749	-
Internal balances	2,523,963	(2,523,963)	-	-	-	-
Deferred charges	645,604	484,490	1,130,094	-	-	295,740
Less accumulated amortization	(199,382)	(89,628)	(289,010)	-	-	(60,665)
Capital assets:						
Nondepreciable/nonamortizable	11,514,193	18,904,103	30,418,296	9,174,324	-	20,886,800
Depreciable/amortizable	123,425,320	151,987,361	275,412,681	194,846,060	860,517	9,000
Less accumulated depreciation/amortization	(48,615,497)	(52,222,849)	(100,838,346)	(71,481,109)	(43,411)	(9,000)
Total assets	\$ 186,742,523	\$ 132,712,998	\$ 319,455,521	\$ 165,181,687	\$ 2,513,004	\$ 23,633,102
LIABILITIES						
Accounts payable	\$ 1,727,729	\$ 1,725,638	\$ 3,453,367	\$ 5,205,431	\$ 46,846	\$ 2,133
Retainage payable	-	312,709	312,709	174,897	-	-
Deposits payable	964,507	147,489	1,111,996	-	14,810	-
Salaries, taxes and benefits payable	2,997,349	351,066	3,348,415	14,533,210	-	-
Unearned revenue	2,224,323	1,231,744	3,456,067	99,784	21	-
Due to component unit - School Division	11,876,936	-	11,876,936	-	-	-
Due to component unit - CDA	335,485	-	335,485	-	-	-
Due to primary government	-	-	-	-	18,870	-
Accrued interest payable	1,399,649	103,093	1,502,742	-	-	897,100
Noncurrent liabilities:						
Due within one year	7,225,885	773,993	7,999,878	1,550,000	20,000	-
Due in more than one year	85,469,557	22,661,246	108,130,803	4,825,584	176,667	28,875,000
Total liabilities	114,221,420	27,306,978	141,528,398	26,388,906	277,214	29,774,233
NET POSITION						
Net investment in capital assets	57,401,484	97,496,807	154,898,291	132,539,275	817,106	(6,627,126)
Restricted for:						
Public safety	833,228	-	833,228	-	-	-
Tourism	604,356	-	604,356	-	-	-
Judicial services	51,942	-	51,942	-	-	-
Community services	24,929	-	24,929	-	-	-
Other purposes	5,639	-	5,639	-	-	-
Debt service	-	174,935	174,935	-	-	2,117
Capital projects	-	-	-	3,626,741	-	-
Food service	-	-	-	308,676	-	-
Unrestricted	13,599,525	7,734,278	21,333,803	2,318,089	1,418,684	483,878
Total net position	72,521,103	105,406,020	177,927,123	138,792,781	2,235,790	(6,141,131)
Total liabilities and net position	\$ 186,742,523	\$ 132,712,998	\$ 319,455,521	\$ 165,181,687	\$ 2,513,004	\$ 23,633,102

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Statement of Activities
For the Year Ended June 30, 2013

Program Revenues					Net (Expenses) Revenue and Changes in Net Position						
					Primary Government			Discretely Presented Component Units			
		Charges for	Operating	Capital	Governmental	Business-type		School	Economic	Community	
Functions/Programs	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	Total	Division	Development Authority	Development Authority	
Primary government:											
Governmental activities:											
General government	\$ 3,469,315	\$ 86,198	\$ 45,398	\$ 1,071,340	\$ (2,266,379)	\$ -	\$ (2,266,379)	\$ -	\$ -	\$ -	
Judicial services	2,974,509	606,118	1,202,882	-	(1,165,509)	-	(1,165,509)	-	-	-	
Public safety	31,809,187	2,252,219	3,566,861	292,733	(25,697,374)	-	(25,697,374)	-	-	-	
Environmental and development services	4,392,549	654,373	13,651	-	(3,724,525)	-	(3,724,525)	-	-	-	
Finance and planning	9,605,982	447,077	354,931	-	(8,803,974)	-	(8,803,974)	-	-	-	
Education	51,052,753	161,115	555,408	170,783	(50,165,447)	-	(50,165,447)	-	-	-	
Human services	7,895,079	295,254	4,243,874	-	(3,355,951)	-	(3,355,951)	-	-	-	
General services	6,400,928	1,404,091	95,344	6,303	(4,895,190)	-	(4,895,190)	-	-	-	
Community services	6,333,119	503,702	127,236	126,876	(5,575,305)	-	(5,575,305)	-	-	-	
Interest and fiscal charges on noncurrent debt	3,974,566	-	-	-	(3,974,566)	-	(3,974,566)	-	-	-	
Total governmental activities	127,907,987	6,410,147	10,205,585	1,668,035	(109,624,220)	-	(109,624,220)	-	-	-	
Business-type activities:											
Sewer Utility	10,086,788	8,928,385	286,031	1,139,604	-	267,232	267,232	-	-	-	
Water Utility	1,002,427	357,728	-	-	-	(644,699)	(644,699)	-	-	-	
Solid Waste	4,651,045	3,739,588	14,149	-	-	(897,308)	(897,308)	-	-	-	
Yorktown Operations	98,893	88,725	-	-	-	(10,168)	(10,168)	-	-	-	
Sanitary Districts	424,857	-	-	-	-	(424,857)	(424,857)	-	-	-	
Regional Radio System	2,402,484	1,501,755	-	-	-	(900,729)	(900,729)	-	-	-	
Total business-type activities	18,666,494	14,616,181	300,180	1,139,604	-	(2,610,529)	(2,610,529)	-	-	-	
Total primary government	\$ 146,574,481	\$ 21,026,328	\$ 10,505,765	\$ 2,807,639	(109,624,220)	(2,610,529)	(112,234,749)	-	-	-	
Component units:											
School Division	\$ 127,164,310	\$ 2,874,041	\$ 58,859,190	\$ -	-	-	-	(65,431,079)	-	-	
Economic Development Authority	592,931	327,375	-	-	-	-	-	-	(265,556)	-	
Community Development Authority	2,675,887	-	-	1,599	-	-	-	-	-	(2,674,288)	
Total component units	\$ 130,433,128	\$ 3,201,416	\$ 58,859,190	\$ 1,599	-	-	-	(65,431,079)	(265,556)	(2,674,288)	
General revenues:											
Taxes:											
Property taxes					79,711,885	-	79,711,885	-	-	-	
Local sales and use taxes					9,380,393	-	9,380,393	-	-	-	
Hotel and motel room taxes					4,268,312	-	4,268,312	-	-	-	
Restaurant food taxes					5,550,391	-	5,550,391	-	-	-	
Business license taxes					5,720,592	-	5,720,592	-	-	-	
Motor vehicle licenses					1,596,403	-	1,596,403	-	-	-	
Taxes on recordation and wills					1,587,812	-	1,587,812	-	-	-	
Other local taxes					1,966,816	-	1,966,816	-	-	-	
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,525,325	-	8,525,325	-	-	-	
Payment from primary government					-	-	-	48,246,996	49,250	1,072,036	
Unrestricted shared intergovernmental revenues					-	-	-	12,126,120	-	-	
Unrestricted investment earnings					85,087	54,762	139,849	19,688	10,773	-	
Miscellaneous					232,168	82,881	315,049	312,752	15,350	-	
Gain on sale of capital assets					25,631	103,632	129,263	-	-	-	
Transfers					(3,826,920)	3,826,920	-	-	-	-	
Total general revenues and transfers					114,823,895	4,068,195	118,892,090	60,705,556	75,373	1,072,036	
Change in net position					5,199,675	1,457,666	6,657,341	(4,725,523)	(190,183)	(1,602,252)	
Net position, beginning					67,321,428	103,948,354	171,269,782	143,518,304	2,425,973	(4,538,879)	
Net position, ending					\$ 72,521,103	\$ 105,406,020	\$ 177,927,123	\$ 138,792,781	\$ 2,235,790	\$ (6,141,131)	

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA

Balance Sheet
Governmental Funds
June 30, 2013

ASSETS	General	Tourism Special Revenue	Capital Project		Nonmajor Governmental Funds	Total Governmental Funds
			Yorktown Capital Improvements	County Capital		
Cash and investments	\$ 51,529,191	\$ 270,312	\$ 367,302	\$ 19,048,163	\$ 3,030,801	\$ 74,245,769
Restricted cash	22,430	-	-	-	-	22,430
Receivables, net	13,062,932	124,049	196,790	1,293,888	1,603,902	16,281,561
Due from other funds	386,230	-	-	-	86,854	473,084
Prepaid expenditures	345,391	-	-	96,469	42,202	484,062
Advances to other funds	10,172,867	7,850,000	-	-	-	18,022,867
Total assets	<u>\$ 75,519,041</u>	<u>\$ 8,244,361</u>	<u>\$ 564,092</u>	<u>\$ 20,438,520</u>	<u>\$ 4,763,759</u>	<u>\$ 109,529,773</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 985,337	\$ 213,097	\$ -	\$ 133,300	\$ 163,557	\$ 1,495,291
Deposits payable	964,507	-	-	-	-	964,507
Salaries, taxes and benefits payable	2,582,878	2,822	-	-	301,799	2,887,499
Unearned revenue	5,235,320	1,219	-	1,280,675	596,877	7,114,091
Due to other funds	315,364	-	-	1,872	36,674	353,910
Due to component unit - School Division	11,876,936	-	-	-	-	11,876,936
Due to component unit - CDA	-	-	-	-	335,485	335,485
Advances from other funds	-	7,422,867	7,850,000	-	-	15,272,867
Total liabilities	<u>21,960,342</u>	<u>7,640,005</u>	<u>7,850,000</u>	<u>1,415,847</u>	<u>1,434,392</u>	<u>40,300,586</u>
Fund balances (deficit):						
Nonspendable	10,518,258	-	-	96,469	42,202	10,656,929
Restricted	843,439	604,356	-	54,153	18,146	1,520,094
Committed	12,520,518	-	-	7,771,299	2,166,128	22,457,945
Assigned	14,064,015	-	-	11,100,752	1,102,891	26,267,658
Unassigned	15,612,469	-	(7,285,908)	-	-	8,326,561
Total fund balances (deficit)	<u>53,558,699</u>	<u>604,356</u>	<u>(7,285,908)</u>	<u>19,022,673</u>	<u>3,329,367</u>	<u>69,229,187</u>
Total liabilities and fund balances	<u>\$ 75,519,041</u>	<u>\$ 8,244,361</u>	<u>\$ 564,092</u>	<u>\$ 20,438,520</u>	<u>\$ 4,763,759</u>	<u>\$ 109,529,773</u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

Fund balances - Total governmental funds \$ 69,229,187

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds.	83,102,264
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Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,147,646
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Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.

Bond issuance costs	\$ 645,604	
Less accumulated amortization	(199,382)	446,222

Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.

Assets

Current assets	7,156,622	
Capital assets	6,762,543	
Less accumulated depreciation/amortization	(3,540,791)	
	10,378,374	

Liabilities	(4,782,473)	5,595,901
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Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	(1,399,649)	
General obligation bonds, net	(54,961,398)	
Capital leases	(2,862,880)	
Lease revenue bonds, net	(26,059,652)	
Note payable	(372,740)	
Compensated absences	(4,343,798)	(90,000,117)

Total net position - Statement of Net Position	\$ 72,521,103
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The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

			<u>Capital Project</u>			
	<u>General</u>	<u>Tourism Special Revenue</u>	<u>Yorktown Capital Improvements</u>	<u>County Capital</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
General property taxes	\$ 79,699,606	\$ -	\$ -	\$ -	\$ 372,308	\$ 80,071,914
Other local taxes	26,307,185	3,005,763	-	-	699,417	30,012,365
Intergovernmental:						
Federal	1,052,410	-	-	561,379	2,926,433	4,540,222
State	13,259,154	-	-	-	2,314,855	15,574,009
Permits, fees, and licenses	659,658	-	-	-	-	659,658
Fines and forfeitures	335,974	-	-	-	-	335,974
Use of money and property	325,798	1,333	10,766	49,105	6,978	393,980
Charges for services	3,722,420	-	-	-	98,627	3,821,047
Miscellaneous	241,550	-	872	4,243	4,383	251,048
Recovered costs	1,653,812	1,000	60,840	60,601	751,600	2,527,853
Total revenues	<u>127,257,567</u>	<u>3,008,096</u>	<u>72,478</u>	<u>675,328</u>	<u>7,174,601</u>	<u>138,188,070</u>
EXPENDITURES						
Current:						
General government	2,056,291	-	-	-	-	2,056,291
Judicial services	2,569,247	-	-	-	7,104	2,576,351
Public safety	28,296,119	-	-	-	-	28,296,119
Environmental and development services	3,512,884	-	-	-	-	3,512,884
Finance and planning	8,170,629	134,687	-	-	-	8,305,316
Education	50,780,591	-	-	-	-	50,780,591
Human services	1,305,106	-	-	-	6,357,954	7,663,060
General services	6,086,730	-	-	-	-	6,086,730
Community services	2,813,438	1,944,634	-	-	-	4,758,072
Non-departmental	1,394,975	-	-	-	872,036	2,267,011
Capital outlay	2,034,750	-	149,503	1,765,080	696,880	4,646,213
Debt service:						
Principal retirement	4,019	28,854	-	-	6,518,021	6,550,894
Interest and fiscal charges	121	-	-	105,474	3,854,076	3,959,671
Total expenditures	<u>109,024,900</u>	<u>2,108,175</u>	<u>149,503</u>	<u>1,870,554</u>	<u>18,306,071</u>	<u>131,459,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,232,667</u>	<u>899,921</u>	<u>(77,025)</u>	<u>(1,195,226)</u>	<u>(11,131,470)</u>	<u>6,728,867</u>
OTHER FINANCING SOURCES (USES)						
Insurance recovery	23,596	-	-	-	-	23,596
Transfers in	200,000	-	100,000	6,423,985	12,464,082	19,188,067
Transfers out	(23,184,298)	(658,922)	-	(200,000)	(200,000)	(24,243,220)
Total other financing sources and uses	<u>(22,960,702)</u>	<u>(658,922)</u>	<u>100,000</u>	<u>6,223,985</u>	<u>12,264,082</u>	<u>(5,031,557)</u>
Net change in fund balance	(4,728,035)	240,999	22,975	5,028,759	1,132,612	1,697,310
Fund balance (deficit), beginning of year	58,286,734	363,357	(7,308,883)	13,993,914	2,196,755	67,531,877
Fund balance (deficit), end of year	<u>\$ 53,558,699</u>	<u>\$ 604,356</u>	<u>\$ (7,285,908)</u>	<u>\$ 19,022,673</u>	<u>\$ 3,329,367</u>	<u>\$ 69,229,187</u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ 1,697,310

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

Governmental funds report capital outlays as expenditures. 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 capital outlays exceeded depreciation and the loss on disposal of capital assets in the current period.

Capital outlay expenditures	\$ 4,356,027	
Depreciation and amortization expenses	(5,446,294)	
Loss on disposal of capital assets	<u>(148,931)</u>	(1,239,198)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Unearned revenue decreased by this amount in the current year.

(1,483,792)

The issuance of long-term debt 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 has an effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Principal repayments	\$ 6,550,894	
Amortization of premium on issuance of noncurrent debt	161,214	
Amortization of discount on issuance of noncurrent debt	(10,245)	
Amortization of debt issuance costs	<u>(32,494)</u>	6,669,369

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. Accrued interest decreased and compensated absences increased by the amounts provided below in the current year.

Accrued interest payable	\$ 27,844	
Compensated absences	<u>(193,235)</u>	(165,391)

The vehicle maintenance internal service fund is used by management to charge the costs of fleet management to individual funds. The net loss of this internal service fund is reported with governmental activities.

(278,623)

Change in net position of governmental activities \$ 5,199,675

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA

Statement of Net Position

Proprietary Funds

June 30, 2013

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 7,246,126	\$ 3,516,682	\$ 10,762,808	\$ 6,946,607
Restricted cash	1,839,004	-	1,839,004	-
Receivable, net	2,324,463	1,152,463	3,476,926	202,166
Due from other funds	228,510	-	228,510	-
Due from component unit - EDA	-	18,870	18,870	-
Prepaid expenses	48,322	27,554	75,876	7,849
Total current assets	<u>11,686,425</u>	<u>4,715,569</u>	<u>16,401,994</u>	<u>7,156,622</u>
Noncurrent assets:				
Deferred charges	484,490	-	484,490	-
Less accumulated amortization	(89,628)	-	(89,628)	-
Nondepreciable capital assets:				
Land	491,353	3,445,402	3,936,755	-
Construction in progress	12,161,724	2,449,169	14,610,893	-
Easements	356,455	-	356,455	-
Depreciable capital assets:				
Intangibles	-	-	-	101,512
Land improvements	37,155	-	37,155	221,446
Buildings and improvements	14,374,935	5,329,046	19,703,981	-
Infrastructure	102,039,429	23,422,860	125,462,289	-
Equipment	4,190,626	922,808	5,113,434	1,281,063
Vehicles	951,254	666,921	1,618,175	5,158,522
Computer software	52,327	-	52,327	-
Less accumulated depreciation	(30,260,304)	(21,936,382)	(52,196,686)	(3,530,640)
Less accumulated amortization	(26,163)	-	(26,163)	(10,151)
Total noncurrent assets	<u>104,763,653</u>	<u>14,299,824</u>	<u>119,063,477</u>	<u>3,221,752</u>
Total assets	<u>\$ 116,450,078</u>	<u>\$ 19,015,393</u>	<u>\$ 135,465,471</u>	<u>\$ 10,378,374</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,420,606	\$ 305,032	\$ 1,725,638	\$ 232,438
Retainage payable	312,709	-	312,709	-
Deposits payable	147,489	-	147,489	-
Salaries, taxes and benefits payable	283,751	67,315	351,066	109,850
Unearned revenue	1,172,198	59,546	1,231,744	-
Due to other funds	-	2,473	2,473	345,211
Accrued interest payable	103,093	-	103,093	-
Revenue bonds - current	464,035	-	464,035	-
Capital leases - current	301,628	-	301,628	-
Compensated absences - current	7,125	1,205	8,330	5,615
Total current liabilities	<u>4,212,634</u>	<u>435,571</u>	<u>4,648,205</u>	<u>693,114</u>
Noncurrent liabilities:				
Revenue bonds - net current	21,677,495	-	21,677,495	-
Capital leases - net current	638,542	-	638,542	-
Compensated absences - net current	321,199	24,010	345,209	67,620
Net OPEB obligation	-	-	-	4,021,739
Advance from other fund	-	2,750,000	2,750,000	-
Total noncurrent liabilities	<u>22,637,236</u>	<u>2,774,010</u>	<u>25,411,246</u>	<u>4,089,359</u>
Total liabilities	<u>26,849,870</u>	<u>3,209,581</u>	<u>30,059,451</u>	<u>4,782,473</u>
NET POSITION				
Net investment in capital assets	83,196,983	14,299,824	97,496,807	3,221,752
Restricted for debt service	174,935	-	174,935	-
Unrestricted	<u>6,228,290</u>	<u>1,505,988</u>	<u>7,734,278</u>	<u>2,374,149</u>
Total net position	<u>89,600,208</u>	<u>15,805,812</u>	<u>105,406,020</u>	<u>5,595,901</u>
Total liabilities and net position	<u>\$ 116,450,078</u>	<u>\$ 19,015,393</u>	<u>\$ 135,465,471</u>	<u>\$ 10,378,374</u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Use of property	\$ -	\$ 1,549,340	\$ 1,549,340	\$ -
Charges for services	8,928,385	4,138,456	13,066,841	4,050,298
Miscellaneous	9,510	66,556	76,066	42,122
Total operating revenues	8,937,895	5,754,352	14,692,247	4,092,420
Operating Expenses				
Personal services	3,342,488	734,235	4,076,723	2,090,654
Contractual services	671,759	6,164,746	6,836,505	456,321
Materials and supplies	1,524,855	482,784	2,007,639	2,487,723
Depreciation	3,177,066	535,420	3,712,486	599,921
Amortization	61,125	-	61,125	10,151
Total operating expenses	8,777,293	7,917,185	16,694,478	5,644,770
Operating gain (loss)	160,602	(2,162,833)	(2,002,231)	(1,552,350)
Nonoperating Revenues (Expenses)				
Federal subsidy for interest on debt	286,031	-	286,031	-
Grant income	-	14,149	14,149	-
Interest income	42,721	12,041	54,762	19,863
Amortization of debt premium	6,815	-	6,815	-
Interest and fiscal charges	(1,309,495)	-	(1,309,495)	-
Gain (loss) on disposal of capital assets	103,632	(19,653)	83,979	25,631
Donated property	-	(642,868)	(642,868)	-
Total nonoperating revenues (expenses)	(870,296)	(636,331)	(1,506,627)	45,494
Loss before contributions and transfers	(709,694)	(2,799,164)	(3,508,858)	(1,506,856)
Capital Contributions	1,139,604	-	1,139,604	-
Transfers In	2,220,994	1,611,242	3,832,236	1,228,233
Transfers Out	(5,316)	-	(5,316)	-
Change in net position	2,645,588	(1,187,922)	1,457,666	(278,623)
Total net position, beginning of year	86,954,620	16,993,734	103,948,354	5,874,524
Total net position, end of year	\$ 89,600,208	\$ 15,805,812	\$ 105,406,020	\$ 5,595,901

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities			Governmental Activities Internal Service Funds
	Sewer Utility	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 8,999,088	\$ 6,495,527	\$ 15,494,615	\$ 3,971,301
Receipts from interfund activity	-	419	419	224,782
Other receipts	9,510	66,556	76,066	36,944
Payments to suppliers for goods and services	(1,593,276)	(6,845,316)	(8,438,592)	(2,943,163)
Payments to employees for services	(3,325,446)	(729,331)	(4,054,777)	(1,099,028)
Payments for interfund activity	-	(16,254)	(16,254)	(60)
Net cash provided by (used in) operating activities	<u>4,089,876</u>	<u>(1,028,399)</u>	<u>3,061,477</u>	<u>190,776</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant income	-	14,149	14,149	-
Transfers in	-	1,241,300	1,241,300	1,222,927
Transfers out	(10)	-	(10)	-
Net cash provided by (used in) noncapital financing activities	<u>(10)</u>	<u>1,255,449</u>	<u>1,255,439</u>	<u>1,222,927</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	2,210,479	-	2,210,479	5,306
Transfers out	(5,306)	-	(5,306)	-
Acquisition and construction of capital assets	(9,912,108)	(169,632)	(10,081,740)	(646,429)
Net proceeds from the disposal of capital assets	-	-	-	123,355
Federal subsidy for interest on debt	286,031	-	286,031	-
Principal paid on capital debt	(748,805)	-	(748,805)	-
Interest paid on capital debt	(1,311,100)	-	(1,311,100)	-
Net cash used in capital and related financing activities	<u>(9,480,809)</u>	<u>(169,632)</u>	<u>(9,650,441)</u>	<u>(517,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>45,575</u>	<u>12,388</u>	<u>57,963</u>	<u>20,202</u>
Net cash provided by investing activities	<u>45,575</u>	<u>12,388</u>	<u>57,963</u>	<u>20,202</u>
Net increase (decrease) in cash and cash equivalents	(5,345,368)	69,806	(5,275,562)	916,137
Cash and cash equivalents, beginning of year	14,430,498	3,446,876	17,877,374	6,030,470
Cash and cash equivalents, end of year	<u>\$ 9,085,130</u>	<u>\$ 3,516,682</u>	<u>\$ 12,601,812</u>	<u>\$ 6,946,607</u>
Reconciliation of cash and cash equivalents to the Statement of Net Assets:				
Cash and investments	\$ 7,246,126	\$ 3,516,682	\$ 10,762,808	\$ 6,946,607
Restricted cash	<u>1,839,004</u>	<u>-</u>	<u>1,839,004</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 9,085,130</u>	<u>\$ 3,516,682</u>	<u>\$ 12,601,812</u>	<u>\$ 6,946,607</u>
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:				
Operating gain (loss)	\$ 160,602	\$ (2,162,833)	\$ (2,002,231)	\$ (1,552,350)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,177,066	535,420	3,712,486	599,921
Amortization	61,125	-	61,125	10,151
Decrease (increase) in:				
Receivables	(71,172)	723,877	652,705	(64,978)
Due from component unit - EDA	-	49,431	49,431	-
Prepaid expenses	(39,167)	(25,556)	(64,723)	(6,169)
Increase (decrease) in:				
Accounts payable	403,497	(171,544)	231,953	881
Retainage payable	217,761	(23,697)	194,064	-
Deposits payable	(12,065)	-	(12,065)	-
Salaries, taxes and benefits payable	48,156	10,370	58,526	20,140
Unearned revenue	141,875	50,098	191,973	(5,178)
Due to other funds	-	(15,835)	(15,835)	224,722
Compensated absences	2,198	1,870	4,068	(4,763)
Net OPEB obligation	-	-	-	968,399
Net cash provided by (used in) operating activities	<u>\$ 4,089,876</u>	<u>\$ (1,028,399)</u>	<u>\$ 3,061,477</u>	<u>\$ 190,776</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	<u>\$ 1,139,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Agency Funds
ASSETS	
Cash and investments	\$ 3,993,883
Other receivables	<u>109,308</u>
Total assets	<u><u>\$ 4,103,191</u></u>
LIABILITIES	
Accounts payable	\$ 799,623
Salaries, taxes and benefits payable	613,105
Amounts held for others	<u>2,690,463</u>
Total liabilities	<u><u>\$ 4,103,191</u></u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

York County, which was originally named Charles River County, was one of Virginia's eight original "shires" formed in 1634. It was renamed nine years later in 1643 when the river that determines the County's character was also given the name of the then Duke of York. York County has played a major role in the development of this nation. Most importantly, it was the location of the culminating battle of the Revolutionary War and the subsequent surrender of Lord Cornwallis and his British army on October 19, 1781.

The County of York, Virginia (the County) is organized under the traditional form of government (as defined under Virginia Law). The governing body of the County is the Board of Supervisors that establishes policies for the administration of the County. The Board of Supervisors comprises five members: one member from each of five districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting and reporting policies are described below.

In fiscal year 2013, the County adopted the provisions of several new GASB statements. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* improves financial reporting for a governmental financial reporting entity by modifying certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporated into GASB's authoritative literature certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures.

The Reporting Entity

The County's financial reporting entity is defined and its financial statements are presented in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These Statements define the distinction between the County as a primary government and its related entities.

The financial reporting entity consists of the primary government and its discretely presented component units, which are legally, separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The primary government may also be financially accountable if the component unit is fiscally dependent on the primary government regardless of whether the component unit has a separately elected governing board.

As such, the York County School Division (the School Division), the Economic Development Authority of York County (EDA) and the Marquis Community Development Authority (CDA) are reported as separate and discretely presented component units in the County's reporting entity. The primary government is hereafter referred to as the "County" and the reporting entity, which includes the County and its component units, is hereafter referred to as the "Reporting Entity."

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County's three discretely presented component units.

The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. All of the component units have a June 30 year-end. A description of the discretely presented component units follows:

The **York County School Division (the School Division)** is responsible for elementary and secondary education within the County. Since January 1, 1996, the citizens of the County have elected the members of the School Division. The School Division is fiscally dependent upon the County because the Board of Supervisors approves the School Division's annual budget, levies the necessary taxes to finance the School Division's operations and approves the borrowing of money and the issuance of bonds. Separate audited financial statements are available from the School Division at 302 Dare Road, Yorktown, Virginia, 23692.

The **Economic Development Authority of York County (EDA)** was originally established under the Industrial Development and Revenue Bond Act - *Code of Virginia*. The 2004 General Assembly amended the Code of Virginia Section 15.2-4903 to allow localities to change the name of their Industrial Development Authorities if so authorized by the local governing body and the EDA took such action. A separate board appointed by the Board of Supervisors governs the EDA. The EDA is fiscally dependent upon the County because substantially all of its income is derived from an appropriation from the County. The EDA has the responsibility to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to locate or to remain in the County. Separate audited financial statements are available from the EDA at P.O. Box 612, Yorktown, Virginia, 23690.

The **Marquis Community Development Authority (CDA)** was created pursuant to the Virginia Water and Waste Authorities Act (the "Act"), beginning with 15.2-5100 *et. seq.* of the Code of Virginia, 1950, by an ordinance adopted by York County's Board of Supervisors on December 19, 2006. The Marquis Development Authority District (the "District") consists of a land area of approximately 222.85 acres in York County, Virginia just outside of the City of Williamsburg, Virginia. The Act provides that the Authority may issue bonds to finance infrastructure improvements located within or benefiting the District and the Board of Supervisors, at the request of the Authority, may levy and collect special assessments within the District and appropriate such sums to the Authority for use in paying the administrative expenses and debt service requirement in connection with any such bonds.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The CDA is fiscally dependent upon the County for the remittance of the incremental tax revenues to be used to meet its debt service requirements. On November 28, 2007, the Authority issued \$32,860,000 Revenue Bonds, Series 2007. The principal of and the interest on the 2007 bonds do not constitute a pledge of the faith and credit of York County and therefore the faith and credit of York County have not been pledged to the payment of the principal of or interest on the 2007 bonds. The issuance of the 2007 bonds does not directly, indirectly or contingently obligate York County to levy any taxes or to make any appropriation for their payment except from the revenues and receipts pledged therefore. Pursuant to the Act, York County is expressly precluded from paying the principal of or interest on the 2007 bonds except from the special assessments and the incremental tax revenues. A separate board appointed by the Board of Supervisors governs the CDA. Separate audited financial statements are available from Sharon B. Day, Marquis Community Development Authority at 120 Alexander Hamilton Boulevard, Yorktown, Virginia 23690.

Joint Venture Government Organizations

The County does not include in the basic financial statements certain authorities created as separate governments under the laws of the Commonwealth of Virginia. These authorities are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the County although the County Board of Supervisors appoints certain members of their governing bodies. While the County may have some reversionary interest in the assets of these entities in the event they are dissolved, the nature and extent of that interest would be subject to negotiation at the time of dissolution. The County does not include these entities as component units because they do not meet the criteria as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

The **Virginia Peninsulas Public Service Authority (VPPSA)** was established under the Virginia Water and Sewer Authorities Act - *Code of Virginia*. A separate ten-member board of which the County appoints one representative governs VPPSA. VPPSA was formed for the purpose of developing regional refuse collection, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing and/or operating and maintaining a residential, commercial and industrial garbage and refuse collection and disposal system or systems. VPPSA is fiscally independent of the County because substantially all of its income is generated through the collection of user fees. Separate audited financial statements are available from VPPSA at 300 McLaws Circle, Suite 200, Williamsburg, Virginia 23185.

The **Virginia Peninsula Regional Jail Authority (Jail Authority)** was created pursuant to Article 3.1, Chapter 3, Title 53.1 of the *Code of Virginia* to finance, acquire, construct, equip, maintain and operate a regional jail. A separate seven-member board of which the County Sheriff serves as a member and the County appoints one representative governs the Jail Authority. The Jail Authority is fiscally independent of the County because substantially all of its income is generated from payments by the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs, a portion of salaries and benefits of certain regional jail employees and a charge for prisoners housed at the jail.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Separate audited financial statements are available from the Jail Authority, c/o the County of James City at P.O. Box 8784, Williamsburg, Virginia 23187-8784.

The **Middle Peninsula Juvenile Detention Commission (the Commission)** was created to enhance the region for the protection of the citizens by the construction, equipping, maintenance and operation of a new juvenile detention facility serving the eighteen member jurisdictions of which the Director of Community Services serves as the County's representative on the board. The Commission is fiscally independent of the County because substantially all of its income will be generated from per diem payments from the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs. Separate audited financial statements are available from the Commission, c/o the County of James City at P. O. Box 8784, Williamsburg, Virginia 23187-8784.

Government-wide and Fund Financial Statements

The basic financial statements are composed of both government-wide and fund financial statements. The government-wide statements, the statement of net position and the statement of activities report information on all of the nonfiduciary activities of the County and its component units.

Generally, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on fees and charges for services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses of a function and program revenues. Direct expenses are those that are specifically associated with a specific function or segment. Program revenues include fees, fines and charges paid by the recipients of goods or services offered by the function or segment; and grants and contributions that are restricted to meet the operations or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, Financial Statement Presentation

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which are custodial in nature (assets and liabilities) and have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are generally considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter, or within 90 days thereafter for intergovernmental reimbursement grants. The primary revenues susceptible to accrual include property taxes, sales taxes, other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are generally recorded when the related fund liability is incurred. Debt service expenditures, as well as compensated absences and claims and judgments, are recorded when payment is due.

The County reports the following major governmental funds:

General Fund: the County's primary operating fund; accounts for revenue sources and expenditures not required to be accounted for in other funds.

Tourism Fund: accounts for the receipt and disbursement of 3% of the lodging tax and the \$2.00 additional tax restricted by the Commonwealth of Virginia for tourism activities.

Yorktown Capital Improvements Fund: accounts for revenue and expenditures related to capital improvements in the historical Yorktown area.

County Capital Fund: accounts for revenue and expenditures related to construction or acquisition of facilities and equipment in general governmental areas (other than those financed by proprietary funds).

The County reports the following nonmajor governmental funds:

Special Revenue Funds: The Children and Family Services, Virginia Public Assistance, Law Library and Community Development Authority Revenue Account Funds are used to account for the proceeds of federal, state and local sources that are legally restricted to expenditures for specified purposes.

County Debt Service Fund: accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of County facilities and equipment.

Education Debt Service Fund: accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of educational facilities and equipment.

Stormwater Capital Projects Fund: accounts for revenue and expenditures related to the drainage maintenance projects.

The County reports the following major enterprise fund:

Sewer Utility Fund: accounts for the operations of the County's sewer utility systems.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The County reports the following nonmajor enterprise funds:

Yorktown Operations Fund: accounts for the operations at the Yorktown waterfront.

York Sanitary District Fund: accounts for the capital assets as of January 1, 1992 of the Sanitary District No. 1 utility systems.

Upper County Utility Fund: accounts for the capital assets as of January 1, 1992 of the upper County utility systems.

Solid Waste Fund: accounts for the operations of the County's solid waste disposal system.

Water Utility Fund: accounts for operations of the County's water utility systems.

Sanitary District No. 2 Fund: accounts for the capital assets as of January 1, 1992 of the Sanitary District No. 2 utility systems.

Regional Radio System Fund: accounts for the County's joint emergency communication system with James City County and Gloucester County.

The County reports the following additional fund types:

Internal Service Funds: The Vehicle Maintenance Fund accounts for the operation of the vehicle maintenance and replacement services provided to County departments on a cost reimbursement basis. The Other Post-Employment Benefits Fund accounts for subsidy payments for eligible County retirees towards health insurance coverage in a County-sponsored plan.

Agency Funds: The County's agency funds account for fiscal funds held for the Colonial Behavioral Health; the Colonial Group Home Commission; the Special Welfare Board; regional projects, the Peninsula Public Sports Facility Authority, the Darby-Firby Neighborhood Corporation, and the Library Board.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Exceptions to this general rule are charges between the government's Sewer Utility and various other functions of the government; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted on an as needed basis.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property Taxes

The two major sources of property taxes are described below:

Real Estate: The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute, each year as of January 1 on the estimated market value of the property. All real estate property is assessed biennially.

Real estate taxes are billed in semi-annual installments due June 25 and December 5. Liens are placed on the property on the date real estate taxes are delinquent, June 26 and December 6, and must be satisfied prior to the sale or transfer of the property. Real estate taxes reported as revenue are for the assessment due December 5, 2012 and June 25, 2013, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rates for calendar years 2012 and 2013 were \$0.7415 and \$.7515, respectively, per \$100 of assessed value.

Personal Property: The County levies personal property taxes on motor vehicles and tangible personal business property. These levies are made each year as of January 1. Personal property taxes are billed in equal semi-annual installments due June 25 and December 5. Personal property taxes do not create a lien on property. The personal property taxes reported as revenue are for the levies due December 5, 2012, and June 25, 2013, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2012 and 2013 was \$4.00 per \$100 of assessed value.

The County's property tax collection records show that 96.42% of the property taxes due for the current tax year were collected.

Allowance for Uncollectible Amounts

Provision for uncollectible property taxes is based upon a historical percentage of accounts written off applied to the total levies of all years carried in taxes receivable and, in certain cases, specific account analysis. Provision for uncollectible solid waste, water and sewer service bills is based upon a historical analysis of uncollected accounts and, in certain cases, specific account analysis.

Cash and Temporary Investments

The County utilizes the pooled cash investment method. Income from the investment of pooled cash is allocated to the various funds based on the percentage of cash and temporary investments of each fund to the total pooled cash and temporary investments. See Note 2 for description of cash and temporary investment policies. Investments are stated at fair value.

Inventories

Inventories consist of materials and supplies held for future consumption and are stated at cost using the first-in, first-out method. Inventory is accounted for under the purchase method.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Advances

Advances to other funds as reported in the General Fund, net advances from other funds, is offset by a fund balance nonspendable account, to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets include land, land improvements, buildings and improvements, infrastructure, equipment, and vehicles. Intangible assets include easements and computer software. Infrastructure that meets the County's capitalization threshold, acquired prior to the implementation of GASB Statement No. 34 has been reported. All acquisitions of land and easements; land improvements, infrastructure, equipment, and computer software that individually costs \$5,000 or more; vehicles that individually costs \$10,000 or more; and buildings and improvements that individually costs \$30,000 or more and with useful lives greater than one year are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if constructed or purchased. Donated capital assets are recorded at fair market value at the date of donation. Capital and intangible assets are depreciated and amortized over their estimated useful lives using the straight-line, half-year convention method. Land and permanent easements have an indefinite life. Temporary easements are amortized over the period of time the easement covers. The estimated useful lives of other capital and intangible assets are as follows: land improvements (15 - 20), buildings and improvements (10 - 50), infrastructure (10 - 50), equipment (3 - 20), vehicles (3 - 20), and computer software (3 - 7).

Compensated Absences

County employees are granted vacation and sick pay in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their then current rates of pay. A liability for these amounts is reported in governmental funds only if they have matured, for the reasons stated above. The current and noncurrent liability for accrued vacation and sick leave benefits at June 30, 2013 has been reported in the government-wide statements, representing the County's commitment to fund such costs from future operations. In the proprietary funds, the amount of compensated absences recognized is the amount earned. Such benefits are included in the government-wide statements. The amount due within one year has been estimated based on historic trends.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balances

In the governmental fund financial statements, fund balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

Nonspendable: amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed: amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority, the Board of Supervisors, whom can commit funds, by adoption of an ordinance (establishing rates and fees earmarked for a specific purpose) or by resolution. Once adopted, the limitation cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same type of action (ordinance; resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process.

Assigned: amounts that are intended to be used for specific purposes, but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Supervisors, or as delegated to the County Administrator. The Board of Supervisors has by resolution authorized the County Administrator to assign fund balance. Unlike commitments, assignments generally only exist temporarily and an additional action is not normally required to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned: the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications.

The County's policy is to apply expenditures against restricted resources first when either restricted or unrestricted amounts are available. Within unrestricted fund balance, it is the County's policy to apply expenditures against committed amounts first, followed by assigned, and then unassigned amounts. In a governmental fund other than the general fund, a negative unassigned fund balance could result if expenditures incurred for a specific purpose exceeds the amounts in the fund that are restricted, committed, and assigned for that purpose.

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws and regulations of other governments or imposed by law through state statute.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Statement of Cash Flows

For purposes of the statement of cash flows, cash and temporary investments with original maturities of three months or less are considered to be cash and cash equivalents.

Use of Estimates

Management of the County has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Any differences between these estimates and actual results should immaterially affect the County's reporting of its financial position.

Credit Risk

The assessed value of real estate and personal property for the County's ten largest taxpayers comprises 10.65% of the County's tax base. Concentration of credit risk with respect to receivables is limited due to the large number of customers comprising the County's customer base.

The Code of Virginia, as amended, requires the election of a County Treasurer. The County's Treasurer is the custodian of cash and investments for the County, EDA and School Division. Oversight for investment activity is the responsibility of the Treasurer.

2. DEPOSITS AND INVESTMENTS

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.

Statutes authorize the County 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). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a7 like pool" risk limiting requirements of GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" with the portfolio securities valued by the amortized cost method. Investments with a maturity date of one year or less are stated at amortized cost. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

2. DEPOSITS AND INVESTMENTS, Continued

The carrying amount of the County's cash and investments at June 30, 2013 is as follows:

	<u>Amount</u>
Restricted cash	\$ 1,861,434
Investments	84,886,987
Deposits with financial institutions	11,057,915
Petty cash	<u>4,165</u>
Total cash and investments	<u>\$ 97,810,501</u>

A reconciliation to the basic financial statements is as follows:

Cash and investments	\$ 91,955,184
Restricted cash	1,861,434
Agency funds - cash and investments	<u>3,993,883</u>
Total cash and investments	<u>\$ 97,810,501</u>

Restricted Cash

The County's restricted cash of \$1,861,434 at June 30, 2013 consisted of the following: \$5,000 of surety deposits for junkyards held in the County and junkyards' names; \$17,430 of donations and grants received for specific purposes; \$139,511 for debt payments on the 2005 and 2010 sewer revenue bonds; \$1,563,424 for debt service reserves on the 1992 and 2010 sewer bonds and \$136,069 for funds held in escrow for retainage.

Credit Risk

As required by state statute, the policy requires that commercial paper be rated "prime quality" by at least two nationally recognized statistical rating organizations (A-1 by both Standard & Poor's and Moody's Investor Service) and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor's and Moody's Investor Service. The County's policy further limits credit risk by limiting investments in securities that have higher credit risks. As of June 30, 2013, the County's investments as rated by Standard & Poor's were as follows:

<u>Investment Type</u>	<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Virginia LGIP	\$ 33,236,878	\$ -	\$ -
Money market	-	-	595,291
Municipal bonds	3,186,274	23,695,519	-
Federal agency bonds and notes	-	15,484,164	-
Corporate obligations	<u>-</u>	<u>8,688,861</u>	<u>-</u>
Total investments	<u>\$ 36,423,152</u>	<u>\$ 47,868,544</u>	<u>\$ 595,291</u>

Concentration of Credit Risk

State statute limits the percentage of the portfolio that can be invested in any one issuer, excluding the U.S. Government, U.S. Government Agencies, the Commonwealth of Virginia and its authorities, mutual funds and pooled investment funds. Furthermore, no more than 35% of total available funds may be invested in commercial paper.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

2. DEPOSITS AND INVESTMENTS, Continued

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's policy limits the investment portfolio holdings to no more than 24 months, unless approved by the Treasurer. As of June 30, 2013, the carrying values and weighted average maturity of the County's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>
Money market-Virginia LGIP	\$ 33,236,878	0.02
Money market	595,291	0.02
Municipal bonds	26,881,793	1.76
Federal agency bonds and notes	15,484,164	1.60
Corporate obligations	8,688,861	1.94
Total investments	<u>\$ 84,886,987</u>	
Weighted average of portfolio		<u>1.05</u>

Custodial Credit Risk

The policy requires that all investment securities purchased by the County be held by an independent third-party custodian and evidenced by safekeeping receipts in the County's name. As of June 30, 2013, all of the County's investments were held in a bank's trust department in the County's name.

Discretely Presented Component Units

At June 30, 2013, and excluding fiduciary funds of \$3,679,982 not held by the County Treasurer, the School Division had restricted cash of \$3,626,741, which consisted of unspent bond proceeds, and investments of \$2,092,706 with LGIP, rated AAA by Standard and Poor's.

At June 30, 2013, the EDA had bank deposits of \$45,733 (\$14,810 of which was restricted for tenant security deposits), investments in LGIP of \$322,279, rated AAAM by Standard & Poor's and common stock equity in Waterside Capital Corporation of \$1,391, stated at fair value.

The CDA's restricted cash and investments of \$2,174,459 at June 30, 2013, consisted of unspent bond proceeds. Of the total, \$1,568,059 was invested in the US Treasury money market funds and \$606,400 was invested in SNAP money market mutual funds. Both are rated AAAM by Standard & Poor's and were stated at cost, which approximates fair value.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

3. RECEIVABLES

At June 30, 2013, receivables were as follows:

	<u>General</u>	<u>Tourism</u>	<u>Yorktown Capital Imps</u>	<u>County Capital</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
Property taxes	\$ 6,493,772	\$ -	\$ -	\$ -	\$ 148,623	\$ -	\$ -	\$ -
Vehicle registration fees	648,894	-	-	-	-	-	-	-
Other taxes	2,313,829	212,165	-	-	92,371	-	-	-
Accounts	1,401,545	-	-	7,173	81,862	2,405,276	1,208,079	199,826
Interest	5,412	91	123	6,040	920	2,453	1,184	2,340
Notes	-	-	196,667	1,071,675	-	-	-	-
Intergovernmental:								
Federal	162,683	-	-	-	266,497	-	-	-
State	4,571,147	-	-	209,000	1,013,629	-	-	-
Receivables, gross	15,597,282	212,256	196,790	1,293,888	1,603,902	2,407,729	1,209,263	202,166
Less allowance for doubtful accounts	(2,534,350)	(88,207)	-	-	-	(83,266)	(56,800)	-
Receivables, net	<u>\$ 13,062,932</u>	<u>\$ 124,049</u>	<u>\$ 196,790</u>	<u>\$ 1,293,888</u>	<u>\$ 1,603,902</u>	<u>\$ 2,324,463</u>	<u>\$ 1,152,463</u>	<u>\$ 202,166</u>

In 2002, the County agreed to loan the EDA up to \$1,100,000 for the relocation and renovation of the Yorktown Freight Shed Building as part of a multi-million dollar renovation project to the Yorktown waterfront area. To realize significant savings, the County utilized historic building renovation tax credits, available through federal and Virginia income tax codes. To utilize the tax credits, title to the Freight Shed building was conveyed by the Yorktown Trustees to Yorktown Freight Shed, L.P. (a Virginia limited partnership), created to hold title to the building and to oversee the project with money provided by the County through the EDA. Interest on the outstanding principal balance of the note is due at a rate of 5.5% per annum. On July 26, 2012, the loan was in default and a deed was granted conveying the property to the County in full satisfaction of the note.

In 2005, the County agreed to loan the EDA \$500,000 for restaurant equipment and related items. The EDA signed an agreement to lease equipment to a tenant who operates a restaurant at Riverwalk Landing. The lease agreement includes a repayment schedule based on a 20-year amortization schedule with a final balloon payment after ten years. Interest on the outstanding principal balance of the note is due at a rate of 4.14% per annum. This agreement was terminated in fiscal year 2013.

In November 2012, the Authority executed a new property lease for the Riverwalk Restaurant and an adjacent vacant space for another restaurant to a new private company. As part of the negotiations, the Authority also entered into a new equipment lease. The new lease is for \$200,000, with repayment over 120 months and with interest on the outstanding balance of 3.14% per annum. Repayments began on May 1, 2013.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Due from Fund</u>	<u>Due to Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Nonmajor governmental	Program match	\$ 29,726
	Nonmajor governmental	Meals tax	57,128
	Sewer Utility	Meals tax	<u>228,510</u>
Total Due to other funds			<u>\$ 315,364</u>
Nonmajor governmental	General	Taxes	<u>\$ 36,674</u>
County Capital	General	Reimbursement	<u>\$ 1,872</u>
Nonmajor enterprise	General	Reimbursement	<u>\$ 2,473</u>
Internal service funds	General	Reimbursement	<u>\$ 345,211</u>
<u>Advance from Fund</u>	<u>Advance to Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Tourism	Infrastructure	\$ 7,422,867
	Yorktown Operations	Land purchase	<u>2,750,000</u>
Total Advances to other funds			<u>\$ 10,172,867</u>
Tourism	Yorktown Capital Improvements	Infrastructure	<u>\$ 7,850,000</u>

The advances from the General Fund and Tourism Fund were capital project loans and are not expected to be fully repaid in the subsequent year. Repayments for the infrastructure loan have begun from lodging tax revenue generated by tourism. Repayments for the land purchase have also begun, from net rental income generated by the tenant operations managed by the EDA. Repayments in both instances are expected to continue until the advances are fully liquidated.

Due to/from Primary Government:

<u>Due from Entity</u>	<u>Due to Entity</u>	<u>Purpose</u>	<u>Amount</u>
County of York	School Division	Operations	\$ 11,876,936
EDA	County of York	Riverwalk Landing lease	<u>\$ 18,870</u>
County of York	CDA	Incremental tax revenues	<u>\$ 335,485</u>

<u>Fund</u>	<u>Transfers Out Fund</u>	<u>Transfers In Fund</u>
General	\$ 23,184,298	\$ 200,000
Tourism	658,922	-
Yorktown Capital Improvements	-	100,000
County Capital	200,000	6,423,985
Nonmajor governmental	200,000	12,464,082
Sewer Utility	5,316	2,220,994
Nonmajor enterprise	-	1,611,242
Internal service	-	<u>1,228,233</u>
Total	<u>\$ 24,248,536</u>	<u>\$ 24,248,536</u>

All transfers made during the year were routine and consistent with the activities of the funds.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS, Continued

Significant transactions between the primary government and component units during fiscal year 2013 were as follows:

Payments from County to School Division for School operations	\$ 48,860,951
Payments from County to School Division for School technology	436,806
Payments to County from School Division - year-end reversion entry	(338,301)
Payments to County from School Division - memorandum of understanding	<u>(712,460)</u>
Statement of Activities - Payment from County of York	<u>\$ 48,246,996</u>
Payment from County General Fund to Economic Development Authority for operations	<u>\$ 44,250</u>
Payment from County General Fund to Economic Development Authority for an Economic Development grant	<u>\$ 5,000</u>
Statement of Activities - Payment from County of York	<u><u>\$ 49,250</u></u>
Payment from County to Community Development Authority for incremental tax revenue - Nonmajor Governmental Fund; Statement of Activities - Payment from County of York	<u><u>\$ 1,072,036</u></u>

5. CAPITAL ASSETS

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

Primary Government:

Governmental Activities:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets not being depreciated/amortized:				
Land	\$ 9,279,019	\$ 1,489,465	\$ -	\$ 10,768,484
Easements	476,023	26,852	-	502,875
Construction in progress	<u>2,043,679</u>	<u>195,229</u>	<u>(1,996,074)</u>	<u>242,834</u>
Total capital assets not being depreciated/amortized	<u>11,798,721</u>	<u>1,711,546</u>	<u>(1,996,074)</u>	<u>11,514,193</u>
Capital assets being depreciated/amortized:				
Land improvements	22,538,900	14,158	-	22,553,058
Buildings and improvements	46,181,980	648,296	-	46,830,276
Infrastructure	14,861,646	-	-	14,861,646
Equipment	22,765,223	3,246,545	(2,272,815)	23,738,953
Vehicles	14,326,530	838,271	(651,592)	14,513,209
Computer Software	<u>391,054</u>	<u>537,124</u>	<u>-</u>	<u>928,178</u>
Total capital assets being depreciated/amortized	<u>121,065,333</u>	<u>5,284,394</u>	<u>(2,924,407)</u>	<u>123,425,320</u>
Less accumulated depreciation/amortization for:				
Land improvements	(8,235,849)	(1,319,132)	-	(9,554,981)
Buildings and improvements	(11,836,069)	(920,867)	-	(12,756,936)
Infrastructure	(4,062,759)	(492,743)	-	(4,555,502)
Equipment	(13,922,568)	(2,206,765)	2,126,474	(14,002,859)
Vehicles	(7,072,315)	(984,936)	553,868	(7,503,383)
Computer Software	<u>(109,913)</u>	<u>(131,923)</u>	<u>-</u>	<u>(241,836)</u>
Total accumulated depreciation/amortization	<u>(45,239,473)</u>	<u>(6,056,366)</u>	<u>2,680,342</u>	<u>(48,615,497)</u>
Total capital assets being depreciated/amortized, net	<u>75,825,860</u>	<u>(771,972)</u>	<u>(244,065)</u>	<u>74,809,823</u>
Governmental activities capital assets, net	<u><u>\$ 87,624,581</u></u>	<u><u>\$ 939,574</u></u>	<u><u>\$ (2,240,139)</u></u>	<u><u>\$ 86,324,016</u></u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

5. CAPITAL ASSETS, Continued

Depreciation and amortization expense was charged to functions of the primary government for governmental activities as follows:

General government	\$ 1,179,902
Judicial services	210,788
Public safety	2,499,072
Environmental and development services	38,738
Finance and planning	198,897
Education	114,947
Human services	7,978
General services	189,520
Community services	1,006,452
Internal Service Fund - charged to functions based on usage	<u>610,072</u>
Total depreciation and amortization expenses - governmental activities	<u>\$ 6,056,366</u>

Business-type Activities:	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets not being depreciated/amortized:				
Land	\$ 3,936,755	\$ -	\$ -	\$ 3,936,755
Easements	250,973	105,482	-	356,455
Construction in progress	<u>7,369,415</u>	<u>9,888,114</u>	<u>(2,646,636)</u>	<u>14,610,893</u>
Total capital assets not being depreciated/amortized	<u>11,557,143</u>	<u>9,993,596</u>	<u>(2,646,636)</u>	<u>18,904,103</u>
Capital assets being depreciated/amortized:				
Land improvements	37,155	-	-	37,155
Buildings and improvements	19,055,905	648,076	-	19,703,981
Infrastructure	124,070,516	2,519,485	(1,127,712)	125,462,289
Equipment	5,011,904	101,530	-	5,113,434
Vehicles	1,618,175	-	-	1,618,175
Computer Software	<u>52,327</u>	<u>-</u>	<u>-</u>	<u>52,327</u>
Total capital assets being depreciated/amortized	<u>149,845,982</u>	<u>3,269,091</u>	<u>(1,127,712)</u>	<u>151,987,361</u>
Less accumulated depreciation/amortization for:				
Land improvements	(8,996)	(1,859)	-	(10,855)
Buildings and improvements	(11,005,309)	(767,970)	-	(11,773,279)
Infrastructure	(33,283,910)	(2,465,067)	184,743	(35,564,234)
Equipment	(3,360,915)	(456,533)	-	(3,817,448)
Vehicles	(952,585)	(78,285)	-	(1,030,870)
Computer Software	<u>(18,688)</u>	<u>(7,475)</u>	<u>-</u>	<u>(26,163)</u>
Total accumulated depreciation/amortization	<u>(48,630,403)</u>	<u>(3,777,189)</u>	<u>184,743</u>	<u>(52,222,849)</u>
Total capital assets being depreciated/amortized, net	<u>101,215,579</u>	<u>(508,098)</u>	<u>(942,969)</u>	<u>99,764,512</u>
Business-type activities capital assets, net	<u>\$ 112,772,722</u>	<u>\$ 9,485,498</u>	<u>\$ (3,589,605)</u>	<u>\$ 118,668,615</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

5. CAPITAL ASSETS, Continued

Depreciation and amortization expense was charged to functions of the primary government for business type activities as follows:

Sanitary District No. 2	\$ 370,655
Solid waste	104,931
Sewer utility	3,184,541
York Sanitary District	38,454
Upper County utility	15,748
Water utility	<u>5,632</u>
Subtotal	\$ 3,719,961
Sewer equipment transferred from General Fund	<u>57,228</u>
Total depreciation and amortization expenses (excluding amortization on capitalized debt costs) - business-type activities	<u><u>\$ 3,777,189</u></u>

Discretely Presented Component Unit - School Division

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 4,826,359	\$ -	\$ -	\$ 4,826,359
Construction in progress	<u>572,328</u>	<u>6,386,120</u>	<u>(2,610,483)</u>	<u>4,347,965</u>
Total capital assets not being depreciated	<u>5,398,687</u>	<u>6,386,120</u>	<u>(2,610,483)</u>	<u>9,174,324</u>
Capital assets being depreciated:				
Improvements other than buildings	4,912,942	-	-	4,912,942
Buildings and improvements	172,670,881	2,649,055	-	175,319,936
Equipment	2,705,238	210,100	(116,616)	2,798,722
Vehicles	<u>11,767,848</u>	<u>357,091</u>	<u>(310,479)</u>	<u>11,814,460</u>
Total capital assets being depreciated	<u>192,056,909</u>	<u>3,216,246</u>	<u>(427,095)</u>	<u>194,846,060</u>
Less accumulated depreciation for:				
Improvements other than buildings	(2,128,270)	(187,483)	-	(2,315,753)
Buildings and improvements	(57,851,136)	(3,537,394)	-	(61,388,530)
Equipment	(1,535,965)	(211,705)	110,547	(1,637,123)
Vehicles	<u>(5,600,662)</u>	<u>(809,435)</u>	<u>270,394</u>	<u>(6,139,703)</u>
Total accumulated depreciation	<u>(67,116,033)</u>	<u>(4,746,017)</u>	<u>380,941</u>	<u>(71,481,109)</u>
Total capital assets being depreciated, net	<u>124,940,876</u>	<u>(1,529,771)</u>	<u>(46,154)</u>	<u>123,364,951</u>
School Division capital assets, net	<u><u>\$ 130,339,563</u></u>	<u><u>\$ 4,856,349</u></u>	<u><u>\$ (2,656,637)</u></u>	<u><u>\$ 132,539,275</u></u>

Discretely Presented Component Unit - EDA

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets being depreciated:				
Land improvements	\$ 9,604	\$ -	\$ -	\$ 9,604
Infrastructure	<u>850,913</u>	<u>-</u>	<u>-</u>	<u>850,913</u>
Total capital assets being depreciated	<u>\$ 860,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,517</u>
Less accumulated depreciation for:				
Land improvements	(320)	(640)	-	(960)
Infrastructure	<u>(14,150)</u>	<u>(28,301)</u>	<u>-</u>	<u>(42,451)</u>
Total accumulated depreciation	<u>\$ (14,470)</u>	<u>\$ (28,941)</u>	<u>\$ -</u>	<u>\$ (43,411)</u>
Total capital assets being depreciated, net	<u>\$ 846,047</u>	<u>\$ (28,941)</u>	<u>\$ -</u>	<u>\$ 817,106</u>
Economic Development Authority capital assets, net	<u><u>\$ 846,047</u></u>	<u><u>\$ (28,941)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 817,106</u></u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

5. CAPITAL ASSETS, Continued

Discretely Presented Component Unit - CDA

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets not being depreciated:				
Construction in progress	\$ 19,319,386	\$ -	\$ (757,938)	\$ 18,561,448
Capitalized interest	2,927,161	-	(105,670)	2,821,491
Less interest revenue on investments	(514,720)	18,581	-	(496,139)
Total capital assets being not being depreciated	\$ 21,731,827	\$ 18,581	\$ (863,608)	\$ 20,886,800
Capital assets being amortized:				
Computer software	9,000	-	-	9,000
Less accumulated amortization	(9,000)	-	-	(9,000)
Total capital assets being amortized, net	\$ -	\$ -	\$ -	\$ -
Community Development Authority capital assets, net	\$ 21,731,827	\$ 18,581	\$ (863,608)	\$ 20,886,800

6. UNEARNED REVENUE

Unearned 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, unearned revenue reflects amounts that are measurable, but not available. At June 30, 2013, unearned revenue consisted of the following:

	General	Tourism	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds
Purpose:						
Advance payments for taxes, services and rents	\$ 1,040,498	\$ -	\$ -	\$ 110,931	\$ 1,172,198	\$ 59,546
Delinquent taxes and fees	4,188,372	1,219	-	-	-	-
Grants that did not meet availability requirement	6,450	-	209,000	485,946	-	-
Long-term notes receivable	-	-	1,071,675	-	-	-
Total	\$ 5,235,320	\$ 1,219	\$ 1,280,675	\$ 596,877	\$ 1,172,198	\$ 59,546

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2013:

Primary Government:	Balance			Balance	Due Within
Governmental Activities:	July 1, 2012	Additions	Reductions	June 30, 2013	One Year
General obligation bonds	\$ 57,690,000	\$ -	\$ (4,720,000)	\$ 52,970,000	\$ 5,200,000
Premium on bonds	2,132,805	-	(141,407)	1,991,398	-
Capital leases	2,917,121	-	(54,241)	2,862,880	47,840
Lease revenue bonds	27,295,000	-	(1,430,000)	25,865,000	1,480,000
Premium on bonds	316,911	-	(19,807)	297,104	-
Discount on bonds	(112,697)	-	10,245	(102,452)	-
Note payable	719,393	-	(346,653)	372,740	372,740
Compensated absences	4,228,561	3,867,527	(3,679,055)	4,417,033	125,305
Net OPEB obligation	3,053,340	1,588,583	(620,184)	4,021,739	-
Total Governmental Activities	\$ 98,240,434	\$ 5,456,110	\$ (11,001,102)	\$ 92,695,442	\$ 7,225,885

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

7. LONG-TERM DEBT, Continued

<u>Primary Government:</u>	Balance			Balance	Due Within
<u>Business-type Activities:</u>	<u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>	<u>One Year</u>
Revenue bonds	\$ 23,009,595	\$ -	\$ (458,359)	\$ 22,551,236	\$ 464,035
Premium on bonds	134,418	-	(6,815)	127,603	-
Deferred amount on refunding	(573,129)	-	35,820	(537,309)	-
Capital leases	1,230,616	-	(290,446)	940,170	301,628
Compensated absences	349,471	310,178	(306,110)	353,539	8,330
Total Business-type Activities	<u>\$ 24,150,971</u>	<u>\$ 310,178</u>	<u>\$ (1,025,910)</u>	<u>\$ 23,435,239</u>	<u>\$ 773,993</u>

<u>Discretely Presented</u>	Balance			Balance	Due Within
<u>Component Units:</u>	<u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>	<u>One Year</u>
<u>School Division</u>					
Compensated absences	\$ 2,027,696	\$ 1,096,265	\$ (855,093)	\$ 2,268,868	\$ 950,000
Workers' compensation claims	3,485,632	396,753	(257,089)	3,625,296	600,000
Net OPEB obligation	460,461	612,808	(591,849)	481,420	-
Total School Division	<u>\$ 5,973,789</u>	<u>\$ 2,105,826</u>	<u>\$ (1,704,031)</u>	<u>\$ 6,375,584</u>	<u>\$ 1,550,000</u>
<u>Economic Development Authority</u>					
Notes payable	<u>\$ 1,143,036</u>	<u>\$ 200,000</u>	<u>\$ (1,146,369)</u>	<u>\$ 196,667</u>	<u>\$ 20,000</u>
<u>Community Development Authority</u>					
Bonds payable	<u>\$ 28,875,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,875,000</u>	<u>\$ -</u>
Deferred amount on restructure	<u>\$ (280,573)</u>	<u>\$ -</u>	<u>\$ 45,498</u>	<u>\$ (235,075)</u>	<u>\$ -</u>

Arbitrage

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U. S. Treasury. During fiscal year 2013, the County was required to have arbitrage rebate calculations performed for its 2012 VPSA \$6,925,000 issue and the \$15,280,000 Sewer System Revenue Bonds issue. As of June 30, 2013, there was no rebate liability.

General Obligation Bonds

General obligations bonds (GOB) are backed by the full faith and credit of the County. There are no sinking fund requirements. Outstanding general obligation bonds at June 30, 2013 of the primary government governmental activities are as follows:

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

7. LONG-TERM DEBT, Continued

GOB		Bond	Maturity	Interest	Balance
<u>Series</u>	<u>Purpose</u>	<u>Date</u>	<u>Date</u>	<u>Rate</u>	<u>June 30, 2013</u>
VPSA 93C	School complex, Tabb, Yorktown Elementary	11/18/93	12/15/13	4.48-5.00%	\$ 25,000
VPSA 97I	Various school projects	11/20/97	07/15/17	4.35-5.35%	5,340,000
Series 01	Refinance 1994 issue for school construction	11/01/01	07/15/14	3.00-5.00%	3,960,000
VPSA 02B	Bruton High	11/07/02	07/15/22	2.35-5.10%	4,740,000
VPSA 03	Queens Lake	11/06/03	07/15/23	3.10-5.35%	2,600,000
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	11,270,000
VPSA 06	Yorktown Middle and New Horizons renovations	11/09/06	07/15/26	4.23-5.10%	8,745,000
VPSA 08	Dare, Magruder, Yorktown Elementary classrooms	12/11/08	07/15/28	3.60-5.35%	4,710,000
VPSA 09	Dare and Mt. Vernon Elementary and Tabb High	12/03/09	07/15/29	3.05-4.05%	3,730,000
VPSA 10	Grafton Bethel Elementary	07/08/10	06/01/27	1.085-1.925%	925,000
	Coventry Elementary and New Horizons HVAC, Grafton Bethel and Coventry Elementary gymnasium roofs, Tabb Elementary classrooms and Grafton				
VPSA 12	Complex gymnasium	05/10/12	07/15/32	2.55-5.05%	6,925,000
					<u>\$ 52,970,000</u>

The following is a summary of the repayment schedules for fiscal years:

	Governmental Activities	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 5,200,000	\$ 2,421,722
2015	5,430,000	2,166,705
2016	3,560,000	1,949,475
2017	3,745,000	1,770,599
2018	3,935,000	1,582,018
2019 - 2023	15,865,000	5,640,616
2024 - 2028	11,900,000	2,070,352
2029 - 2033	3,335,000	300,818
	<u>\$ 52,970,000</u>	<u>\$ 17,902,305</u>

Compensated Absences

For governmental activities, compensated absences are typically liquidated by the general fund.

Lease Revenue Bonds

Principal payments will be made in annual installments and interest payments will be made in semi-annual installments. Outstanding lease revenue bonds at June 30, 2013 of the primary government governmental activities are as follows:

<u>Series</u>	<u>Purpose</u>	<u>Bond</u>	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>
		<u>Date</u>	<u>Date</u>	<u>Rate</u>	<u>June 30, 2013</u>
2003	800 mhz system, equipment, parking garage	12/01/03	06/15/23	2.00-4.50%	\$ 10,345,000
2008	Sports Field Complex, fire station additions	12/01/08	10/01/29	3.125-5.327%	15,520,000
					<u>\$ 25,865,000</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

7. LONG-TERM DEBT, Continued

The following is a summary of the repayment schedules for fiscal years:

<u>Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,480,000	\$ 1,187,600
2015	1,535,000	1,135,663
2016	1,585,000	1,076,163
2017	1,660,000	1,005,417
2018	1,735,000	930,713
2019 - 2023	9,910,000	3,388,968
2024 - 2028	5,390,000	1,396,958
2029 - 2033	2,570,000	134,895
	<u>\$ 25,865,000</u>	<u>\$ 10,256,377</u>

Note Payable

Note payable is a taxable-refunding note used to refinance the Virginia Retirement System (VRS) obligation incurred by the School Division in a one-time early retirement incentive program during the fiscal year 1992. Payments will be made in semi-annual installments plus interest calculated at 7.39% per annum. The following is a summary of the repayment schedules for fiscal years:

<u>Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 372,740	\$ 20,784

Revenue Bonds

The County anticipates that the amounts required for the payment of interest and principal on the bonds will be provided by the respective enterprise funds revenues. Revenue bonds at June 30, 2013 of the primary government business-type activities are as follows:

<u>Series</u>	<u>Purpose</u>	<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2013</u>
1992	Lackey sewer system	05/14/92	05/14/32	5.00%	\$ 431,236
2005	Sewer system refunding	06/08/05	06/01/29	3.00-5.00%	7,090,000
2010	Sewer systems	12/01/10	06/01/40	2.00-6.607%	15,030,000
					<u>\$ 22,551,236</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

7. LONG-TERM DEBT, Continued

The following is a summary of the repayment schedules for fiscal years:

<u>Year</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 464,035	\$ 1,245,519
2015	504,746	1,231,258
2016	520,493	1,215,686
2017	536,277	1,199,033
2018	552,101	1,181,102
2019 - 2023	3,104,399	5,568,931
2024 - 2028	3,817,240	4,844,462
2029 - 2033	4,736,945	3,686,055
2034 - 2038	5,690,000	2,026,366
2039 - 2043	2,625,000	261,968
	<u>\$ 22,551,236</u>	<u>\$ 22,460,380</u>

Virginia Peninsula Regional Jail Authority

In June 2003, the Virginia Peninsula Regional Jail Authority (Jail Authority), of which the County is a member jurisdiction as discussed in Note 1, issued \$21,655,000 of Regional Jail Facility Refunding Revenue Bonds, Series 2003. The original bonds were issued for the purpose of acquiring, constructing and equipping a Regional Jail Facility to serve its member jurisdictions. The bonds bear interest at 2% to 5%, paid semi-annually. The bonds mature in amounts ranging from \$570,000 on October 1, 2003 to \$2,765,000 on October 1, 2018. The outstanding balance at June 30, 2013 was \$10,410,000. The bonds are limited obligations of the Jail Authority, and do not constitute a general obligation debt or pledge of the faith and credit of any member jurisdiction, nor do they obligate any member jurisdiction to levy or pledge any form of taxation therefore. However, the County has entered into a non-binding moral obligation pledge of the member jurisdictions in which the member jurisdictions have agreed to pay their proportionate share of the debt service on the bonds and any debt service funding requirements if the Jail Authority lacks sufficient funds to do so. The County's proportionate share is 34%.

Economic Development Authority

In 2002, the County agreed to loan the EDA up to \$1,100,000 for the relocation and renovation of the Yorktown Freight Shed Building as part of a multi-million dollar renovation project to the Yorktown waterfront area. To realize significant savings, the County utilized historic building renovation tax credits, available through federal and Virginia income tax codes. To utilize the tax credits, title to the Freight Shed building was conveyed by the Yorktown Trustees to Yorktown Freight Shed, L.P. (a Virginia limited partnership), created to hold title to the building and to oversee the project with money provided by the County through the EDA. Interest on the outstanding principal balance of the note is due at a rate of 5.5% per annum. On July 26, 2012, the loan was in default and a deed was granted conveying the property to the County in full satisfaction of the note.

In 2005, the County agreed to loan the EDA \$500,000 for restaurant equipment and related items. The EDA signed an agreement to lease equipment to a tenant who operates a restaurant at Riverwalk Landing.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

7. LONG-TERM DEBT, Continued

The lease agreement includes a repayment schedule based on a 20-year amortization schedule with a final balloon payment after ten years. Interest on the outstanding principal balance of the note is due at a rate of 4.14% per annum. This agreement was terminated in fiscal year 2013.

In November 2012, the Authority executed a new property lease for the Riverwalk Restaurant and an adjacent vacant space for another restaurant to a new private company. As part of the negotiations, the Authority also entered into a new equipment lease. The new lease is for \$200,000, with repayment over 120 months and with interest on the outstanding balance of 3.14% per annum. Repayments began on May 1, 2013.

Community Development Authority

On November 27, 2007, the CDA issued special obligation bonds for \$32,860,000 to finance the construction of public infrastructure improvements located within the District. On March 1, 2012, the Bonds were restructured and reissued pursuant to a Restructuring Memorandum of Understanding. Under the restructuring and reissuance terms, the original 2007 Bonds have been restructured and \$2,805,000 of the original Bonds have been redeemed.

Interest on the bonds is payable each March 1 and September 1. Interest is computed on the basis of a year of 360 days and twelve 30-day months. Interest rates range from 5.1% - 5.625%. The following is a summary of the repayment schedules for fiscal years:

Year Ending <u>June 30,</u>	<u>Series A Bonds 5.100%</u>		<u>Series B Bonds 5.625%</u>		<u>Series C Bonds 5.625%</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ -	\$ 289,425	\$ -	\$ 939,375	\$ -	\$ -
2015	-	289,425	-	939,375	-	-
2016	-	289,425	-	939,375	-	-
2017	-	289,425	-	939,375	-	-
2018	-	289,425	-	939,375	-	-
2019-2023	-	1,447,125	-	4,696,875	-	-
2024-2028	815,000	1,406,198	-	4,696,875	-	-
2029-2033	2,430,000	941,716	2,340,000	4,566,938	-	-
2034-2038	2,430,000	255,511	7,100,000	3,033,907	-	-
2039-2043	-	-	7,260,000	844,313	6,500,000	26,890,476
Total	<u>\$ 5,675,000</u>	<u>\$ 5,497,675</u>	<u>\$ 16,700,000</u>	<u>\$ 22,535,783</u>	<u>\$ 6,500,000</u>	<u>\$ 26,890,476</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

8. FUND BALANCE (DEFICIT)

Fund balance (deficit) is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance (deficit) for the major governmental funds and all other governmental funds are presented below:

<u>Purpose</u>	<u>General</u>	<u>Tourism</u>	<u>Yorktown Capital Imps</u>	<u>County Capital</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Prepaid expenditures	\$ 345,391	\$ -	\$ -	\$ 96,469	\$ 42,202	\$ 484,062
Advances	10,172,867	-	-	-	-	10,172,867
Total nonspendable	<u>\$ 10,518,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,469</u>	<u>\$ 42,202</u>	<u>\$ 10,656,929</u>
Restricted:						
Public safety	\$ 779,075	\$ -	\$ -	\$ 54,153	\$ -	\$ 833,228
Tourism	-	604,356	-	-	-	604,356
Judicial services	37,479	-	-	-	14,463	51,942
Community services	24,929	-	-	-	-	24,929
Other purposes	1,956	-	-	-	3,683	5,639
Total restricted	<u>\$ 843,439</u>	<u>\$ 604,356</u>	<u>\$ -</u>	<u>\$ 54,153</u>	<u>\$ 18,146</u>	<u>\$ 1,520,094</u>
Committed:						
School reversion	\$ 338,302	\$ -	\$ -	\$ -	\$ -	\$ 338,302
Chesapeake Bay and Wetlands remediation	3,517	-	-	-	-	3,517
Meals tax for drainage projects	-	-	-	-	2,166,128	2,166,128
Environmental and transportation improvements	-	-	-	7,771,299	-	7,771,299
Workers' Compensation	2,107,261	-	-	-	-	2,107,261
Post employment benefits for School Division	4,566,134	-	-	-	-	4,566,134
Intergovernmental revenue shortfalls for School Division	5,505,304	-	-	-	-	5,505,304
Total committed	<u>\$ 12,520,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,771,299</u>	<u>\$ 2,166,128</u>	<u>\$ 22,457,945</u>
Assigned:						
Registrar and Electoral Board	\$ 116,949	\$ -	\$ -	\$ -	\$ -	\$ 116,949
Judicial services	274,619	-	-	-	-	274,619
Public safety	1,250,686	-	-	1,584,889	-	2,835,575
Environmental and Development services	99,780	-	-	279,857	-	379,637
Finance and Planning	1,030,525	-	-	-	-	1,030,525
Education and Educational services	8,043	-	-	-	-	8,043
General services	167,796	-	-	1,353,852	-	1,521,648
Community services	14,014	-	-	13,399	-	27,413
Other post-employment benefits	3,017,758	-	-	-	-	3,017,758
Capital outlay	7,733,149	-	-	4,982,959	-	12,716,108
Environmental and transportation improvements	-	-	-	2,885,796	-	2,885,796
Head Start and Social Services programs	-	-	-	-	1,102,891	1,102,891
Other purposes	350,696	-	-	-	-	350,696
Total assigned	<u>\$ 14,064,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,100,752</u>	<u>\$ 1,102,891</u>	<u>\$ 26,267,658</u>
Unassigned	<u>\$ 15,612,469</u>	<u>\$ -</u>	<u>\$ (7,285,908)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,326,561</u>
Total fund balances (deficit)	<u>\$ 53,558,699</u>	<u>\$ 604,356</u>	<u>\$ (7,285,908)</u>	<u>\$ 19,022,673</u>	<u>\$ 3,329,367</u>	<u>\$ 69,229,187</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

9. LEASES

County as Lessee

The County leases certain land, equipment and office space under noncancellable operating lease agreements. A summary of future minimum rental payments under these noncancellable operating leases as of June 30, 2013 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2014	\$ 433,223	\$ 264,558
2015	387,781	264,558
2016	373,972	264,053
2017	368,684	214,584
2018	368,684	33,824
2019-2023	1,449,932	-
2024-2028	1,187,000	-
2029-2033	1,187,000	-
2034-2038	1,187,000	-
2039-2043	1,179,069	-
2044-2048	1,076,950	-
Total minimum lease payments	<u>\$ 9,199,295</u>	<u>\$ 1,041,577</u>

Rental expenditures for the year ended June 30, 2013 for all operating leases were \$448,088 and \$264,786 for the County and Discretely Presented Component Unit - School Division, respectively.

County as Lessor

The County leases the usage of its communication towers under operating lease agreements. The towers are included in capital assets as communications equipment with a cost of \$9,392,690 and accumulated depreciation of \$7,950,417, for a carrying amount of \$1,442,273 at June 30, 2013. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2013 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2014	\$ 194,664	\$ 329,570
2015	183,659	329,077
2016	167,830	329,096
2017	172,180	328,945
2018	174,687	329,593
2019-2023	918,235	-
2024-2028	383,372	-
2029-2033	200,005	-
2034-2038	95,020	-
2039-2043	87,079	-
2044-2048	10	-
Total minimum lease payments	<u>\$ 2,576,741</u>	<u>\$ 1,646,281</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

9. LEASES, Continued

Rental revenue receipts for all operating leases were \$371,749 for the County and \$329,747 for the School Division for the year ended June 30, 2013.

Capital Leases

The County leases certain equipment and a building under capital lease agreements. A summary of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2013 is as follows:

<u>Year</u>	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
2014	\$ 146,972	\$ 337,824
2015	346,073	337,825
2016	526,393	337,825
2017	501,540	-
2018	480,759	-
2019-2023	1,394,752	-
Total minimum lease payments	3,396,489	1,013,474
Less amount representing interest	(533,609)	(73,304)
Present value of principal	\$ 2,862,880	\$ 940,170

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - \$3,155,773 (equipment) and Business-type Activities - \$2,038,931 (equipment).

10. DEFINED BENEFIT PENSION PLANS

Plan Descriptions

The County has three defined benefit pension plans. In the first plan (the "County" plan), the County contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. The County payroll for employees covered by the VRS for the year ended June 30, 2013 was \$36,033,279 out of the total payroll of \$40,710,903.

In the second plan (the "School Division" plan), professional employees of the School Division are covered by the VRS. Professional employees participate in a VRS statewide teacher cost sharing pool. The payroll for professional employees covered by VRS for the year ended June 30, 2013 was \$59,230,011 and the total payroll was \$60,003,506. As of June 30, 1992, non-professional employees of the School Division are also covered by the VRS. Non-professional employees participate as a separate group in the agent multiple-employer retirement system. The payroll for non-professional employees covered by VRS for the year ended June 30, 2013 was \$5,782,294 and the total payroll was \$6,913,399.

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

10. DEFINED BENEFIT PENSION PLANS, Continued

Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

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

Plan 1: Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.

Plan 2: Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

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

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

10. DEFINED BENEFIT PENSION PLANS, Continued

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 most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

In the third plan (the "optional" plan), non-professional employees of the School Division who were not previously covered by VRS are provided pension benefits through a single employer defined benefit pension plan administered by a fiduciary agent of the School Division. The optional plan provides retirement benefits as well as death and disability benefits. As of June 30, 1992, the optional plan was frozen and the non-professional employees who participated in the plan became fully vested. The non-professional employees now participate in the VRS.

Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the County and by the School Division. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and the School Division are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Division of Trustees. The County's contribution rate for fiscal year ended 2013 was 16.71% of annual covered payroll. The School Division's contribution rate for fiscal year ended 2013 for professional and non-professional employees was 11.66% and 8.99%, respectively, of annual covered payroll.

Annual Pension Cost and Net Pension Obligation

For fiscal year 2013, the County's annual pension cost and net pension obligation were follows:

Three-Year Trend Information - County			
Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 6,020,741	100%	\$ -
6/30/2012	4,887,296	100%	-
6/30/2011	5,002,989	100%	-

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

10. DEFINED BENEFIT PENSION PLANS, Continued

The School Division's annual pension cost and net pension obligation for non-professional and professional employees were as follows:

Three-Year Trend Information - School Division						
Fiscal Year	Nonprofessional Employees			Professional Employees		
	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 519,830	100%	\$ -	\$ 6,906,219	100%	\$ -
6/30/2012	699,906	100%	-	6,876,567	100%	-
6/30/2011	717,579	100%	-	5,482,734	100%	-

The School Division's annual required contributions for the optional plan were \$0, \$41,786 and \$45,923, and actual contributions were \$100,000, \$100,000 and \$100,000 for 2013, 2012 and 2011 respectively.

Three-Year Trend Information - School Division			
Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ -	100%	\$ -
6/30/2012	41,786	100%	-
6/30/2011	45,923	100%	-

Actuarial Methods and Assumptions

The required contribution for VRS was determined as part of the June 30, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases ranging from 3.75% - 5.60% per year for general government employees and 3.50% - 4.75% for employees eligible for enhanced benefits for available law enforcement officers, firefighters and sheriffs, and (c) 2.5% and 2.25% per year cost-of-living adjustments for Plan 1 and Plan 2, respectively. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the County'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 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis for a period of twenty-nine years.

The actuarial accrued liability for the optional plan was determined as part of an actuarial valuation on June 30, 2013 using the projected unit credit actuarial cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7% per year compounded annually, (b) post-retirement benefit increases of 2% per year, and (c) percentage of current retiree benefits to be paid of 100%.

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 76.32% funded. The actuarial accrued liability for benefits was \$160,463,118, and the actuarial value of assets was \$122,469,087, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,994,031. The covered payroll (annual payroll of active employees covered by the plan) was \$34,397,352, and the ratio of the UAAL to the covered payroll was 110.46%.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

10. DEFINED BENEFIT PENSION PLANS, Continued

As of June 30, 2012, the most recent actuarial valuation date, the School Division's plan for its non-professional employees was 81.86% funded. The actual accrued liability for benefits was \$18,391,503, and the actuarial value of assets was \$15,054,480, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,337,023. The covered payroll (annual payroll of active employees covered by the plan) was \$5,999,289, and the ratio of the UAAL to the covered payroll was 55.62%.

As of June 30, 2013, the most recent actuarial valuation date, the School Division's optional plan was 107.12% funded. The actual accrued liability for benefits was \$1,875,649, and the actuarial value of assets was \$2,009,204, resulting in a funding excess of \$133,555. The covered payroll was \$652,983 and the ratio of the UAAL to the covered payroll was -20.45%.

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actual accrual liability for benefits.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Descriptions

The County's OPEB plan is a single-employer defined benefit plan administered by York County. Employees retiring after January 1, 2002 and having twenty or more years of service with the County and receiving a VRS annuity will qualify for a health insurance premium contribution from the County. The retiree's Virginia Retirement System (VRS) annuity may be either a full or reduced benefit. The amount of the County's contribution shall be equal to 50% of the retiree's total monthly health insurance premium subject to the following provision: the County's 50% contribution will be reduced by the amount of any health insurance credit that the retiree may qualify for under the VRS program (retiring employees who have fifteen years of service with the VRS will qualify for the VRS Retiree Health Insurance Credit Program). At June 30, 2013, 63 retirees were participating in this program. For the School Division, 82 retirees were participating in this program.

The School Division's OPEB plan is a single-employer defined benefit plan administered by the School Division. The School Division provides post-retirement health care benefits, in accordance with School Division policy, to all employees who retire from York County Public Schools with 100 days of accumulated sick leave, 10 years of service and a minimum of 24 months participation in the health insurance program immediately prior to retirement. At June 30, 2013, one retiree was participating in this program. The School Division pays a monthly contribution of \$25 toward the health care program premium for a total period of time not to exceed 10 years or until retiree is eligible for Medicare, whichever occurs first.

Funding Policy

The County established an internal service fund to account for other post-employment benefits. An amount equal to the annual required contribution was made to the fund during fiscal year 2013, and the pay-as-you-go expenses were made from the fund.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

GASB Statement No. 45 requires recognition of the current OPEB expense based on the annual required contribution, but does not require funding of the related liability. For fiscal year 2013, the County provided an annual contribution of \$620,184, and the annual required contribution was \$1,568,099.

The School Division opted not to advance-fund or establish a funding methodology for its OPEB costs or net OPEB obligation. For fiscal year 2013, the School Division provided an annual contribution of \$591,849, and the annual required contribution was \$616,230.

Annual OPEB Cost

The County's and School Division's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year 2013, the County's and its discretely presented component unit - School Division's annual OPEB cost, the amount actually contributed to the plan, and changes in the net OPEB obligation are as follows:

	<u>County</u>	<u>School Division</u>
Normal cost	\$ 699,174	\$ 353,996
Amortization of unfunded accrued liability	801,399	262,234
Interest	<u>67,526</u>	<u>-</u>
Annual required contribution	1,568,099	616,230
Interest on net OPEB obligation (NOO)	135,316	16,116
Amortization of NOO	<u>(114,832)</u>	<u>(19,538)</u>
Annual OPEB cost	1,588,583	612,808
Actual contribution towards OPEB cost	<u>(620,184)</u>	<u>(591,849)</u>
Increase in NOO	968,399	20,959
NOO, beginning of year	<u>3,053,340</u>	<u>460,461</u>
NOO, end of year	<u><u>\$ 4,021,739</u></u>	<u><u>\$ 481,420</u></u>

The County's and School Division's annual OPEB cost, the percent of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 1,588,583	39%	\$ 4,021,739
6/30/2012	1,461,211	24%	3,053,340
6/30/2011	1,228,354	46%	1,937,820

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

Three-Year Trend Information - School Division			
Fiscal Year	Annual OPEB Cost	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 612,808	97%	\$ 481,420
6/30/2012	525,911	88%	460,461
6/30/2011	562,445	61%	399,183

Funded Status and Funding Progress

As of June 30, 2013, the County's actuarial accrued liability for benefits was \$19,336,493, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$19,336,493. The covered payroll (annual payroll of active employees covered by the plan) was \$35,993,904, and the ratio of the UAAL to the covered payroll was 53.72%.

As of June 30, 2013, the School Division's actuarial accrued liability for benefits was \$6,395,607, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,395,607. The covered payroll (annual payroll of active employees covered by the plan) was \$45,334,607, \$69,361,101 and \$69,023,976 for fiscal years 2013, 2012 and 2011, respectively and the ratio of the UAAL to the covered payroll was 14.11%, 7.16% and 8.48% for fiscal years 2013, 2012 and 2011.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actual accrual liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan in effect at the time of valuation and on the pattern of sharing of costs between the employer and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the County's June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (discount rate), general inflation of 2.5% and an annual healthcare cost trend rate of 10.5% for Pre-Medicare and 7.5% for Medicare eligible, grading to a rate of 5% for fiscal year ending June 30, 2020 and June 30, 2017, respectively. The unfunded actuarial accrual liability (UAAL) is being amortized over a closed thirty-year period as a level percentage of projected payroll, assumed to grow 3.5% per year.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), Continued

In the School's June 30, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return (discount rate) and an annual healthcare cost trend rate of 7.0%, grading to a rate of 4.8% over seventy years. The unfunded actuarial accrual liability (UAAL) is being amortized over a closed thirty-year period as a level percentage of projected payroll, assumed to grow 3.0% per year.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the participants. Investments are managed by the plan's trustee under one or a combination of 49 investment options. The participants make the choice of the investment options.

The School Division offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all School employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until separation from service, retirement, death, disability, financial hardship and/or reaching age 59½. The School Division offers a selection of investment options to participants. All earnings on the invested funds compound tax-free until withdrawn from the account.

The County offered to its employees a retirement health savings plan, which was available to all full-time, regular County employees who have worked in that capacity for at least one full year. Participation in the plan was optional and employees could be reimbursed for qualified medical expenses, in accordance with Internal Revenue Service Publication 502, for themselves, spouse, and dependents upon separation or retirement from the County. In March 2007, the County was notified of an IRS ruling that due to its elective features, disallowed the County's plan design to continue and consequently, new elections to the existing plan are no longer accepted. The existing plan preserves the favorable tax treatments for elections and contributions prior to December 31, 2007. Investments are managed by the plan's trustee under one or a combination of 14 investment options.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

13. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2013 were as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Old Wormley Creek sewer construction	\$ 1,340,148	\$ 1,981,973
Waterview vacuum pump station	95,950	1,277,050
Waterview vacuum sewer construction	1,431,923	881,226
Emergency Communications radio rebanding project	-	382,785
Queens Lake sewer construction and pump station	3,929,166	360,237
Hosted 911 system	124,000	317,340
Queens Lake sewer architect and engineering fees	183,224	234,418
Lightfoot water architect and engineering fees	23,222	226,273
	<u>\$ 7,127,633</u>	<u>\$ 5,661,302</u>

Risk Management

The County and the School Division are 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 County reports all of its risk management activities in its General Fund and pays all claims for retained risks from General Fund resources.

The School Division reports all of its risk management activities in its Operating Fund and pays all claims for retained risks from Operating Fund resources. The County and the School Division maintain comprehensive property and casualty policies, commercial general liability policies, comprehensive liability vehicle fleet policies and coverages for errors and omissions, and employer's liability and certain other risks with commercial insurance companies.

The General and School Operating Funds retain the full risk for unemployment compensation; up to \$250,000 for each health care claim for the County and up to \$300,000 for each health care claim for the School Division, and up to \$400,000 and \$500,000 for each workers' compensation occurrence with no aggregate, for the County and School Division, respectively.

All unemployment, health care claims and workers' compensation claims are paid through a third-party administrator through resources from the General and School Operating Funds. For all retained risks, claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The County's health care liability at June 30 is included in salaries, taxes and benefits payable in the applicable County funds. The County had available \$2,506,214 for health care claims and \$2,107,261 for workers' compensation claims at June 30, 2013, which is considered sufficient to cover pending claims and incurred but not reported claims that may arise. Changes in the reported amounts since June 30, 2011 resulted from the following:

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

13. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

	<u>2013</u>	<u>2012</u>
Accrued liability/committed fund balance,		
beginning of fiscal year	\$ 4,106,493	\$ 4,504,836
Claims and changes in estimates	9,354,217	9,210,812
Claims payments	<u>(8,847,235)</u>	<u>(9,609,155)</u>
Accrued liability/committed fund balance, end of fiscal year	<u><u>\$ 4,613,475</u></u>	<u><u>\$ 4,106,493</u></u>

The School Division health care claim liability at June 30 is included in salaries, taxes, and benefits payable balance of its Operating Fund. The School Division had available \$3,900,482 for health care claims and \$3,625,296 for workers' compensation claims at June 30, 2013, which is considered sufficient to cover pending claims and incurred but not reported claims that may arise. Changes in the reported amounts since June 30, 2012 resulted from the following:

	<u>2013</u>	<u>2012</u>
Accrued liability/committed fund balance,		
beginning of fiscal year	\$ 6,777,738	\$ 7,401,767
Claims and changes in estimates	15,140,804	12,791,019
Claims payment	<u>(14,392,764)</u>	<u>(13,415,048)</u>
Accrued liability/committed fund balance, end of fiscal year	<u><u>\$ 7,525,778</u></u>	<u><u>\$ 6,777,738</u></u>

Landfill Post-Closure

State and federal laws and regulations require that the County perform post-closure care requirements on its landfill. The landfill was closed on October 9, 1993. An annual evaluation is performed to determine future costs and actual costs may differ due to inflation, deflation, changes in technology or changes in regulations. Funding of these costs will be from current operating revenues.

Consent Order

A Consent Special Order has been issued under the authority of Virginia Code 62.1-44.15(8a) between the State Water Control Board and the Hampton Roads Sanitation District, the cities of Chesapeake, Hampton, Newport News, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg; the counties of Gloucester, Isle of Wight, and York; the James City Service Authority; and the town of Smithfield for the purpose of resolving certain alleged violations of environmental laws and regulations. The goal of the Order by Consent is to eliminate all sanitary sewer overflows. As part of the Special Order by Consent, all parties have agreed to a Regional Technical Standard that requires detailed flow modeling, collection of real time rainfall data, peak flow threshold calculations, projected 10 year, 24 hour peak flows, comprehensive sewer system field inspections and testing and the development of a regional and a locality sanitary sewer hydraulic model. With the data collected and inspection results, each party to the Order by Consent has to submit to the Commonwealth of Virginia, Department of Environmental Quality, a Condition Assessment Report of each sanitary sewer basin and develop a comprehensive Rehabilitation Plan, with costs and associated schedule.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements, Continued
June 30, 2013

13. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

Litigation

The County is a defendant in various lawsuits and although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel, a possible claim or assessment does exist. Management estimates that the outcome will not have a material adverse effect on the financial condition of the County.

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISON SCHEDULE**

GENERAL FUND

To account for revenues and expenditures of the County not accounted for in other funds. Revenues are primarily derived from general property taxes, other local taxes, licenses, permits and fees, revenues from the Commonwealth of Virginia and federal grants.

A significant part of the General Fund's revenues is provided to the County of York Public School Division to fund operations and transferred to other funds to meet debt service requirements, assist with the operations of Virginia Public Assistance and fund capital projects.

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General property taxes:				
Real property taxes	\$ 64,321,000	\$ 64,321,000	\$ 63,924,366	\$ (396,634)
Real and personal property taxes-public service corporation	2,600,000	2,600,000	3,259,124	659,124
Personal property taxes	10,885,000	10,885,000	11,511,988	626,988
Machinery and tools taxes	300,000	300,000	222,909	(77,091)
Boat taxes > 5 tons	80,000	80,000	86,322	6,322
Penalties and interest	675,000	675,000	694,897	19,897
Total general property taxes	78,861,000	78,861,000	79,699,606	838,606
Other local taxes:				
Local sales and use taxes	9,100,000	9,100,000	8,816,670	(283,330)
Hotel and motel room taxes	1,260,000	1,260,000	1,296,487	36,487
Restaurant food taxes	5,200,000	5,376,242	5,552,484	176,242
Business license taxes	5,485,000	5,485,000	5,595,424	110,424
Consumer utility taxes	260,000	260,000	236,887	(23,113)
Communications sales taxes	1,400,000	1,400,000	1,345,767	(54,233)
Vehicle registration fees	1,500,000	1,500,000	1,525,026	25,026
Bank stock taxes	250,000	250,000	238,600	(11,400)
Franchise taxes	-	-	1,028	1,028
Taxes on recordation and wills	1,600,000	1,600,000	1,587,812	(12,188)
Rental taxes	83,000	83,000	111,000	28,000
Total other local taxes	26,138,000	26,314,242	26,307,185	(7,057)
From the Federal Government:				
Payments in lieu of taxes	9,500	9,500	9,541	41
Categorical aid:				
Civil Defense grant	45,000	45,000	45,529	529
Universal Service Library E-rate program	-	-	15,630	15,630
Help America Vote Act grant	-	5,600	5,600	-
Violence Against Women Formula grant	27,366	27,366	26,043	(1,323)
Crime Victim Assistance grant	-	71,152	68,150	(3,002)
Community-Defined Solutions to Violence Against Women grant	-	299,969	35,265	(264,704)
National Women's Health program	-	2,500	2,500	-
DMV Traffic Enforcement grant	-	29,430	29,657	227
Community Development Block grant	-	30,000	126,866	96,866
Section 8 Housing Choice Vouchers program	120,000	120,000	106,423	(13,577)
Citizen Corps grant	-	25,000	16,250	(8,750)
Assistance to Firefighters grant	-	330,234	44,995	(285,239)
State Homeland Security Program Hazmat grant	-	-	23,000	23,000
State Homeland Security Program Pet Shelter grants	-	-	58,793	58,793
Disaster grant - Hurricane Irene	-	-	245,443	245,443
Smoke Detectors grant	-	4,224	-	(4,224)
Indirect Cost Allocation reimbursement	100,000	100,000	98,356	(1,644)
State Criminal Alien Assistance program	-	5,228	5,228	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	49,512	38,816	(10,696)
Bulletproof Vest Partnership program	-	7,065	9,735	2,670
Bureau of Justice Assistance grant	-	10,120	10,000	(120)
Drug Asset	-	30,590	30,590	-
Total categorical aid	292,366	1,192,990	1,042,869	(150,121)
Total revenues from the Federal Government	301,866	1,202,490	1,052,410	(150,080)
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	9,000	9,000	6,318	(2,682)
Rolling stock taxes	15,000	15,000	17,675	2,675
Personal property tax relief	8,741,680	8,741,680	8,741,680	-
Local Aid To Commonwealth	(255,752)	(255,752)	(216,355)	39,397
Total non-categorical aid	8,509,928	8,509,928	8,549,318	39,390
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	492,000	492,000	468,334	(23,666)
Sheriff	2,475,000	2,475,000	2,475,688	688
Commissioner of the Revenue	181,000	181,000	182,293	1,293
Treasurer	142,000	142,000	145,219	3,219
Registrar	39,400	39,400	36,533	(2,867)
Electoral Board	7,500	7,500	8,125	625
Clerk of the Circuit Court	427,000	520,070	521,285	1,215
Total shared expenses	3,763,900	3,856,970	3,837,477	(19,493)
Other categorical aid:				
Emergency services grant	25,000	35,000	35,000	-
Fire and life safety grants	-	67,821	36,753	(31,068)
Fire program funds	155,317	186,708	186,708	-
Four for Life funds	53,423	60,651	60,651	-
Wireless E911 services	265,000	265,000	227,326	(37,674)

(Continued)

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other categorical aid:				
Disaster grant - Hurricane Irene	\$ -	\$ -	\$ 52,361	\$ 52,361
VA E911 Services Education grant	-	2,000	2,000	-
Crime Victim Assistance grant	94,869	23,717	22,717	(1,000)
VA Juvenile Community Crime Control Act grant	54,684	54,684	54,684	-
VA Supreme Court extradition	-	6,748	6,748	-
Emergency Home Repair grant	5,510	-	-	-
Accessibility Rehabilitation program	-	6,753	6,753	-
Arts Commission grant	-	5,000	5,000	-
Library Aid	145,143	148,105	148,105	-
Drug Asset	-	16,751	16,751	-
Court services postage reimbursement	10,300	11,083	10,802	(281)
Total other categorical aid	809,246	890,021	872,359	(17,662)
Total categorical aid	4,573,146	4,746,991	4,709,836	(37,155)
Total revenues from the Commonwealth of Virginia	13,083,074	13,256,919	13,259,154	2,235
Permits, privilege fees and regulatory licenses:				
Animal licenses	45,000	45,000	42,325	(2,675)
Permits and other licenses	523,100	523,100	617,333	94,233
Total permits, privilege fees and regulatory licenses	568,100	568,100	659,658	91,558
Fines and forfeitures	370,300	370,300	335,974	(34,326)
Revenues from use of money and property:				
Use of money	110,000	110,035	(2,948)	(112,983)
Use of property	261,800	261,800	328,746	66,946
Total revenues from use of money and property	371,800	371,835	325,798	(46,037)
Charges for services:				
Court costs	125,500	125,500	163,296	37,796
Charges for Commonwealth's Attorney	8,500	8,500	16,051	7,551
Charges for fiscal accounting services	3,000	3,000	2,385	(615)
Charges for law enforcement and traffic control	92,410	231,589	238,604	7,015
Charges for fire and rescue services	-	1,900	1,900	-
Charges for emergency medical services	1,200,000	1,200,000	1,146,211	(53,789)
Charges for parks and recreation	609,687	609,687	490,328	(119,359)
Charges for library	68,500	68,500	52,782	(15,718)
Charges for mosquito control	16,300	16,300	1,080	(15,220)
Charges for computer support services	10,000	10,000	11,480	1,480
Charges for self-insurance	38,220	38,220	38,220	-
Charges for grounds maintenance	1,121,365	1,121,365	1,121,365	-
Charges for law enforcement	297,640	297,640	274,972	(22,668)
Charges for video services	83,590	83,590	77,862	(5,728)
Charges for radio maintenance services	85,720	85,720	85,720	-
Charges for other	250	250	164	(86)
Total charges for services	3,760,682	3,901,761	3,722,420	(179,341)
Miscellaneous:				
Miscellaneous	215,000	258,655	236,996	(21,659)
Sale of surplus property	15,000	15,000	4,554	(10,446)
Total miscellaneous revenues	230,000	273,655	241,550	(32,105)
Recovered costs:				
York Public School Division for Other Post Employment Benefits	-	-	100,000	100,000
City of Poquoson shared court services	408,300	408,300	376,001	(32,299)
City of Poquoson E911 services	306,581	306,581	306,581	-
City of Poquoson cooperative extension services	-	-	7,786	7,786
City of Williamsburg E911 services	526,087	526,087	526,087	-
City of Williamsburg public safety	-	-	1,200	1,200
York High School tower	-	-	5,000	5,000
Regional radio system staffing	-	-	45,000	45,000
E911 training	-	-	600	600
Assistance for Fire & Life Safety training and Hurricane Sandy	-	49,532	49,531	(1)
Fiscal agent fees	199,500	199,500	206,847	7,347
Streetlight operations	25,000	25,000	14,179	(10,821)
Signage	-	-	4,150	4,150
School gate repairs	-	2,330	2,730	400
Riverwalk Landing repairs and maintenance	-	6,452	6,452	-
Commissioner of Accounts' postage and phone reimbursement	600	600	1,667	1,067
Economic Development Authority's postage reimbursement	-	-	1	1
Total recovered costs	1,466,068	1,524,382	1,653,812	129,430
Total revenues	125,150,890	126,644,684	127,257,567	612,883
Other financing sources:				
Insurance recovery	-	20,348	23,596	3,248
Transfers in	200,000	200,000	200,000	-
Total other financing sources	200,000	220,348	223,596	3,248
Total revenues and other financing sources	\$ 125,350,890	\$ 126,865,032	\$ 127,481,163	\$ 616,131

The accompanying notes are an integral part of the required supplementary information.

COUNTY OF YORK, VIRGINIA
 Required Supplementary Information - Budgetary Comparison Schedule
 General Fund - Expenditures and Other Financing Uses
 Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
General Government:				
Legislative Department: Board of Supervisors	\$ 295,790	\$ 295,790	\$ 289,429	\$ 6,361
Executive Department:				
County Administrator	429,837	576,355	463,763	112,592
Public Information and Community Relations	202,427	150,771	134,390	16,381
Video Services	361,791	362,071	342,684	19,387
County Attorney	382,684	382,684	484,461	(101,777)
Registrar	249,888	251,348	245,326	6,022
Electoral Board	209,516	213,656	96,238	117,418
Total General Government	<u>2,131,933</u>	<u>2,232,675</u>	<u>2,056,291</u>	<u>176,384</u>
Judicial Services:				
Circuit Court	85,744	85,744	62,993	22,751
General District Court	30,140	30,140	24,374	5,766
Juvenile and Domestic Relations Court	14,175	14,958	14,488	470
Clerk of the Circuit Court	880,847	949,787	896,087	53,700
Colonial Group Home Commission	435,538	435,538	432,996	2,542
Magistrate	1,195	1,195	408	787
Commonwealth's Attorney	1,027,756	1,030,314	881,132	149,182
Victim/Witness	195,504	498,523	223,728	274,795
Domestic Violence	58,036	58,036	33,041	24,995
Total Judicial Services	<u>2,728,935</u>	<u>3,104,235</u>	<u>2,569,247</u>	<u>534,988</u>
Public Safety:				
Sheriff General Operations	1,550,586	1,655,247	1,561,155	94,092
Law Enforcement	5,071,533	5,163,005	5,103,548	59,457
Investigations	1,561,357	1,639,751	1,553,780	85,971
Civil Operations/Court Security	1,371,783	1,387,643	1,320,459	67,184
Adult Corrections	3,088,424	3,093,652	2,666,650	427,002
School Resource Officers	336,699	337,039	327,621	9,418
Fire and Life Safety Administration	555,470	564,344	319,913	244,431
Fire and Rescue Operations	11,376,572	11,853,727	10,862,577	991,150
Technical Services and Special Operations	776,831	790,959	441,737	349,222
Prevention and Community Safety	339,693	344,973	325,803	19,170
Juvenile Corrections	418,886	418,886	375,260	43,626
Animal Control	309,945	311,768	250,735	61,033
Emergency Management	397,107	432,107	325,466	106,641
Emergency Communications/911	3,011,300	2,997,438	2,701,249	296,189
Radio Maintenance	160,594	163,787	160,166	3,621
Total Public Safety	<u>30,326,780</u>	<u>31,154,326</u>	<u>28,296,119</u>	<u>2,858,207</u>
Environmental and Development Services:				
Administration	232,076	232,076	218,178	13,898
Building Regulation	1,094,121	1,068,377	859,015	209,362
Stormwater Maintenance	862,798	864,093	864,888	(795)
Stormwater Management	560,449	586,193	569,374	16,819
Litter Control	5,639	5,639	7,632	(1,993)
Mosquito Control	269,167	269,167	264,284	4,883
Board of Zoning/Subdivision Appeals	4,000	4,000	2,106	1,894
Development and Compliance	754,576	754,576	721,068	33,508
Wetlands and Chesapeake Bay Boards	11,237	11,237	6,339	4,898
Total Environmental and Development Services	<u>3,794,063</u>	<u>3,795,358</u>	<u>3,512,884</u>	<u>282,474</u>
Finance and Planning:				
Office of the Controller	210,301	125,197	116,310	8,887
Computer Support Services	2,243,552	2,267,682	1,982,455	285,227
Human Resources	575,707	586,708	549,662	37,046
Budget and Financial Reporting	484,372	470,521	412,881	57,640
Fiscal Accounting Services	716,424	716,424	702,875	13,549
Commissioner of the Revenue	1,064,945	1,064,945	1,056,851	8,094
Treasurer	932,217	932,217	881,109	51,108
Real Estate Assessment	522,746	522,746	414,606	108,140
Central Purchasing	407,740	413,338	403,952	9,386
Central Administrative Services	313,176	299,209	142,859	156,350
Central Insurance	444,505	642,793	327,269	315,524

(Continued)

The accompanying notes are an integral part of the required supplementary information.

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Expenditures and Other Financing Uses
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Planning	\$ 478,844	\$ 481,150	\$ 458,840	\$ 22,310
Planning Commission	19,194	18,349	17,563	786
Economic Development	910,419	910,419	327,394	583,025
Office of Economic Development	<u>388,820</u>	<u>388,820</u>	<u>376,003</u>	<u>12,817</u>
Total Finance and Planning	<u>9,712,962</u>	<u>9,840,518</u>	<u>8,170,629</u>	<u>1,669,889</u>
Education:				
County of York Public School Division - Local	49,297,757	49,297,757	48,246,996	1,050,761
Library Services	2,611,926	2,628,663	2,502,678	125,985
Cooperative Extension	<u>49,595</u>	<u>49,595</u>	<u>30,917</u>	<u>18,678</u>
Total Education	<u>51,959,278</u>	<u>51,976,015</u>	<u>50,780,591</u>	<u>1,195,424</u>
Human Services:				
Health Services	389,756	397,191	397,191	-
Colonial Behavioral Health - Local	760,691	760,691	760,691	-
Social Services - payments to Board members	1,550	1,550	840	710
Contributions	<u>204,215</u>	<u>196,780</u>	<u>146,384</u>	<u>50,396</u>
Total Human Services	<u>1,356,212</u>	<u>1,356,212</u>	<u>1,305,106</u>	<u>51,106</u>
General Services:				
Administration	209,356	209,356	208,147	1,209
Engineering and Facility Maintenance	2,104,933	2,166,726	2,231,989	(65,263)
Facility/Utility Charges	1,534,971	1,538,571	976,865	561,706
Grounds Maintenance and Construction	<u>3,002,078</u>	<u>2,962,688</u>	<u>2,669,729</u>	<u>292,959</u>
Total General Services	<u>6,851,338</u>	<u>6,877,341</u>	<u>6,086,730</u>	<u>790,611</u>
Community Services:				
Administration	198,959	198,959	75,576	123,383
Special Programs	259,313	259,313	253,059	6,254
Housing - Administration	140,201	133,181	56,803	76,378
Housing - Rental Assistance	136,477	136,477	121,316	15,161
Housing - Rehabilitation	336,184	374,747	344,445	30,302
Public Transportation	20,000	20,000	19,186	814
Parks and Recreation	1,971,173	1,977,483	1,856,624	120,859
Tourism and Events	<u>87,220</u>	<u>87,220</u>	<u>86,429</u>	<u>791</u>
Total Community Services	<u>3,149,527</u>	<u>3,187,380</u>	<u>2,813,438</u>	<u>373,942</u>
Non-departmental:				
Employee benefits	1,018,510	1,018,510	954,505	64,005
Contributions	553,223	558,523	419,468	139,055
Appropriated reserves	<u>50,000</u>	<u>50,000</u>	<u>21,002</u>	<u>28,998</u>
Total Non-departmental	<u>1,621,733</u>	<u>1,627,033</u>	<u>1,394,975</u>	<u>232,058</u>
Capital Outlay	<u>6,243,036</u>	<u>6,406,646</u>	<u>2,034,750</u>	<u>4,371,896</u>
Debt Service:				
Principal retirement	4,019	4,019	4,019	-
Interest and fiscal charges	<u>121</u>	<u>121</u>	<u>121</u>	<u>-</u>
Total debt service	<u>4,140</u>	<u>4,140</u>	<u>4,140</u>	<u>-</u>
Total expenditures	<u>119,879,937</u>	<u>121,561,879</u>	<u>109,024,900</u>	<u>12,536,979</u>
Other Financing Uses:				
Transfers out	<u>25,681,579</u>	<u>25,712,032</u>	<u>23,184,298</u>	<u>2,527,734</u>
Total other financing uses	<u>25,681,579</u>	<u>25,712,032</u>	<u>23,184,298</u>	<u>2,527,734</u>
Total expenditures and other financing uses	<u>\$ 145,561,516</u>	<u>\$ 147,273,911</u>	<u>\$ 132,209,198</u>	<u>\$ 15,064,713</u>

The accompanying notes are an integral part of the required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISON SCHEDULE**

TOURISM FUND

To account for the receipt and disbursement of 3% of the lodging tax and the \$2.00 additional tax restricted by the Commonwealth of Virginia for tourism activities. This fund is a major special revenue fund, with a legally adopted annual budget.

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
Tourism Fund
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other local taxes	\$ 2,990,000	\$ 3,044,730	\$ 3,005,763	\$ (38,967)
Use of money and property	2,500	2,500	1,333	(1,167)
Recovered costs	-	1,000	1,000	-
Total revenues	<u>2,992,500</u>	<u>3,048,230</u>	<u>3,008,096</u>	<u>(40,134)</u>
EXPENDITURES				
Current:				
Finance and planning	134,687	134,687	134,687	-
Community services	2,217,187	2,262,116	1,944,634	317,482
Debt service - principal retirement	30,574	30,574	28,854	1,720
Total expenditures	<u>2,382,448</u>	<u>2,427,377</u>	<u>2,108,175</u>	<u>319,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>610,052</u>	<u>620,853</u>	<u>899,921</u>	<u>279,068</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(973,409)	(984,210)	(658,922)	325,288
Total other financing sources and uses	<u>(973,409)</u>	<u>(984,210)</u>	<u>(658,922)</u>	<u>325,288</u>
Net change in fund balances	(363,357)	(363,357)	240,999	604,356
Fund balances, beginning of year	363,357	363,357	363,357	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 604,356</u>	<u>\$ 604,356</u>

The accompanying notes are an integral part of the required supplementary information.

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Schedule of Funding Progress (Unaudited)
Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded AAL (UAAL) (Funding Excess)	Funded Ratio	Covered Payroll	UAAL (Funding Excess) as % of Payroll
PRIMARY GOVERNMENT						
<u>Virginia Retirement System - County of York Employees</u>						
June 30, 2012	\$ 122,469,087	\$ 160,463,118	\$ 37,994,031	76.32%	\$ 34,397,352	110.46%
June 30, 2011	121,021,815	153,755,914	32,734,099	78.71%	35,320,303	92.68%
June 30, 2010	116,108,792	146,492,079	30,383,287	79.26%	36,442,031	83.37%
<u>Other Post-Employment Benefits (OPEB)</u>						
June 30, 2013	\$ -	\$ 19,336,493	\$ 19,336,493	0.00%	\$ 35,993,904	53.72%
June 30, 2012	-	16,698,584	16,698,584	0.00%	35,054,741	47.64%
June 30, 2011	-	14,538,417	14,538,417	0.00%	35,815,826	40.59%
COMPONENT UNIT - YORK COUNTY SCHOOL DIVISION						
<u>Virginia Retirement System - Nonprofessional Employees</u>						
June 30, 2012	\$ 15,054,480	\$ 18,391,503	\$ 3,337,023	81.86%	\$ 5,999,289	55.62%
June 30, 2011	14,841,019	17,947,365	3,106,346	82.69%	6,172,968	50.32%
June 30, 2010	14,238,936	16,705,389	2,466,453	85.24%	6,308,288	39.10%
<u>Single Employer Defined Benefit Pension - Optional Plan</u>						
June 30, 2013	\$ 2,009,204	\$ 1,875,649	\$ (133,555)	107.12%	\$ 652,983	-20.45%
June 30, 2012	1,869,001	1,935,161	66,160	96.58%	649,817	10.18%
June 30, 2011	1,905,910	2,137,314	231,404	89.17%	646,369	35.80%
June 30, 2010	1,727,814	1,963,084	235,270	88.02%	706,736	33.29%
June 30, 2009	1,607,917	2,119,957	512,040	75.85%	804,245	63.67%
June 30, 2008	1,795,341	2,147,410	352,069	83.60%	1,028,939	34.22%
<u>Other Post-Employment Benefits (OPEB)</u>						
June 30, 2013	\$ -	\$ 6,395,607	\$ 6,395,607	0.00%	\$ 45,334,607	14.11%
June 30, 2012	-	4,963,126	4,963,126	0.00%	69,361,101	7.16%
June 30, 2011	-	5,854,702	5,854,702	0.00%	69,023,976	8.48%

The accompanying notes are an integral part of the required supplementary information.

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Schedule of Employer Contributions (Unaudited)
Year Ended June 30, 2013

COMPONENT UNIT - YORK COUNTY SCHOOL DIVISION

Single Employer Defined Benefit Pension - Optional Plan

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ -	100.00%
2012	41,786	100.00%
2011	45,923	100.00%
2010	37,710	100.00%
2009	55,838	100.00%
2008	45,750	100.00%

The accompanying notes are an integral part of the required supplementary information.

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2013

1. BUDGETARY DATA

Annual budget requests for the ensuing fiscal year are submitted to the County Administrator by department or agency heads during the second quarter of the fiscal year. The County Administrator reviews the requests and meetings are held with department heads and agencies for discussion. After work sessions with the Board of Supervisors and public hearings, the budget is amended as necessary and an appropriations resolution by functional level is adopted. The budget is required to be adopted by a majority vote of the Board of Supervisors prior to the end of the current fiscal year.

The budgetary data reported in the required supplementary information reflects the approved County Budget as adopted by the Board of Supervisors for the year ended June 30, 2013, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the General Fund, which is appropriated at the functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations and any such transfer may not result in a change in the total appropriated for personnel or non-personnel costs within the function.

The budgets are prepared on a basis consistent with the modified accrual basis of accounting. The General Fund's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. According to the County Code, unexpended appropriations lapse at the end of the fiscal year. Encumbered balances, grants and donations, capital and maintenance, and other balances for specific purposes may be reappropriated in the following year by the Board of Supervisors.

The General, Special Revenue, Debt Service, Capital Projects, and Proprietary funds have legally adopted budgets, except those with only depreciation (the York Sanitary District Fund, the Upper County Utility Fund, and the Sanitary District No. 2 Fund).

2. PENSION DATA

The supplemental information presented is intended to help users assess each system's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems. Information pertaining to the retirement systems can be found in the notes to the financial statements.

3. OTHER POST-EMPLOYMENT BENEFITS (OPEB) DATA

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Information pertaining to the OPEB plans can be found in the notes to the financial statements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Children and Family Services Fund - accounts for the receipt and disbursement of federal and local funds for the Head Start and USDA Food Service Programs.

Virginia Public Assistance Fund - accounts for the rendering of economic aid to qualifying citizens.

Law Library Fund - accounts for the receipt and disbursement of funds for the Law Library.

Community Development Authority Revenue Account Fund - accounts for the incremental tax revenues generated by the Marquis Lifestyle Center and paid to the Authority's trustee and for the payment to the County for services provided to the facilities in the project area.

Debt Service Funds:

County Fund - accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of County facilities and equipment.

Education Fund - accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of educational facilities and equipment.

Capital Project Funds:

Stormwater Fund - accounts for revenue and expenditures related to the drainage maintenance projects.

Yorktown Capital Improvements Fund - accounts for revenue and expenditures related to capital improvements in the historical Yorktown area. This fund is a major governmental fund; however, it is shown here for budgetary comparison purposes.

County Capital Fund - accounts for revenue and expenditures related to construction or acquisition of facilities and equipment in the general governmental areas such as facilities maintenance, public safety, and parks and recreation. This fund is a major governmental fund; however, it is shown here for budgetary comparison purposes.

COUNTY OF YORK, VIRGINIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue					Total Nonmajor Governmental Funds
	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	Stormwater Capital Project	
ASSETS						
Cash and investments	\$ 742,889	\$ 285,215	\$ 14,463	\$ 131,121	\$ 1,857,113	\$ 3,030,801
Receivables, net	55,854	423,573	-	241,038	883,437	1,603,902
Due from other funds	-	29,726	-	-	57,128	86,854
Prepaid expenditures	13,838	28,364	-	-	-	42,202
Total assets	<u>\$ 812,581</u>	<u>\$ 766,878</u>	<u>\$ 14,463</u>	<u>\$ 372,159</u>	<u>\$ 2,797,678</u>	<u>\$ 4,763,759</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 6,773	\$ 124,116	\$ -	\$ -	\$ 32,668	\$ 163,557
Salaries, taxes and benefits payable	89,486	212,313	-	-	-	301,799
Unearned revenue	-	-	-	-	596,877	596,877
Due to other funds	-	-	-	36,674	-	36,674
Due to component unit - CDA	-	-	-	335,485	-	335,485
Total liabilities	<u>96,259</u>	<u>336,429</u>	<u>-</u>	<u>372,159</u>	<u>629,545</u>	<u>1,434,392</u>
Fund balances:						
Nonspendable	13,838	28,364	-	-	-	42,202
Restricted	1,678	-	14,463	-	2,005	18,146
Committed	-	-	-	-	2,166,128	2,166,128
Assigned	700,806	402,085	-	-	-	1,102,891
Total fund balances	<u>716,322</u>	<u>430,449</u>	<u>14,463</u>	<u>-</u>	<u>2,168,133</u>	<u>3,329,367</u>
Total liabilities and fund balances	<u>\$ 812,581</u>	<u>\$ 766,878</u>	<u>\$ 14,463</u>	<u>\$ 372,159</u>	<u>\$ 2,797,678</u>	<u>\$ 4,763,759</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue				Debt Service			Total Nonmajor Governmental Funds
	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	County	Education	Stormwater Capital Project	
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ 372,308	\$ -	\$ -	\$ -	\$ 372,308
Other local taxes	-	-	-	699,417	-	-	-	699,417
Intergovernmental								
Federal	965,665	1,901,878	-	-	-	56,885	2,005	2,926,433
State	-	1,277,975	-	-	-	-	1,036,880	2,314,855
Use of money and property	2,408	-	55	311	10	-	4,194	6,978
Charges for services	17,659	7,547	7,981	-	-	-	65,440	98,627
Miscellaneous	3,977	406	-	-	-	-	-	4,383
Recovered costs	-	246,179	-	-	-	505,421	-	751,600
Total revenues	<u>989,709</u>	<u>3,433,985</u>	<u>8,036</u>	<u>1,072,036</u>	<u>10</u>	<u>562,306</u>	<u>1,108,519</u>	<u>7,174,601</u>
EXPENDITURES								
Current:								
Judicial services	-	-	7,104	-	-	-	-	7,104
Human services	1,276,682	5,081,272	-	-	-	-	-	6,357,954
Nondepartmental	-	-	-	872,036	-	-	-	872,036
Capital outlay	-	-	-	-	-	-	696,880	696,880
Debt service:								
Principal retirement	-	-	-	-	1,451,368	5,066,653	-	6,518,021
Interest and fiscal charges	-	-	-	-	1,243,548	2,610,528	-	3,854,076
Total expenditures	<u>1,276,682</u>	<u>5,081,272</u>	<u>7,104</u>	<u>872,036</u>	<u>2,694,916</u>	<u>7,677,181</u>	<u>696,880</u>	<u>18,306,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(286,973)</u>	<u>(1,647,287)</u>	<u>932</u>	<u>200,000</u>	<u>(2,694,906)</u>	<u>(7,114,875)</u>	<u>411,639</u>	<u>(11,131,470)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	218,052	1,531,001	-	-	2,694,906	7,114,875	905,248	12,464,082
Transfers out	-	-	-	(200,000)	-	-	-	(200,000)
Total other financing sources and uses	<u>218,052</u>	<u>1,531,001</u>	<u>-</u>	<u>(200,000)</u>	<u>2,694,906</u>	<u>7,114,875</u>	<u>905,248</u>	<u>12,264,082</u>
Net change in fund balances	(68,921)	(116,286)	932	-	-	-	1,316,887	1,132,612
Fund balances, beginning of year	785,243	546,735	13,531	-	-	-	851,246	2,196,755
Fund balances, end of year	<u>\$ 716,322</u>	<u>\$ 430,449</u>	<u>\$ 14,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,168,133</u>	<u>\$ 3,329,367</u>

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2013

Children and Family Services					Virginia Public Assistance				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
REVENUES									
Intergovernmental:									
Federal	\$ 957,087	\$ 957,087	\$ 965,665	\$ 8,578	\$ 1,932,896	\$ 1,932,896	\$ 1,901,878	\$ (31,018)	
State	-	-	-	-	1,585,317	1,585,317	1,277,975	(307,342)	
Use of money and property	5,000	5,000	2,408	(2,592)	-	-	-	-	
Charges for services	17,100	17,100	17,659	559	-	-	7,547	7,547	
Miscellaneous	2,400	3,977	3,977	-	-	-	406	406	
Recovered costs	-	-	-	-	226,000	226,000	246,179	20,179	
Total revenues	<u>981,587</u>	<u>983,164</u>	<u>989,709</u>	<u>6,545</u>	<u>3,744,213</u>	<u>3,744,213</u>	<u>3,433,985</u>	<u>(310,228)</u>	
EXPENDITURES									
Current:									
Human services	1,395,809	1,397,386	1,276,682	120,704	5,859,684	5,859,684	5,081,272	778,412	
Total expenditures	<u>1,395,809</u>	<u>1,397,386</u>	<u>1,276,682</u>	<u>120,704</u>	<u>5,859,684</u>	<u>5,859,684</u>	<u>5,081,272</u>	<u>778,412</u>	
Excess (deficiency) of revenues over (under) expenditures	(414,222)	(414,222)	(286,973)	127,249	(2,115,471)	(2,115,471)	(1,647,287)	468,184	
OTHER FINANCING SOURCES (USES)									
Transfers in	250,000	250,000	218,052	(31,948)	1,874,685	1,874,685	1,531,001	(343,684)	
Total other financing sources and uses	<u>250,000</u>	<u>250,000</u>	<u>218,052</u>	<u>(31,948)</u>	<u>1,874,685</u>	<u>1,874,685</u>	<u>1,531,001</u>	<u>(343,684)</u>	
Net change in fund balances	(164,222)	(164,222)	(68,921)	95,301	(240,786)	(240,786)	(116,286)	124,500	
Fund balances, beginning of year	785,243	785,243	785,243	-	546,735	546,735	546,735	-	
Fund balances, end of year	<u>\$ 621,021</u>	<u>\$ 621,021</u>	<u>\$ 716,322</u>	<u>\$ 95,301</u>	<u>\$ 305,949</u>	<u>\$ 305,949</u>	<u>\$ 430,449</u>	<u>\$ 124,500</u>	

Law Library					Community Development Authority Revenue Account				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	
REVENUES									
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,390,719	\$ 6,390,719	\$ 372,308	\$ (6,018,411)	
Other local taxes	-	-	-	-	735,500	735,500	699,417	(36,083)	
Use of money and property	100	100	55	(45)	500	500	311	(189)	
Charges for services	9,000	9,000	7,981	(1,019)	-	-	-	-	
Total revenues	<u>9,100</u>	<u>9,100</u>	<u>8,036</u>	<u>(1,064)</u>	<u>7,126,719</u>	<u>7,126,719</u>	<u>1,072,036</u>	<u>(6,054,683)</u>	
EXPENDITURES									
Current:									
Judicial services	9,000	10,500	7,104	3,396	-	-	-	-	
Nondepartmental	-	-	-	-	6,926,719	6,926,719	872,036	6,054,683	
Total expenditures	<u>9,000</u>	<u>10,500</u>	<u>7,104</u>	<u>3,396</u>	<u>6,926,719</u>	<u>6,926,719</u>	<u>872,036</u>	<u>6,054,683</u>	
Excess (deficiency) of revenues over (under) expenditures	100	(1,400)	932	2,332	200,000	200,000	200,000	-	
OTHER FINANCING SOURCES (USES)									
Transfers out	-	-	-	-	(200,000)	(200,000)	(200,000)	-	
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	
Net change in fund balances	100	(1,400)	932	2,332	-	-	-	-	
Fund balances, beginning of year	13,531	13,531	13,531	-	-	-	-	-	
Fund balances, end of year	<u>\$ 13,631</u>	<u>\$ 12,131</u>	<u>\$ 14,463</u>	<u>\$ 2,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Total									
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)					
REVENUES									
General property taxes	\$ 6,390,719	\$ 6,390,719	\$ 372,308	\$ (6,018,411)					
Other local taxes	735,500	735,500	699,417	(36,083)					
Intergovernmental									
Federal	2,889,983	2,889,983	2,867,543	(22,440)					
State	1,585,317	1,585,317	1,277,975	(307,342)					
Use of money and property	5,600	5,600	2,774	(2,826)					
Charges for services	26,100	26,100	33,187	7,087					
Miscellaneous	2,400	3,977	4,383	406					
Recovered costs	226,000	226,000	246,179	20,179					
Total revenues	<u>11,861,619</u>	<u>11,863,196</u>	<u>5,503,766</u>	<u>(6,359,430)</u>					
EXPENDITURES									
Current:									
Judicial services	9,000	10,500	7,104	3,396					
Human services	7,255,493	7,257,070	6,357,954	899,116					
Nondepartmental	6,926,719	6,926,719	872,036	6,054,683					
Total expenditures	<u>14,191,212</u>	<u>14,194,289</u>	<u>7,237,094</u>	<u>6,957,195</u>					
Excess (deficiency) of revenues over (under) expenditures	(2,329,593)	(2,331,093)	(1,733,328)	597,765					
OTHER FINANCING SOURCES (USES)									
Transfers in	2,124,685	2,124,685	1,749,053	(375,632)					
Transfers out	(200,000)	(200,000)	(200,000)	-					
Total other financing sources and uses	<u>1,924,685</u>	<u>1,924,685</u>	<u>1,549,053</u>	<u>(375,632)</u>					
Net change in fund balances	(404,908)	(406,408)	(184,275)	222,133					
Fund balances, beginning of year	1,345,509	1,345,509	1,345,509	-					
Fund balances, end of year	<u>\$ 940,601</u>	<u>\$ 939,101</u>	<u>\$ 1,161,234</u>	<u>\$ 222,133</u>					

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Debt Service Funds
 For the Year Ended June 30, 2013

	County				Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE								
Intergovernmental - Federal	\$ -	\$ -	\$ -	\$ -	\$ 59,472	\$ 59,472	\$ 56,885	\$ (2,587)
Use of money and property	-	-	10	10	-	-	-	-
Recovered costs	-	-	-	-	505,421	505,421	505,421	-
Total revenue	-	-	10	10	564,893	564,893	562,306	(2,587)
EXPENDITURES								
Debt service:								
Principal retirement	1,503,532	1,503,532	1,451,368	52,164	5,066,654	5,066,654	5,066,653	1
Interest and fiscal charges	1,851,995	1,851,995	1,243,548	608,447	3,204,481	3,204,481	2,610,528	593,953
Total expenditures	3,355,527	3,355,527	2,694,916	660,611	8,271,135	8,271,135	7,677,181	593,954
Excess (deficiency) of revenues over (under) expenditures	(3,355,527)	(3,355,527)	(2,694,906)	660,621	(7,706,242)	(7,706,242)	(7,114,875)	591,367
OTHER FINANCING SOURCES (USES)								
Transfers in	3,355,527	3,355,527	2,694,906	(660,621)	7,706,242	7,706,242	7,114,875	(591,367)
Total other financing sources and uses	3,355,527	3,355,527	2,694,906	(660,621)	7,706,242	7,706,242	7,114,875	(591,367)
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total							
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)				
REVENUE								
Intergovernmental - Federal	\$ 59,472	\$ 59,472	\$ 56,885	\$ (2,587)				
Use of money and property	-	-	10	10				
Recovered costs	505,421	505,421	505,421	-				
Total revenue	564,893	564,893	562,316	(2,577)				
EXPENDITURES								
Debt service:								
Principal retirement	6,570,186	6,570,186	6,518,021	52,165				
Interest and fiscal charges	5,056,476	5,056,476	3,854,076	1,202,400				
Total expenditures	11,626,662	11,626,662	10,372,097	1,254,565				
Excess (deficiency) of revenues over (under) expenditures	(11,061,769)	(11,061,769)	(9,809,781)	1,251,988				
OTHER FINANCING SOURCES (USES)								
Transfers in	11,061,769	11,061,769	9,809,781	(1,251,988)				
Total other financing sources and uses	11,061,769	11,061,769	9,809,781	(1,251,988)				
Net change in fund balances	-	-	-	-				
Fund balances, beginning of year	-	-	-	-				
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -				

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Capital Project Funds
 For the Year Ended June 30, 2013

	Stormwater Fund				Yorktown Capital Improvements			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ -	\$ 2,005	\$ 2,005	\$ -	\$ -	\$ -	\$ -	\$ -
State	100,000	100,000	1,036,880	936,880	-	-	-	-
Use of money and property	6,200	6,200	4,194	(2,006)	-	-	10,766	10,766
Miscellaneous	-	-	-	-	-	-	872	872
Charges for services	8,000	90,025	65,440	(24,585)	-	-	60,840	60,840
Total revenues	114,200	196,225	1,108,519	910,289	-	-	72,478	72,478
EXPENDITURES								
Capital outlay	2,951,295	3,035,325	696,880	2,338,445	270,657	270,657	149,503	121,154
Total expenditures	2,951,295	3,035,325	696,880	2,338,445	270,657	270,657	149,503	121,154
Excess (deficiency) of revenues over (under) expenditures	(2,837,095)	(2,839,100)	411,639	3,248,734	(270,657)	(270,657)	(77,025)	193,632
OTHER FINANCING SOURCES (USES)								
Transfers in	870,000	870,000	905,248	35,248	100,000	100,000	100,000	-
Total other financing sources and uses	870,000	870,000	905,248	35,248	100,000	100,000	100,000	-
Net change in fund balances	(1,967,095)	(1,969,100)	1,316,887	3,285,987	(170,657)	(170,657)	22,975	193,632
Fund balances (deficit), beginning of year	851,246	851,246	851,246	-	(7,308,883)	(7,308,883)	(7,308,883)	-
Fund balances (deficit), end of year	\$ (1,115,849)	\$ (1,117,854)	\$ 2,168,133	\$ 3,285,987	\$ (7,479,540)	\$ (7,479,540)	\$ (7,285,908)	\$ 193,632

	County Capital				Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ -	\$ 288,717	\$ 561,379	\$ 272,662	\$ -	\$ 288,717	\$ 561,379	\$ 272,662
State	-	250,000	-	(250,000)	100,000	350,000	1,036,880	686,880
Use of money and property	75,000	75,000	49,105	(25,895)	81,200	81,200	64,065	(17,135)
Charges for services	-	-	-	-	8,000	90,025	126,280	36,255
Miscellaneous	-	4,243	4,243	-	-	4,243	5,115	872
Recovered costs	70,000	75,874	60,601	(15,273)	70,000	75,874	60,601	(15,273)
Total revenues	145,000	693,834	675,328	(18,506)	259,200	890,059	1,854,320	964,261
EXPENDITURES								
Capital outlay	10,078,773	16,146,183	1,765,080	14,381,103	13,300,725	19,452,165	2,611,463	16,840,702
Debt service - interest and fiscal charges	497,944	497,944	105,474	392,470	497,944	497,944	105,474	392,470
Total expenditures	10,576,717	16,644,127	1,870,554	14,773,573	13,798,669	19,950,109	2,716,937	17,233,172
Excess (deficiency) of revenues over (under) expenditures	(10,431,717)	(15,950,293)	(1,195,226)	14,755,067	(13,539,469)	(19,060,050)	(862,617)	18,197,433
OTHER FINANCING SOURCES (USES)								
Transfers in	5,832,618	5,832,617	6,423,985	591,368	6,802,618	6,802,617	7,429,233	626,616
Transfers out	-	(200,000)	(200,000)	-	-	(200,000)	(200,000)	-
Total other financing sources and uses	5,832,618	5,632,617	6,223,985	591,368	6,802,618	6,602,617	7,229,233	626,616
Net change in fund balances	(4,599,099)	(10,317,676)	5,028,759	15,346,435	(6,736,851)	(12,457,433)	6,366,616	18,824,049
Fund balances (deficit), beginning of year	13,993,914	13,993,914	13,993,914	-	7,536,277	7,536,277	7,536,277	-
Fund balances (deficit), end of year	\$ 9,394,815	\$ 3,676,238	\$ 19,022,673	\$ 15,346,435	\$ 799,426	\$ (4,921,156)	\$ 13,902,893	\$ 18,824,049

NONMAJOR ENTERPRISE FUNDS

Yorktown Operations Fund - accounts for the operations at the Yorktown waterfront.

York Sanitary District Fund - accounts for the capital assets as of January 1, 1992 of the Sanitary District No. 1 utility systems.

Upper County Utility Fund - accounts for the capital assets as of January 1, 1992 of the upper County utility systems.

Solid Waste Fund - accounts for the operations of the County's solid waste disposal system.

Water Utility Fund - accounts for the operations of the County's water utility systems.

Sanitary District No. 2 Fund - accounts for the capital assets as of January 1, 1992 of the Sanitary District No. 2 utility systems.

Regional Radio System Fund - accounts for the County's joint emergency communication system with James City County and Gloucester County.

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2013

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
ASSETS								
Current assets:								
Cash and investments	\$ 30,888	\$ 232	\$ -	\$ 297,530	\$ 2,835,206	\$ -	\$ 352,826	\$ 3,516,682
Receivables, net	2,712	-	-	718,544	99,711	-	331,496	1,152,463
Due from component unit - EDA	18,870	-	-	-	-	-	-	18,870
Prepaid expenses	-	-	-	11,879	15,675	-	-	27,554
Total current assets	<u>52,470</u>	<u>232</u>	<u>-</u>	<u>1,027,953</u>	<u>2,950,592</u>	<u>-</u>	<u>684,322</u>	<u>4,715,569</u>
Noncurrent assets:								
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	413,902	-	251,854	-	3,445,402
Construction in progress	-	-	-	20,000	60,991	-	2,368,178	2,449,169
Depreciable capital assets:								
Buildings and improvements	-	783,982	-	1,845,905	-	2,699,159	-	5,329,046
Infrastructure	-	2,254,362	767,391	163,209	281,553	19,956,345	-	23,422,860
Equipment	-	446,216	-	22,761	-	453,831	-	922,808
Vehicles	-	-	-	666,921	-	-	-	666,921
Less accumulated depreciation	<u>-</u>	<u>(2,741,727)</u>	<u>(467,633)</u>	<u>(2,232,383)</u>	<u>(43,455)</u>	<u>(16,451,184)</u>	<u>-</u>	<u>(21,936,382)</u>
Total noncurrent assets	<u>2,707,736</u>	<u>780,749</u>	<u>333,752</u>	<u>900,315</u>	<u>299,089</u>	<u>6,910,005</u>	<u>2,368,178</u>	<u>14,299,824</u>
Total assets	<u>\$ 2,760,206</u>	<u>\$ 780,981</u>	<u>\$ 333,752</u>	<u>\$ 1,928,268</u>	<u>\$ 3,249,681</u>	<u>\$ 6,910,005</u>	<u>\$ 3,052,500</u>	<u>\$ 19,015,393</u>
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 592	\$ -	\$ -	\$ 268,554	\$ 34,468	\$ -	\$ 1,418	\$ 305,032
Salaries, taxes and benefits payable	481	-	-	66,834	-	-	-	67,315
Unearned revenue	21	-	-	-	57,725	-	1,800	59,546
Due to other funds	-	-	-	2,473	-	-	-	2,473
Compensated absences - current	-	-	-	1,205	-	-	-	1,205
Total current liabilities	<u>1,094</u>	<u>-</u>	<u>-</u>	<u>339,066</u>	<u>92,193</u>	<u>-</u>	<u>3,218</u>	<u>435,571</u>
Noncurrent liabilities:								
Compensated absences - net current	-	-	-	24,010	-	-	-	24,010
Advance from other fund	<u>2,750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,750,000</u>
Total noncurrent liabilities	<u>2,750,000</u>	<u>-</u>	<u>-</u>	<u>24,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,774,010</u>
Total liabilities	<u>2,751,094</u>	<u>-</u>	<u>-</u>	<u>363,076</u>	<u>92,193</u>	<u>-</u>	<u>3,218</u>	<u>3,209,581</u>
NET POSITION								
Net investment in capital assets	2,707,736	780,749	333,752	900,315	299,089	6,910,005	2,368,178	14,299,824
Unrestricted	<u>(2,698,624)</u>	<u>232</u>	<u>-</u>	<u>664,877</u>	<u>2,858,399</u>	<u>-</u>	<u>681,104</u>	<u>1,505,988</u>
Total net position	<u>9,112</u>	<u>780,981</u>	<u>333,752</u>	<u>1,565,192</u>	<u>3,157,488</u>	<u>6,910,005</u>	<u>3,049,282</u>	<u>15,805,812</u>
Total liabilities and net position	<u>\$ 2,760,206</u>	<u>\$ 780,981</u>	<u>\$ 333,752</u>	<u>\$ 1,928,268</u>	<u>\$ 3,249,681</u>	<u>\$ 6,910,005</u>	<u>\$ 3,052,500</u>	<u>\$ 19,015,393</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
Operating Revenues								
Use of property	\$ 47,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,501,755	\$ 1,549,340
Charges for services	41,140	-	-	3,739,588	357,728	-	-	4,138,456
Miscellaneous	3,529	-	-	11,796	-	-	51,231	66,556
Total operating revenues	<u>92,254</u>	<u>-</u>	<u>-</u>	<u>3,751,384</u>	<u>357,728</u>	<u>-</u>	<u>1,552,986</u>	<u>5,754,352</u>
Operating Expenses								
Personal services	11,554	-	-	722,681	-	-	-	734,235
Contractual services	85,105	-	-	3,705,186	9,175	-	2,365,280	6,164,746
Materials and supplies	2,234	-	-	106,867	336,479	-	37,204	482,784
Depreciation	-	38,454	15,748	104,931	5,632	370,655	-	535,420
Total operating expenses	<u>98,893</u>	<u>38,454</u>	<u>15,748</u>	<u>4,639,665</u>	<u>351,286</u>	<u>370,655</u>	<u>2,402,484</u>	<u>7,917,185</u>
Operating income (loss)	<u>(6,639)</u>	<u>(38,454)</u>	<u>(15,748)</u>	<u>(888,281)</u>	<u>6,442</u>	<u>(370,655)</u>	<u>(849,498)</u>	<u>(2,162,833)</u>
Nonoperating Revenues (Expenses)								
Grant income	-	-	-	14,149	-	-	-	14,149
Interest income	65	-	-	1,568	9,074	-	1,334	12,041
Loss on disposal of capital assets	-	-	-	(11,380)	(8,273)	-	-	(19,653)
Donated property	-	-	-	-	(642,868)	-	-	(642,868)
Total nonoperating revenues (expenses)	<u>65</u>	<u>-</u>	<u>-</u>	<u>4,337</u>	<u>(642,067)</u>	<u>-</u>	<u>1,334</u>	<u>(636,331)</u>
Loss before contributions and transfers	(6,574)	(38,454)	(15,748)	(883,944)	(635,625)	(370,655)	(848,164)	(2,799,164)
Transfers In	<u>-</u>	<u>10</u>	<u>-</u>	<u>666,667</u>	<u>-</u>	<u>-</u>	<u>944,565</u>	<u>1,611,242</u>
Change in net position	(6,574)	(38,444)	(15,748)	(217,277)	(635,625)	(370,655)	96,401	(1,187,922)
Total net position, beginning of year	<u>15,686</u>	<u>819,425</u>	<u>349,500</u>	<u>1,782,469</u>	<u>3,793,113</u>	<u>7,280,660</u>	<u>2,952,881</u>	<u>16,993,734</u>
Total net position, end of year	<u>\$ 9,112</u>	<u>\$ 780,981</u>	<u>\$ 333,752</u>	<u>\$ 1,565,192</u>	<u>\$ 3,157,488</u>	<u>\$ 6,910,005</u>	<u>\$ 3,049,282</u>	<u>\$ 15,805,812</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2013

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 144,749	\$ -	\$ -	\$ 4,470,737	\$ 378,712	\$ -	\$ 1,501,329	\$ 6,495,527
Receipts from internal activity	-	-	-	419	-	-	-	419
Other receipts	3,529	-	-	11,796	-	-	51,231	66,556
Payments to suppliers for goods and services	(90,257)	-	-	(3,779,806)	(366,323)	-	(2,608,930)	(6,845,316)
Payments to employees for services	(11,073)	-	-	(718,258)	-	-	-	(729,331)
Payments from internal activity	(16,215)	-	-	-	(39)	-	-	(16,254)
Net cash provided by (used in) operating activities	<u>30,733</u>	<u>-</u>	<u>-</u>	<u>(15,112)</u>	<u>12,350</u>	<u>-</u>	<u>(1,056,370)</u>	<u>(1,028,399)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grant income	-	-	-	14,149	-	-	-	14,149
Transfers in	-	10	-	296,725	-	-	944,565	1,241,300
Net cash provided by noncapital financing activities	<u>-</u>	<u>10</u>	<u>-</u>	<u>310,874</u>	<u>-</u>	<u>-</u>	<u>944,565</u>	<u>1,255,449</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	-	-	-	-	(169,632)	-	-	(169,632)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(169,632)</u>	<u>-</u>	<u>-</u>	<u>(169,632)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	<u>55</u>	<u>-</u>	<u>-</u>	<u>1,468</u>	<u>9,444</u>	<u>-</u>	<u>1,421</u>	<u>12,388</u>
Net cash provided by investing activities	<u>55</u>	<u>-</u>	<u>-</u>	<u>1,468</u>	<u>9,444</u>	<u>-</u>	<u>1,421</u>	<u>12,388</u>
Net increase (decrease) in cash and cash equivalents	30,788	10	-	297,230	(147,838)	-	(110,384)	69,806
Cash and cash equivalents, beginning of year	100	222	-	300	2,983,044	-	463,210	3,446,876
Cash and cash equivalents, end of year	<u>\$ 30,888</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 297,530</u>	<u>\$ 2,835,206</u>	<u>\$ -</u>	<u>\$ 352,826</u>	<u>\$ 3,516,682</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:								
Cash and investments	<u>\$ 30,888</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 297,530</u>	<u>\$ 2,835,206</u>	<u>\$ -</u>	<u>\$ 352,826</u>	<u>\$ 3,516,682</u>
Cash and cash equivalents, end of year	<u>\$ 30,888</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 297,530</u>	<u>\$ 2,835,206</u>	<u>\$ -</u>	<u>\$ 352,826</u>	<u>\$ 3,516,682</u>
Reconciliation of operating income (loss) to net cash used in operating activities:								
Operating income (loss)	\$ (6,639)	\$ (38,454)	\$ (15,748)	\$ (888,281)	\$ 6,442	\$ (370,655)	\$ (849,498)	\$ (2,162,833)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation	-	38,454	15,748	104,931	5,632	370,655	-	535,420
(Increase) decrease in:								
Receivables	6,594	-	-	740,575	(21,066)	-	(2,226)	723,877
Due from component unit - EDA	49,431	-	-	-	-	-	-	49,431
Prepaid expenses	-	-	-	(9,881)	(15,675)	-	-	(25,556)
Increase (decrease) in:								
Accounts payable	(2,918)	-	-	34,792	3,028	-	(206,446)	(171,544)
Retainage payable	-	-	-	-	(23,697)	-	-	(23,697)
Salaries, taxes and benefits payable	481	-	-	9,889	-	-	-	10,370
Unearned revenue	(1)	-	-	(9,426)	57,725	-	1,800	50,098
Due to other funds	(16,215)	-	-	419	(39)	-	-	(15,835)
Compensated absences	-	-	-	1,870	-	-	-	1,870
Net cash provided by (used in) operating activities	<u>\$ 30,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,112)</u>	<u>\$ 12,350</u>	<u>\$ -</u>	<u>\$ (1,056,370)</u>	<u>\$ (1,028,399)</u>

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.

Vehicle Maintenance Fund - accounts for the operations of the vehicle maintenance and replacement services provided to County departments.

Other Post-Employment Benefits Fund - accounts for subsidy payments for eligible County retirees towards health insurance coverage in a County-sponsored plan.

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

	Vehicle Maintenance Fund	Other Post- Employment Benefit (OPEB) Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 2,540,380	\$ 4,406,227	\$ 6,946,607
Receivable, net	195,658	6,508	202,166
Prepaid expenses	7,849	-	7,849
Total current assets	<u>2,743,887</u>	<u>4,412,735</u>	<u>7,156,622</u>
Noncurrent assets:			
Depreciable capital assets:			
Intangibles	101,512	-	101,512
Land improvements	221,446	-	221,446
Equipment	1,281,063	-	1,281,063
Vehicles	5,158,522	-	5,158,522
Less accumulated depreciation	(3,530,640)	-	(3,530,640)
Less accumulated amortization	(10,151)	-	(10,151)
Total noncurrent assets	<u>3,221,752</u>	<u>-</u>	<u>3,221,752</u>
Total assets	<u>\$ 5,965,639</u>	<u>\$ 4,412,735</u>	<u>\$ 10,378,374</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 232,438	\$ -	\$ 232,438
Salaries, taxes and benefits payable	64,026	45,824	109,850
Due to other funds	39	345,172	345,211
Compensated absences - current	5,615	-	5,615
Total current liabilities	<u>302,118</u>	<u>390,996</u>	<u>693,114</u>
Noncurrent liabilities:			
Compensated absences - net current	67,620	-	67,620
Net OPEB obligation	-	4,021,739	4,021,739
Total noncurrent liabilities	<u>67,620</u>	<u>4,021,739</u>	<u>4,089,359</u>
Total liabilities	<u>369,738</u>	<u>4,412,735</u>	<u>4,782,473</u>
NET POSITION			
Net investment in capital assets	3,221,752	-	3,221,752
Unrestricted	2,374,149	-	2,374,149
Total net position	<u>5,595,901</u>	<u>-</u>	<u>5,595,901</u>
Total liabilities and net position	<u>\$ 5,965,639</u>	<u>\$ 4,412,735</u>	<u>\$ 10,378,374</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2013

	Vehicle Maintenance Fund	Other Post- Employment Benefit (OPEB) Fund	Total
Operating Revenues			
Charges for services	\$ 4,050,298	\$ -	\$ 4,050,298
Miscellaneous	<u>42,122</u>	<u>-</u>	<u>42,122</u>
Total operating revenues	<u>4,092,420</u>	<u>-</u>	<u>4,092,420</u>
Operating Expenses			
Personal services	855,853	1,234,801	2,090,654
Contractual services	456,321	-	456,321
Materials and supplies	2,487,723	-	2,487,723
Depreciation	599,921	-	599,921
Amortization	<u>10,151</u>	<u>-</u>	<u>10,151</u>
Total operating expenses	<u>4,409,969</u>	<u>1,234,801</u>	<u>5,644,770</u>
Operating loss	<u>(317,549)</u>	<u>(1,234,801)</u>	<u>(1,552,350)</u>
Nonoperating Revenues (Expenses)			
Interest income	7,989	11,874	19,863
Gain on disposal of capital assets	<u>25,631</u>	<u>-</u>	<u>25,631</u>
Total nonoperating revenues (expenses)	<u>33,620</u>	<u>11,874</u>	<u>45,494</u>
Loss before contributions and transfers	<u>(283,929)</u>	<u>(1,222,927)</u>	<u>(1,506,856)</u>
Transfers In	<u>5,306</u>	<u>1,222,927</u>	<u>1,228,233</u>
Change in net assets	<u>(278,623)</u>	<u>-</u>	<u>(278,623)</u>
Total net position, beginning of year	<u>5,874,524</u>	<u>-</u>	<u>5,874,524</u>
Total net position, end of year	<u>\$ 5,595,901</u>	<u>\$ -</u>	<u>\$ 5,595,901</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Vehicle Maintenance Fund	Other Post- Employment Benefit (OPEB) Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,971,301	\$ -	\$ 3,971,301
Receipts from interfund activity	-	224,782	224,782
Other receipts	36,944	-	36,944
Payments to suppliers for goods and services	(2,943,163)	-	(2,943,163)
Payments to employees for services	(856,308)	(242,720)	(1,099,028)
Payments for interfund activity	(60)	-	(60)
Net cash provided by (used in) operating activities	<u>208,714</u>	<u>(17,938)</u>	<u>190,776</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	1,222,927	1,222,927
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,222,927</u>	<u>1,222,927</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in	5,306	-	5,306
Acquisition and construction of capital assets	(646,429)	-	(646,429)
Net proceeds from the disposal of capital assets	123,355	-	123,355
Net cash used in capital and related financing activities	<u>(517,768)</u>	<u>-</u>	<u>(517,768)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	8,395	11,807	20,202
Net cash provided by investing activities	<u>8,395</u>	<u>11,807</u>	<u>20,202</u>
Net increase (decrease) in cash and cash equivalents	(300,659)	1,216,796	916,137
Cash and cash equivalents, beginning of year	2,841,039	3,189,431	6,030,470
Cash and cash equivalents, end of year	<u>\$ 2,540,380</u>	<u>\$ 4,406,227</u>	<u>\$ 6,946,607</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments	\$ 2,540,380	\$ 4,406,227	\$ 6,946,607
Cash and cash equivalents, end of year	<u>\$ 2,540,380</u>	<u>\$ 4,406,227</u>	<u>\$ 6,946,607</u>
Reconciliation of operating loss to net cash cash provided by (used in) operating activities:			
Operating loss	\$ (317,549)	\$ (1,234,801)	\$ (1,552,350)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	599,921	-	599,921
Amortization	10,151	-	10,151
Decrease (increase) in:			
Receivables	(78,997)	14,019	(64,978)
Prepaid expenses	(6,169)	-	(6,169)
Increase (decrease) in:			
Accounts payable	881	-	881
Salaries, taxes and benefits payable	10,477	9,663	20,140
Unearned revenue	(5,178)	-	(5,178)
Due to other funds	(60)	224,782	224,722
Compensated absences	(4,763)	-	(4,763)
Net OPEB obligation	-	968,399	968,399
Net cash provided by (used in) operating activities	<u>\$ 208,714</u>	<u>\$ (17,938)</u>	<u>\$ 190,776</u>

AGENCY FUNDS

Colonial Behavioral Health - accounts for fiscal agency funds held for the Colonial Behavioral Health.

Colonial Group Home Commission - accounts for fiscal agency funds held for the Commission.

Special Welfare Fund - accounts for fiscal agency funds held for the Special Welfare Board.

Regional Projects - accounts for fiscal agency funds held for regional projects.

Other Funds - the following funds are included in "Other Funds" in the Combining Statement of Assets and Liabilities and the Combining Statement of Changes in Assets and Liabilities:

Peninsula Public Sports Facility Authority - accounts for fiscal agency funds held for the Peninsula Public Sports Facility Authority.

Darby-Firby Neighborhood Corporation Fund - accounts for fiscal agency funds held for the Darby-Firby Neighborhood Corporation.

Library Donations Fund - accounts for fiscal agency funds held for the Library Board.

COUNTY OF YORK, VIRGINIA
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2013

	Colonial Behavioral Health	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
ASSETS						
Cash and investments	\$ 3,459,917	\$ 271,787	\$ 31,070	\$ 94,158	\$ 136,951	\$ 3,993,883
Other receivables	77,102	10,605	-	21,600	1	109,308
Total assets	<u>\$ 3,537,019</u>	<u>\$ 282,392</u>	<u>\$ 31,070</u>	<u>\$ 115,758</u>	<u>\$ 136,952</u>	<u>\$ 4,103,191</u>
LIABILITIES						
Accounts payable	\$ 672,051	\$ 10,042	\$ -	\$ 115,758	\$ 1,772	\$ 799,623
Salaries, taxes and benefits payable	531,074	82,031	-	-	-	613,105
Amounts held for others	2,333,894	190,319	31,070	-	135,180	2,690,463
Total liabilities	<u>\$ 3,537,019</u>	<u>\$ 282,392</u>	<u>\$ 31,070</u>	<u>\$ 115,758</u>	<u>\$ 136,952</u>	<u>\$ 4,103,191</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Behavioral Health				
ASSETS				
Cash and investments	\$ 3,086,458	\$ 13,948,523	\$ 13,575,064	\$ 3,459,917
Other receivables	16,502	77,102	16,502	77,102
Total assets	<u>\$ 3,102,960</u>	<u>\$ 14,025,625</u>	<u>\$ 13,591,566</u>	<u>\$ 3,537,019</u>
LIABILITIES				
Accounts payable	\$ 161,074	\$ 161,074	\$ 672,051	\$ 672,051
Salaries, taxes and benefits payable	439,782	182,556	273,848	531,074
Amounts held for others	2,502,104	13,247,936	13,079,726	2,333,894
Total liabilities	<u>\$ 3,102,960</u>	<u>\$ 13,591,566</u>	<u>\$ 14,025,625</u>	<u>\$ 3,537,019</u>
Colonial Group Home Commission				
ASSETS				
Cash and investments	\$ 271,287	\$ 1,645,682	\$ 1,645,182	\$ 271,787
Other receivables	3,223	793,413	786,031	10,605
Total assets	<u>\$ 274,510</u>	<u>\$ 2,439,095</u>	<u>\$ 2,431,213</u>	<u>\$ 282,392</u>
LIABILITIES				
Accounts payable	\$ 24,864	\$ 24,864	\$ 10,042	\$ 10,042
Salaries, taxes and benefits payable	73,410	83,491	92,112	82,031
Amounts held for others	176,236	2,322,858	2,336,941	190,319
Total liabilities	<u>\$ 274,510</u>	<u>\$ 2,431,213</u>	<u>\$ 2,439,095</u>	<u>\$ 282,392</u>
Special Welfare				
ASSETS				
Cash and investments	\$ 31,099	\$ 41,207	\$ 41,236	\$ 31,070
Total assets	<u>\$ 31,099</u>	<u>\$ 41,207</u>	<u>\$ 41,236</u>	<u>\$ 31,070</u>
LIABILITIES				
Amounts held for others	\$ 31,099	\$ 41,236	\$ 41,207	\$ 31,070
Total liabilities	<u>\$ 31,099</u>	<u>\$ 41,236</u>	<u>\$ 41,207</u>	<u>\$ 31,070</u>
Regional Projects				
ASSETS				
Cash and investments	\$ 28,823	\$ 643,094	\$ 577,759	\$ 94,158
Other receivables	13,028	21,600	13,028	21,600
Total assets	<u>\$ 41,851</u>	<u>\$ 664,694</u>	<u>\$ 590,787</u>	<u>\$ 115,758</u>
LIABILITIES				
Accounts payable	\$ 41,851	\$ 41,851	\$ 115,758	\$ 115,758
Amounts held for others	-	548,936	548,936	-
Total liabilities	<u>\$ 41,851</u>	<u>\$ 590,787</u>	<u>\$ 664,694</u>	<u>\$ 115,758</u>
Other Funds				
ASSETS				
Cash and investments	\$ 145,280	\$ 463	\$ 8,792	\$ 136,951
Other receivables	1	1	1	1
Total assets	<u>\$ 145,281</u>	<u>\$ 464</u>	<u>\$ 8,793</u>	<u>\$ 136,952</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 1,772	\$ 1,772
Amounts held for others	145,281	8,793	(1,308)	135,180
Total liabilities	<u>\$ 145,281</u>	<u>\$ 8,793</u>	<u>\$ 464</u>	<u>\$ 136,952</u>
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 3,562,947	\$ 16,278,969	\$ 15,848,033	\$ 3,993,883
Other receivables	32,754	892,116	815,562	109,308
Total assets	<u>\$ 3,595,701</u>	<u>\$ 17,171,085</u>	<u>\$ 16,663,595</u>	<u>\$ 4,103,191</u>
LIABILITIES				
Accounts payable	\$ 227,789	\$ 227,789	\$ 799,623	\$ 799,623
Salaries, taxes and benefits payable	513,192	266,047	365,960	613,105
Amounts held for others	2,854,720	16,169,759	16,005,502	2,690,463
Total liabilities	<u>\$ 3,595,701</u>	<u>\$ 16,663,595</u>	<u>\$ 17,171,085</u>	<u>\$ 4,103,191</u>

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STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

Contents:

Financial Trends (pages L-3, L-4, L-5, L-6, L-7 and L-8)

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity (pages L-9, L-10, L-11 and L-12)

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity (pages L-13, L-14, and L-15)

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information (pages L-16 and L-17)

These schedules offer demographic and economic indicators to help the reader understand how the environment within which the County's financial activities take place.

Operating Information (pages L-18, L-19 and L-20)

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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COUNTY OF YORK, VIRGINIA
Net Position By Component - Accrual Basis of Accounting
Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:										
Net investment in capital assets	\$ 57,401,484	\$ 57,208,246	\$ 58,572,877	\$ 58,434,789	\$ 60,961,846	\$ 68,935,110	\$ 58,761,927	\$ 58,063,581	\$ 53,886,089	\$ 32,867,347
Restricted	1,520,094	1,235,126	10,669	10,723	1,713,484	17,605	26,547	306,867	1,416,039	6,768,508
Unrestricted	<u>13,599,525</u>	<u>8,878,056</u>	<u>10,664,551</u>	<u>6,832,631</u>	<u>3,408,239</u>	<u>(6,044,992)</u>	<u>(9,510,796)</u>	<u>(9,492,312)</u>	<u>(2,007,832)</u>	<u>2,402,793</u>
Total governmental activities net position	<u>\$ 72,521,103</u>	<u>\$ 67,321,428</u>	<u>\$ 69,248,097</u>	<u>\$ 65,278,143</u>	<u>\$ 66,083,569</u>	<u>\$ 62,907,723</u>	<u>\$ 49,277,678</u>	<u>\$ 48,878,136</u>	<u>\$ 53,294,296</u>	<u>\$ 42,038,648</u>
Business-type Activities:										
Net investment in capital assets	\$ 97,496,807	\$ 91,705,008	\$ 92,794,535	\$ 95,113,023	\$ 93,173,971	\$ 99,168,724	\$ 91,442,202	\$ 83,735,002	\$ 77,280,029	\$ 73,605,861
Restricted	174,935	182,087	403,421	314,833	314,693	313,785	312,456	457,985	419,025	372,366
Unrestricted	<u>7,734,278</u>	<u>12,061,259</u>	<u>10,366,477</u>	<u>6,605,990</u>	<u>7,623,256</u>	<u>5,203,690</u>	<u>7,367,773</u>	<u>9,535,371</u>	<u>9,402,285</u>	<u>8,137,244</u>
Total business-type activities net position	<u>\$ 105,406,020</u>	<u>\$ 103,948,354</u>	<u>\$ 103,564,433</u>	<u>\$ 102,033,846</u>	<u>\$ 101,111,920</u>	<u>\$ 104,686,199</u>	<u>\$ 99,122,431</u>	<u>\$ 93,728,358</u>	<u>\$ 87,101,339</u>	<u>\$ 82,115,471</u>
Primary Government:										
Net investment in capital assets	\$ 154,898,291	\$ 148,913,254	\$ 151,367,412	\$ 153,547,812	\$ 154,135,817	\$ 168,103,834	\$ 150,204,129	\$ 141,798,583	\$ 131,166,118	\$ 106,473,208
Restricted	1,695,029	1,417,213	414,090	325,556	2,028,177	331,390	339,003	764,852	1,835,064	7,140,874
Unrestricted	<u>21,333,803</u>	<u>20,939,315</u>	<u>21,031,028</u>	<u>13,438,621</u>	<u>11,031,495</u>	<u>(841,302)</u>	<u>(2,143,023)</u>	<u>43,059</u>	<u>7,394,453</u>	<u>10,540,037</u>
Total primary government net position	<u>\$ 177,927,123</u>	<u>\$ 171,269,782</u>	<u>\$ 172,812,530</u>	<u>\$ 167,311,989</u>	<u>\$ 167,195,489</u>	<u>\$ 167,593,922</u>	<u>\$ 148,400,109</u>	<u>\$ 142,606,494</u>	<u>\$ 140,395,635</u>	<u>\$ 124,154,119</u>

COUNTY OF YORK, VIRGINIA
Changes in Net Position - Accrual Basis of Accounting
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 3,469,315	\$ 3,852,265	\$ 4,756,990	\$ 3,281,995	\$ 3,729,163	\$ 3,450,703	\$ 3,661,480	\$ 4,012,732	\$ 2,935,520	\$ 2,694,972
Judicial services	2,974,509	2,983,284	3,114,416	3,050,588	3,217,220	3,079,480	2,717,696	2,485,418	2,364,958	2,183,343
Public safety	31,809,187	30,651,085	29,749,782	29,913,451	29,469,455	27,466,315	25,729,808	24,020,296	20,785,091	17,992,604
Environmental and development services	4,392,549	5,110,799	7,360,283	4,588,243	4,293,152	4,181,043	5,102,854	3,734,376	3,371,442	2,923,736
Finance and planning	9,605,982	9,246,805	9,957,090	10,347,260	11,074,824	9,630,189	10,342,827	8,335,453	8,123,994	6,707,583
Education	51,052,753	55,589,523	48,896,509	52,749,950	53,460,125	45,742,991	55,247,261	56,619,850	36,804,422	37,737,823
Human services	7,895,079	8,250,918	8,375,011	8,888,070	8,751,468	8,594,261	8,031,688	7,713,122	7,616,519	6,900,059
General services	6,400,928	7,185,728	7,159,338	7,219,383	6,944,857	6,733,491	6,287,891	5,759,901	5,249,587	4,451,026
Community services	6,333,119	6,667,688	5,934,513	5,828,214	6,021,699	4,926,133	5,280,722	4,076,306	3,742,477	3,192,842
Interest and fiscal charges on noncurrent debt	3,974,566	4,048,324	4,263,014	4,393,098	4,144,723	3,708,287	3,883,116	3,624,871	3,139,152	3,031,935
Total governmental activities	<u>127,907,987</u>	<u>133,586,419</u>	<u>129,566,926</u>	<u>130,260,252</u>	<u>131,106,686</u>	<u>117,512,893</u>	<u>126,285,323</u>	<u>120,382,325</u>	<u>94,133,162</u>	<u>87,815,923</u>
Business-type activities:										
Sewer Utility	10,086,788	10,467,392	9,983,893	8,949,964	9,011,555	7,766,854	6,960,108	6,311,720	6,061,527	5,591,699
Water Utility	1,002,427	346,275	362,073	596,782	7,100,039	637,020	768,276	526,428	461,341	1,005,858
Solid Waste	4,651,045	5,599,987	4,407,178	4,305,967	4,228,895	4,203,909	4,366,338	3,803,501	4,298,743	4,639,612
Yorktown Operations	98,893	112,258	117,368	122,537	137,837	214,489	197,646	373,209	232,920	547,092
Sanitary Districts	424,857	431,544	439,058	455,094	534,583	469,312	483,459	611,426	578,398	578,398
Regional Radio System	2,402,484	2,024,644	1,773,267	1,524,079	58,246	32,826	-	-	-	-
Total business-type activities	<u>18,666,494</u>	<u>18,982,100</u>	<u>17,082,837</u>	<u>15,954,423</u>	<u>21,071,155</u>	<u>13,324,410</u>	<u>12,775,827</u>	<u>11,626,284</u>	<u>11,632,929</u>	<u>12,362,559</u>
Total primary government	<u>\$ 146,574,481</u>	<u>\$ 152,568,519</u>	<u>\$ 146,649,763</u>	<u>\$ 146,214,675</u>	<u>\$ 152,177,841</u>	<u>\$ 130,837,303</u>	<u>\$ 139,061,150</u>	<u>\$ 132,008,609</u>	<u>\$ 105,766,091</u>	<u>\$ 100,178,582</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 86,198	\$ 77,019	\$ 78,310	\$ 112,626	\$ 93,000	\$ 91,605	\$ 94,418	\$ 67,823	\$ 57,907	\$ 43,829
Judicial services	606,118	854,103	783,767	939,549	1,001,882	1,001,023	996,492	1,027,313	848,452	868,874
Public safety	2,252,219	3,408,661	3,238,055	1,773,303	1,081,644	980,923	566,118	550,938	310,781	311,082
Environmental and development services	654,373	403,657	412,451	529,167	657,892	822,526	1,015,870	874,000	904,135	610,078
Finance and planning	447,077	411,139	400,466	244,008	79,754	213,526	84,449	64,964	82,787	79,682
Education	161,115	59,587	521,282	944,383	671,289	375,062	664,019	775,129	491,438	67,918
Human services	295,254	289,378	362,963	371,921	423,252	373,751	252,905	239,712	120,518	81,202
General services	1,404,091	1,181,949	1,200,451	1,238,374	1,254,539	1,291,090	1,319,800	1,162,455	1,005,432	992,962
Community services	503,702	443,227	516,414	497,008	458,100	428,373	380,418	343,696	344,049	419,184
Operating grants and contributions	10,205,585	10,146,333	10,738,996	10,900,393	10,796,179	10,949,851	11,264,285	10,556,849	10,554,462	10,364,152
Capital grants and contributions	1,668,035	2,727,017	2,562,616	1,683,547	1,092,566	1,426,194	2,258,265	2,334,900	3,003,814	1,927,100
Total governmental activities	<u>18,283,767</u>	<u>20,002,070</u>	<u>20,815,771</u>	<u>19,234,279</u>	<u>17,610,097</u>	<u>17,953,924</u>	<u>18,897,039</u>	<u>17,997,779</u>	<u>17,723,775</u>	<u>15,766,063</u>
Business-type activities:										
Charges for services:										
Sewer Utility	8,928,385	7,938,010	7,209,582	6,878,901	7,353,075	7,010,571	7,394,850	7,058,534	6,365,257	6,233,117
Water Utility	357,728	333,534	351,955	360,297	718,736	790,208	723,962	919,793	591,514	689,201
Solid Waste	3,739,588	3,505,246	3,520,553	3,452,153	3,384,681	3,441,896	3,191,246	2,745,894	3,151,283	3,222,315
Yorktown Operations	88,725	87,353	97,919	141,836	335,753	324,592	76,636	53,718	10,554	-
Regional Radio System	1,501,755	1,259,130	1,035,880	903,155	200,053	125,620	-	-	-	-
Operating grants and contributions	300,180	1,342,550	149,502	10,070	-	455	573,544	-	-	-
Capital grants and contributions	1,139,604	1,063,452	2,595,686	1,027,138	1,742,277	3,500,028	2,126,944	3,319,300	2,914,078	3,088,844
Total business-type activities	<u>16,055,965</u>	<u>15,529,275</u>	<u>14,961,977</u>	<u>12,773,550</u>	<u>13,734,575</u>	<u>15,193,370</u>	<u>14,087,182</u>	<u>14,097,239</u>	<u>13,032,686</u>	<u>13,233,477</u>
Total primary government	<u>\$ 34,339,732</u>	<u>\$ 35,531,345</u>	<u>\$ 35,776,848</u>	<u>\$ 32,007,829</u>	<u>\$ 31,344,672</u>	<u>\$ 33,147,294</u>	<u>\$ 32,984,221</u>	<u>\$ 32,095,018</u>	<u>\$ 30,756,461</u>	<u>\$ 28,999,540</u>
Net (expense)/revenue										
Governmental activities	\$ (109,624,220)	\$ (113,584,349)	\$ (108,751,155)	\$ (111,025,973)	\$ (113,496,589)	\$ (99,558,969)	\$ (107,388,284)	\$ (102,384,546)	\$ (76,409,387)	\$ (72,049,860)
Business-type activities	(2,610,529)	(3,452,825)	(2,121,760)	(3,180,873)	(7,336,580)	1,868,960	1,311,355	2,470,955	1,399,757	870,818
Total primary government net expense	<u>\$ (112,234,749)</u>	<u>\$ (117,037,174)</u>	<u>\$ (110,872,915)</u>	<u>\$ (114,206,846)</u>	<u>\$ (120,833,169)</u>	<u>\$ (97,690,009)</u>	<u>\$ (106,076,929)</u>	<u>\$ (99,913,591)</u>	<u>\$ (75,009,630)</u>	<u>\$ (71,179,042)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	79,711,885	76,373,509	77,433,934	75,669,094	79,616,260	73,269,069	69,702,015	62,707,281	57,318,146	53,252,406
Local sales and use taxes	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803	7,564,266	6,880,444
Hotel and motel room taxes	4,268,312	4,221,304	4,336,193	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860
Restaurant food taxes	5,550,391	5,321,843	5,322,721	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263
Business license taxes	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395	4,226,847	3,866,899
Motor vehicle licenses	1,596,403	1,523,082	1,516,710	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293
Franchise taxes	-	-	-	-	-	-	364,516	703,762	652,046	595,181
Taxes on recordation and wills	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075
Emergency telephone service taxes	-	-	-	-	-	-	352,343	717,810	728,098	745,135
Other local taxes	1,966,816	1,969,937	2,045,667	2,011,290	1,997,715	2,371,898	1,248,928	619,655	586,268	628,340
Personal property tax relief - Commonwealth of Virginia	8,525,325	8,485,927	8,496,159	8,550,746	8,547,502	8,737,103	8,760,459	9,138,457	8,582,184	7,874,695
Unrestricted investment earnings	85,087	174,000	234,060	256,284	1,070,698	2,331,247	2,659,404	1,767,067	829,682	445,578
Miscellaneous	232,168	414,057	813,341	683,799	1,037,292	550,278	1,016,178	875,600	750,914	639,664
Gain on sale of capital assets	25,631	28,907	33,007	-	-	-	-	-	-	-
Transfers	(3,826,920)	(3,739,725)	(3,562,226)	(3,913,865)	(3,330,542)	(3,201,992)	(3,207,179)	(3,414,294)	(3,304,595)	(2,813,431)
Extraordinary item - Hurricane	-	-	-	-	-	-	-	-	-	(674,702)
Total governmental activities	<u>114,823,895</u>	<u>111,657,680</u>	<u>112,721,109</u>	<u>110,220,547</u>	<u>116,672,435</u>	<u>113,189,014</u>	<u>107,787,826</u>	<u>97,968,386</u>	<u>87,665,035</u>	<u>79,200,700</u>
Business-type activities:										
Unrestricted investment earnings	54,762	66,982	68,299	125,061	289,168	463,923	559,177	441,818	270,832	116,428
Miscellaneous	82,881	30,039	21,822	62,956	142,591	28,893	316,362	299,952	10,684	66,078
Gain on sale of capital assets	103,632	-	-	917	-	-	-	-	-	-
Transfers	3,826,920	3,739,725	3,562,226	3,913,865	3,330,542	3,201,992	3,207,179	3,414,294	3,304,595	2,813,431
Extraordinary item - Hurricane	-	-	-	-	-	-	-	-	-	(733,220)
Total business-type activities	<u>4,068,195</u>	<u>3,836,746</u>	<u>3,652,347</u>	<u>4,102,799</u>	<u>3,762,301</u>	<u>3,694,808</u>	<u>4,082,718</u>	<u>4,156,064</u>	<u>3,586,111</u>	<u>2,262,717</u>
Total primary government	<u>\$ 118,892,090</u>	<u>\$ 115,494,426</u>	<u>\$ 116,373,456</u>	<u>\$ 114,323,346</u>	<u>\$ 120,434,736</u>	<u>\$ 116,883,822</u>	<u>\$ 111,870,544</u>	<u>\$ 102,124,450</u>	<u>\$ 91,251,146</u>	<u>\$ 81,463,417</u>
Change in Net Position										
Governmental activities	\$ 5,199,675	\$ (1,926,669)	\$ 3,969,954	\$ (805,426)	\$ 3,175,846	\$ 13,630,045	\$ 399,542	\$ (4,416,160)	\$ 11,255,648	\$ 7,150,840
Business-type activities	1,457,666	383,921	1,530,587	921,926	(3,574,279)	5,563,768	5,394,073	6,627,019	4,985,868	3,133,535
Total primary government	<u>\$ 6,657,341</u>	<u>\$ (1,542,748)</u>	<u>\$ 5,500,541</u>	<u>\$ 116,500</u>	<u>\$ (398,433)</u>	<u>\$ 19,193,813</u>	<u>\$ 5,793,615</u>	<u>\$ 2,210,859</u>	<u>\$ 16,241,516</u>	<u>\$ 10,284,375</u>

COUNTY OF YORK, VIRGINIA
Governmental Activities Tax Revenues By Source - Accrual Basis of Accounting
Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Property tax	\$ 79,711,885	\$ 76,373,509	\$ 77,433,934	\$ 75,669,094	\$ 79,616,260	\$ 73,269,069	\$ 69,702,015	\$ 62,707,281	\$ 57,318,146	\$ 53,252,406
Local sales and use tax	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803	7,564,266	6,880,444
Hotel and motel room taxes	4,268,312	4,221,304	4,336,193	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860
Restaurant food taxes	5,550,391	5,321,843	5,322,721	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263
Business license taxes	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395	4,226,847	3,866,899
Motor vehicle licenses	1,596,403	1,523,082	1,516,710	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293
Franchise taxes	-	-	-	-	-	-	364,516	703,762	652,046	595,181
Taxes on recordation and wills	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075
Emergency telephone service	-	-	-	-	-	-	352,343	717,810	728,098	745,135
Other local taxes	1,966,816	1,969,937	2,045,667	2,011,290	1,997,715	2,371,898	1,248,928	619,655	586,268	628,340
Total	<u>\$ 109,782,604</u>	<u>\$ 106,294,514</u>	<u>\$ 106,706,768</u>	<u>\$ 104,643,583</u>	<u>\$ 109,347,485</u>	<u>\$ 104,772,378</u>	<u>\$ 98,558,964</u>	<u>\$ 89,601,556</u>	<u>\$ 80,806,850</u>	<u>\$ 73,728,896</u>

COUNTY OF YORK, VIRGINIA
Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting
Last Ten Fiscal Years*

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund										
Nonspendable	\$ 10,518,258	\$ 10,578,620	\$ 11,106,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	843,439	781,934	858,361	-	-	-	-	-	-	-
Committed	12,520,518	12,380,970	12,446,451	-	-	-	-	-	-	-
Assigned	14,064,015	18,997,964	8,319,357	-	-	-	-	-	-	-
Unassigned	15,612,469	15,547,246	21,491,918	-	-	-	-	-	-	-
Reserved	-	-	-	11,609,565	12,371,540	14,021,740	15,645,170	15,053,392	12,324,185	840,078
Unreserved	-	-	-	39,851,251	39,493,924	39,412,194	32,796,722	23,753,571	23,464,140	32,175,762
Total general fund	<u>\$ 53,558,699</u>	<u>\$ 58,286,734</u>	<u>\$ 54,222,242</u>	<u>\$ 51,460,816</u>	<u>\$ 51,865,464</u>	<u>\$ 53,433,934</u>	<u>\$ 48,441,892</u>	<u>\$ 38,806,963</u>	<u>\$ 35,788,325</u>	<u>\$ 33,015,840</u>
All Other Governmental Funds										
Nonspendable	\$ 138,671	\$ 210,976	\$ 8,194,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	676,655	432,829	1,504,544	-	-	-	-	-	-	-
Committed	9,937,427	851,246	1,101,066	-	-	-	-	-	-	-
Assigned	12,203,643	15,058,975	14,165,574	-	-	-	-	-	-	-
Unassigned	(7,285,908)	(7,308,883)	(15,666,704)	-	-	-	-	-	-	-
Reserved	-	-	-	12,413,276	11,633,657	7,297,735	2,315,408	2,741,390	3,410,368	5,822,775
Unreserved, reported in:										
Special revenue funds	-	-	-	(6,686,125)	(7,518,113)	533,468	369,712	(37,149)	200,194	383,271
Capital project funds	-	-	-	9,075,811	10,990,959	(7,771,767)	4,577,888	6,532,017	4,566,305	17,630,478
Total all other governmental funds	<u>\$ 15,670,488</u>	<u>\$ 9,245,143</u>	<u>\$ 9,299,337</u>	<u>\$ 14,802,962</u>	<u>\$ 15,106,503</u>	<u>\$ 59,436</u>	<u>\$ 7,263,008</u>	<u>\$ 9,236,258</u>	<u>\$ 8,176,867</u>	<u>\$ 23,836,524</u>

*Fiscal years 2013-2011 reflect the adoption of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

COUNTY OF YORK, VIRGINIA
Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting
Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues										
General property taxes	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162	\$ 75,850,691	\$ 77,258,854	\$ 73,378,206	\$ 69,684,667	\$ 62,683,368	\$ 66,230,441	\$ 60,746,643
Other local taxes	30,012,365	29,997,922	29,073,893	28,997,406	29,646,843	31,393,679	28,747,770	26,790,657	23,388,472	20,306,785
Intergovernmental	20,114,231	20,720,210	19,700,968	20,179,204	19,489,917	20,355,321	20,847,757	21,502,588	12,978,471	9,589,864
Permits, fees and licenses	659,658	468,190	471,535	598,252	735,562	831,243	1,046,764	913,332	930,640	638,530
Fines and forfeitures	335,974	387,560	359,937	371,169	358,110	345,100	327,126	327,745	304,214	281,112
Use of money and property	393,980	438,442	643,250	623,904	1,384,103	2,579,157	2,924,334	2,052,750	1,296,955	743,322
Charges for services	3,821,047	3,772,679	3,561,630	2,759,517	2,630,683	2,757,316	2,578,634	2,403,509	2,216,468	2,318,497
Miscellaneous	251,048	779,129	811,833	581,827	611,039	484,469	753,369	874,117	393,477	433,621
Recovered costs	<u>2,527,853</u>	<u>2,378,769</u>	<u>2,608,989</u>	<u>3,160,903</u>	<u>2,161,212</u>	<u>2,071,392</u>	<u>2,600,887</u>	<u>1,686,726</u>	<u>1,354,117</u>	<u>2,666,263</u>
Total revenue	<u>138,188,070</u>	<u>137,115,593</u>	<u>133,748,197</u>	<u>133,122,873</u>	<u>134,276,323</u>	<u>134,195,883</u>	<u>129,511,308</u>	<u>119,234,792</u>	<u>109,093,255</u>	<u>97,724,637</u>
Expenditures										
General government	2,056,291	2,011,421	1,915,207	1,911,202	2,018,604	1,844,681	2,113,708	1,673,175	1,680,539	1,569,469
Judicial services	2,576,351	2,630,531	2,831,373	2,760,342	2,775,268	2,811,979	2,542,993	2,242,388	2,143,641	1,972,741
Public safety	28,296,119	27,595,816	30,126,085	27,326,021	26,970,154	25,451,641	23,780,172	23,712,329	19,923,126	17,532,025
Environmental and development services	3,512,884	3,441,640	3,492,773	3,580,740	3,572,643	3,440,043	3,364,588	3,090,005	2,739,985	2,431,389
Finance and planning	8,305,316	7,822,399	9,058,412	9,479,582	10,506,158	9,602,977	10,189,383	8,126,815	7,915,016	6,531,070
Education	50,780,591	55,271,680	48,805,929	52,623,555	53,222,468	45,330,434	55,134,646	56,476,027	36,694,856	37,637,781
Human services	7,663,060	7,875,456	8,221,433	8,833,985	8,747,132	8,615,083	7,991,893	7,660,822	7,615,543	6,896,253
General services	6,086,730	6,747,125	6,822,173	7,012,414	7,311,531	6,604,110	6,362,307	5,767,179	5,322,325	4,429,005
Community services	4,758,072	5,271,976	4,138,036	3,512,723	3,696,218	3,398,991	3,310,307	3,361,651	2,540,703	2,332,758
Non-departmental	2,267,011	2,278,091	1,429,528	1,913,583	1,881,882	1,667,624	1,939,030	1,400,428	1,013,420	819,901
Capital outlay	4,646,213	4,091,765	8,968,847	4,613,783	9,789,500	14,993,302	4,710,733	6,877,390	23,015,460	13,914,552
Debt service:										
Principal	6,550,894	6,901,861	6,560,684	5,814,490	5,574,780	5,672,147	5,165,611	4,693,813	4,605,268	3,926,184
Interest and fiscal charges	3,959,671	4,078,062	4,283,166	4,402,171	3,855,923	3,880,565	3,750,570	3,205,542	3,223,039	3,022,661
Other costs of debt issuance	-	41,814	24,257	52,621	328,015	-	4,339	7,355	-	180,583
Total expenditures	<u>131,459,203</u>	<u>136,059,637</u>	<u>136,677,903</u>	<u>133,837,212</u>	<u>140,250,276</u>	<u>133,313,577</u>	<u>130,360,280</u>	<u>128,294,919</u>	<u>118,432,921</u>	<u>103,196,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,728,867</u>	<u>1,055,956</u>	<u>(2,929,706)</u>	<u>(714,339)</u>	<u>(5,973,953)</u>	<u>882,306</u>	<u>(848,972)</u>	<u>(9,060,127)</u>	<u>(9,339,666)</u>	<u>(5,471,735)</u>
Other Financing Sources (Uses)										
Insurance recovery	23,596	37,594	5,363	206,459	34,680	78,629	188,175	30,465	40,170	7,249
Bonds issued	-	6,925,000	1,120,000	4,180,000	22,630,000	-	11,030,000	14,905,000	-	21,255,000
Premium on bonds issued	-	1,047,456	-	66,222	523,691	-	274,451	797,573	-	228,544
Discount on bonds issued	-	-	-	-	-	-	-	-	-	(204,901)
Capital leases	-	-	3,035,627	-	151,400	148,428	286,890	971,921	-	-
Sale of capital and other assets	-	11,000	482,720	12,723	347,464	-	-	-	-	-
Transfers In	19,188,067	14,018,812	16,211,735	17,148,920	36,597,362	17,664,742	15,553,666	14,255,255	15,077,669	34,151,697
Transfers Out	<u>(24,243,220)</u>	<u>(19,085,520)</u>	<u>(20,667,938)</u>	<u>(21,608,174)</u>	<u>(40,832,047)</u>	<u>(20,985,635)</u>	<u>(18,822,531)</u>	<u>(17,822,058)</u>	<u>(18,665,345)</u>	<u>(37,053,019)</u>
Total other financing sources (uses)	<u>(5,031,557)</u>	<u>2,954,342</u>	<u>187,507</u>	<u>6,150</u>	<u>19,452,550</u>	<u>(3,093,836)</u>	<u>8,510,651</u>	<u>13,138,156</u>	<u>(3,547,506)</u>	<u>18,384,570</u>
Extraordinary Item - Hurricane	-	-	-	-	-	-	-	-	-	(674,702)
Net change in fund balances	<u>\$ 1,697,310</u>	<u>\$ 4,010,298</u>	<u>\$ (2,742,199)</u>	<u>\$ (708,189)</u>	<u>\$ 13,478,597</u>	<u>\$ (2,211,530)</u>	<u>\$ 7,661,679</u>	<u>\$ 4,078,029</u>	<u>\$(12,887,172)</u>	<u>\$ 12,238,133</u>
Debt service as a percentage of noncapital expenditures (1)	<u>8.19%</u>	<u>8.21%</u>	<u>8.3%</u>	<u>7.9%</u>	<u>7.5%</u>	<u>8.1%</u>	<u>7.0%</u>	<u>6.6%</u>	<u>8.1%</u>	<u>7.9%</u>

(1) Noncapital expenditures = total expenditures less amounts for capitalized assets on the Government-Wide Statement of Net Assets.

COUNTY OF YORK, VIRGINIA
General Government Tax Revenues By Source - Modified Accrual Basis of Accounting
Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Property tax	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162	\$ 75,850,691	\$ 77,258,854	\$ 73,378,206	\$ 69,684,667	\$ 62,683,368	\$ 66,230,441	\$ 60,746,643
Local sales and use tax	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,522,530	8,928,076	8,319,803	7,564,266	6,880,444
Hotel and motel room taxes	4,302,250	4,278,426	4,264,686	4,057,057	4,290,511	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860
Restaurant food taxes	5,563,010	5,381,266	5,260,568	5,054,179	5,132,516	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263
Business license taxes	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,712,236	5,455,784	4,957,395	4,226,847	3,866,899
Communications sales tax	1,345,767	1,342,206	1,370,049	1,376,864	1,371,148	1,509,095	647,120	-	-	-
Motor vehicle licenses	1,525,026	1,514,549	1,485,763	1,474,552	1,503,306	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293
Franchise taxes	1,028	735	502	259	41	-	364,516	703,762	652,046	595,181
Taxes on recordation and wills	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075
Emergency telephone service taxes	-	-	-	-	-	-	352,343	717,810	728,098	745,135
Other local taxes	586,487	595,901	640,782	598,227	583,052	484,138	492,629	516,037	486,036	458,635
Total	<u>\$ 110,084,279</u>	<u>\$ 108,170,614</u>	<u>\$ 105,590,055</u>	<u>\$ 104,848,097</u>	<u>\$ 106,905,697</u>	<u>\$ 104,771,885</u>	<u>\$ 98,432,437</u>	<u>\$ 89,474,025</u>	<u>\$ 89,618,913</u>	<u>\$ 81,053,428</u>

COUNTY OF YORK, VIRGINIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

<u>Year</u>	<u>Real Property</u>		<u>Personal Property</u>	<u>Mobile Home</u>	<u>Public Utility</u>			<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
	<u>Residential</u>	<u>Commercial</u>			<u>Real Estate</u>	<u>Personal Property</u>	<u>CPC Equipment</u>		
2013	\$7,321,920,900	\$1,368,970,400	\$ 531,217,905	\$ 3,912,100	\$ 420,994,403	\$ 186,019	\$ -	\$9,647,201,727	\$ 0.9304
2012	7,276,743,200	1,361,986,800	514,828,080	3,812,600	393,773,490	69,127	-	9,551,213,297	0.9172
2011	7,551,450,600	1,397,685,000	493,248,385	4,187,400	382,175,535	96,956	68,960,274	9,897,804,150	0.8232
2010	7,549,953,800	1,411,273,300	486,463,825	4,021,600	366,503,738	129,147	69,774,070	9,888,119,480	0.8211
2009	7,802,656,100	1,190,943,400	460,168,335	4,725,400	346,268,796	147,871	72,185,117	9,877,095,019	0.8123
2008	7,668,516,700	1,101,172,500	515,107,210	4,276,100	308,145,734	148,765	67,877,755	9,665,244,764	0.8348
2007	6,665,019,900	980,775,300	487,921,335	4,224,900	326,639,988	174,188	75,653,448	8,540,409,059	0.8850
2006	6,530,030,700	924,418,600	476,044,805	4,234,365	281,865,579	147,630	56,217,994	8,272,959,673	0.8866
2005	4,583,006,800	759,384,400	438,975,665	4,533,300	308,441,261	195,614	108,900,347	6,203,437,387	1.0399
2004	4,458,533,400	719,324,700	389,936,240	4,048,700	311,750,291	103,116	83,427,310	5,967,123,757	1.0628

Source: County Commissioner of Revenue.

Note: Values are net of tax exempt property. Property in the County is reassessed every two years. Property is assessed on a calendar year basis and at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value. Calendar year 2012 reflects an amendment to the Virginia State Code, which exempted CPC (Certified Pollution Control) equipment.

COUNTY OF YORK, VIRGINIA**Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1)	Mobile Home (1) (3)	Total Direct Tax Rate
2013	\$0.7415/\$0.7515	\$ 4.00	\$0.7415/\$0.7515	\$ 0.9304
2012	0.6575/0.7415	4.00	0.6575/0.7415	0.9172
2011	0.6575	4.00	0.6575	0.8232
2010	0.6575	4.00	0.6575	0.8211
2009	0.6575	4.00	0.6575	0.8123
2008	0.6975/0.6575	4.00	0.6975/0.6575	0.8348
2007	0.6975	4.00	0.6975	0.8850
2006	0.8175/0.6975	4.00	0.8175/0.6975	0.8866
2005	0.8175	4.00	0.8175	1.0399
2004	0.86/0.8175	4.00	0.86/0.8175	1.0628

(1) Tax rate per \$100 of assessed valuation.

(2) The amount designated for school operating is \$0.563 per \$100 of valuation for fiscal year 2013.

(3) The tax rate, 1st half/2nd half, if different.

Note: The County has no overlapping taxes with other governments.

COUNTY OF YORK, VIRGINIA
Principal Property Taxpayers
Calendar Year 2012 and Nine Years Prior*

<u>Taxpayer</u>	<u>Description</u>	<u>2012 Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2003 Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Virginia Power Company	Generating plant	\$ 338,845,802	1	3.52%	\$ 329,483,659	1	6.41%
Lawyers Title/Fairfield Resorts	Timeshare condominiums	178,964,075	2	1.86%	98,432,000	2	1.91%
BP/Western Refining/Plains Marketing	Fuel terminal	157,730,005	3	1.64%	82,489,510	3	1.60%
Great Wolf Lodge of Williamsburg, LLC	Hotel and water park	80,246,685	4	0.83%			
City of Newport News	Water system	76,446,255	5	0.79%	73,153,300	4	1.42%
Kings Creek Plantation	Timeshare condominiums	74,007,185	6	0.77%	24,258,195	7	0.47%
Sea World Parks & Entertainment LLC	Water Country	45,110,845	7	0.47%	43,779,515	5	0.85%
1991 Ashe Partnership	Apartment complex	39,957,531	8	0.42%			
Wal Mart	Retail sales	36,116,895	9	0.38%	28,683,040	6	0.56%
U.S. Smokeless Tobacco Products	Manufacturer	<u>16,899,645</u>	10	0.18%			
Verizon Virginia Inc,	Telecommunications				22,473,915	8	0.44%
Kiln Creek Shopping Center	Retail sales				21,724,000	9	0.42%
Philip Morris, Inc.	Manufacturer				<u>14,560,025</u>	10	0.28%
Total		<u>\$ 1,044,324,923</u>		<u>10.85%</u>	<u>\$ 739,037,159</u>		<u>14.38%</u>

*The County's assessment cycle is on a calendar year basis.
Source: Commissioner of the Revenue of the County of York, Virginia.

COUNTY OF YORK, VIRGINIA
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Year</u>	<u>Total Collections to Date</u>	
					<u>Amount</u>	<u>Percentage of Levy</u>
2013	\$ 78,390,079	\$ 75,580,443	96.42%	\$ -	\$ 75,580,443	96.42%
2012	77,167,308	75,120,925	97.35%	1,086,724	76,207,649	98.76%
2011	78,309,524	74,202,547	94.76%	1,470,069	75,672,616	96.63%
2010	79,967,238	74,592,412	93.28%	1,616,357	76,208,769	95.30%
2009	77,519,190	74,221,594	95.75%	1,722,515	75,944,109	97.97%
2008	72,552,762	70,122,593	96.65%	2,027,194	72,149,787	99.44%
2007	69,290,160	67,367,845	97.23%	1,363,416	68,731,261	99.19%
2006	67,054,087	64,874,238	96.75%	1,565,007	66,439,245	99.08%
2005	65,863,726	63,315,662	96.13%	1,650,564	64,966,226	98.64%
2004	60,823,449	58,099,636	95.52%	2,012,544	60,112,180	98.83%

(1) Effective for 2006, the Commonwealth of Virginia passed legislation changing the nature of the Personal Property Tax Relief Act "PPTRA" (Virginia State Code, Title 58.1, Chapter 35) from a reimbursement based entitlement program to a block grant. Consequently, the levy and collections for the first half of calendar year 2006 (second half of fiscal year 2006), excludes the Commonwealth's noncategorical aid for PPTRA. Figures for the second half of calendar year 2005 (first half of fiscal year 2006) and for applicable prior years include the Commonwealth's reimbursement for PPTRA.

Source: Commissioner of the Revenue and Treasurer, County of York, Virginia.

COUNTY OF YORK, VIRGINIA
Ratio of Outstanding Debt By Type (1)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Business-type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds</u>	<u>Literary Loans</u>	<u>Capital Leases</u>	<u>Lease Revenue Bonds</u>	<u>Note Payable</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>			
2013	\$ 54,961,398	\$ -	\$ 2,862,880	\$ 26,059,652	\$ 372,740	\$ -	\$ 22,141,530	\$ 940,170	\$ 107,338,370	2.92%	\$ 1,600
2012	59,822,805	-	2,917,121	27,499,214	719,393	-	22,570,884	1,230,616	114,760,033	3.19%	1,723
2011	56,564,037	100,000	3,316,594	29,052,785	1,041,781	-	22,984,594	1,705,295	114,765,086	3.22%	1,734
2010	59,858,071	200,000	694,180	30,792,347	1,341,604	-	7,924,245	2,159,605	102,970,052	2.93%	1,580
2009	59,764,486	300,000	914,834	31,951,909	1,620,440	-	8,194,645	2,598,931	105,345,245	3.09%	1,623
2008	58,234,825	400,000	953,896	15,437,028	1,879,758	-	8,449,490	705,897	86,060,894	2.50%	1,332
2007	62,329,170	550,000	986,448	16,511,783	2,120,925	-	8,693,806	865,335	92,057,467	2.78%	1,443
2006	54,659,184	710,000	860,883	17,561,538	2,345,211	-	8,927,619	1,019,773	86,084,208	2.75%	1,360
2005	42,112,832	870,000	69,189	18,591,293	2,553,797	-	9,170,953	1,164,211	74,532,275	2.55%	1,194
2004	45,268,575	1,030,000	175,471	19,596,048	2,747,783	-	9,235,489	1,303,649	79,357,015	3.00%	1,284

(1) Bonds are shown at net of related premiums and/or discounts and deferred amounts on refundings.

(2) See Population and Personal Income on Demographic and Economic Statistics table, page L-16.

COUNTY OF YORK, VIRGINIA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2013	\$ 54,961,398	\$ -	\$ 54,961,398	0.57%	\$ 819
2012	59,822,805	-	59,822,805	0.63%	898
2011	56,564,037	-	56,564,037	0.57%	854
2010	59,858,071	-	59,858,071	0.61%	918
2009	59,764,486	-	59,764,486	0.61%	921
2008	58,234,825	-	58,234,825	0.60%	901
2007	62,329,170	-	62,329,170	0.73%	977
2006	54,659,184	-	54,659,184	0.66%	863
2005	42,112,832	-	42,112,832	0.68%	675
2004	45,268,575	-	45,268,575	0.76%	733

(1) See Assessed Value table, page L-9.

(2) See Population on Demographic and Economic Statistics table, page L-16.

COUNTY OF YORK, VIRGINIA

Pledged Revenue Coverage (1)

Last Ten Fiscal Years

Fiscal Year	Net Revenues (2)	Capacity Fees	Meals Tax	Unrestricted Reserves	Total Debt Service	Coverage		
						Test 1 (3)	Test 2a (4)	Test 2b (4)
2013	\$ 3,687,966	\$ 815,581	\$ 2,220,994	N/A	\$ 1,682,502	2.19	1.95	3.03
2012	2,344,292	668,525	1,734,227	N/A	1,679,914	1.40	1.20	2.03
2011	1,239,891	515,932	1,050,248	N/A	1,059,085	1.17	0.93	1.68
2010	1,275,578	274,900	N/A	5,731,287	664,878	1.92	1.71	5.82
2009	2,104,996	876,754	N/A	7,531,006	662,328	3.18	2.52	7.54
2008	2,270,177	973,743	N/A	5,993,299	664,278	3.42	2.68	6.46
2007	3,480,661	1,492,611	N/A	8,262,475	665,828	5.23	4.11	9.19
2006	3,373,471	1,408,337	N/A	8,905,523	668,169	5.05	3.99	9.61
2005	2,721,522	1,011,881	N/A	11,859,790	706,695	3.85	3.14	10.81
2004	2,842,790	980,017	N/A	11,438,400	704,533	4.03	3.34	10.76

(1) Revenue covenants on 1999 Sewer System Revenue Bonds, 2005 Sewer System Revenue Refunding Bonds and 2010 Sewer System Revenue Bonds must meet two coverage tests. The non-callable portion of the 1999 bonds was paid off in 2009.

(2) Net revenue represents operating income, investment earnings and the federal subsidy for interest, excluding transfers, and less operating expenses, excluding interest, depreciation and amortization, and less amounts due on the Series 1992 bonds.

(3) The ratio of the net revenues divided by the sum of 100% of the annual debt service plus any amounts required to be deposited in the Repair and Replacement Fund and the Debt Service Reserve Fund during the fiscal year must exceed 1.20.

(4) Either (a) the ratio of net revenues less 50% of capacity fees divided by 100% of total debt service must exceed 1.0; or for fiscal years 2013- 2011, (b) the ratio of net revenues plus meals tax revenues less 100% of capacity fees divided by 100% of annual debt service must exceed 1.50; for fiscal years 2010 - 2004, (b) the ratio of net revenues less 100% of capacity fees plus 50% of unrestricted reserves divided by 100% of annual debt service must exceed 1.50.

COUNTY OF YORK, VIRGINIA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (Thousands) (2)	Per Capita Income (2)	Median Age (3)	Education Level In Years of Formal Schooling (4)	Student Average Daily Membership (5)	Unemployment Rate (6)
2013	67,100	\$ 3,681,676	\$ 45,720	40.90	13.20	12,226	5.10%
2012	66,600	3,599,418	45,640	40.60	13.20	12,410	5.30%
2011	66,200	3,564,108	45,560	39.50	13.20	12,477	5.80%
2010	65,187	3,517,859	45,334	39.40	13.20	12,533	5.40%
2009	64,900	3,406,626	47,380	39.40	13.10	12,732	5.70%
2008	64,600	3,449,178	47,553	39.20	13.10	12,745	3.40%
2007	63,800	3,317,909	45,244	39.10	13.10	12,649	2.60%
2006	63,300	3,129,664	42,858	38.90	13.00	12,797	2.90%
2005	62,400	2,924,556	40,209	38.70	13.00	12,442	3.20%
2004	61,800	2,642,660	36,743	38.30	12.80	12,363	3.20%

Source:
(1) U.S. Census Bureau (2010); County Planning Division - estimated (2013 - 2011 and 2009 - 2004).
(2) County Planning Division - estimated (2013 - 2011); U.S. Bureau of Economic Analysis - includes City of Poquoson (2010 - 2004).
(3) County Planning Division - estimated (2013 - 2011); U.S. Census Bureau (2010 - 2004).
(4) Educational Attainment data published by the U.S. Census Bureau.
(5) County School Division.
(6) Local Area Unemployment Statistics Program and the Bureau of Labor Statistics.

COUNTY OF YORK, VIRGINIA

Principal Employers
Current and Nine Years Prior

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Naval Weapons Station/ Cheatham Annex	2,907	1	13.24%	2,443	1	12.54%
York County School Division	1,731	2	7.88%	1,726	2	8.86%
U.S. Coast Guard Station	1,408	3	6.41%	787	5	4.04%
Wal-Mart	811	4	3.69%	1,020	3	5.24%
Water Country	719	5	3.27%	809	4	4.15%
York County Government	718	6	3.27%	626	6	3.21%
Sentara Williamsburg Regional Medical Center	704	7	3.21%			
Great Wolf Lodge	515	8	2.35%	400	7	2.05%
YMCA	481	9	2.19%			
Windham Vacation Ownership	283	10	1.29%			
Kings Creek Plantation				242	9	1.24%
Fairfield Resorts				326	8	1.67%
K-Mart				235	10	1.21%
Total	<u>10,277</u>		<u>46.80%</u>	<u>8,614</u>		<u>44.21%</u>

Source: County Office of Economic Development.

COUNTY OF YORK, VIRGINIA
Full-time Equivalent County Employees By Function
Last Ten Fiscal Years

Function	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government	18.00	20.00	20.00	20.50	20.50	20.50	21.50	21.00	21.00	20.50
Judicial services	32.50	32.75	32.75	32.75	31.50	31.50	30.50	29.00	29.00	28.50
Public safety	300.00	300.00	299.50	300.25	286.75	279.75	266.00	259.50	254.50	238.50
Environmental and development services	54.25	55.00	54.00	54.00	54.00	53.00	52.00	51.00	46.00	44.00
Finance and planning	91.25	89.25	89.25	89.25	89.25	86.50	85.25	84.75	82.25	82.25
Education (Library)	33.00	33.50	33.50	33.50	33.50	33.50	34.00	32.50	32.50	32.50
General services	71.00	80.00	81.00	81.00	80.00	67.00	65.00	68.00	67.00	66.00
Community services	50.20	54.20	54.20	54.20	54.20	53.20	53.20	52.20	51.60	52.60
Sewer	56.00	56.50	55.50	54.00	53.00	53.00	54.00	51.00	53.00	49.00
Water	-	-	-	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Solid Waste	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	10.50
	<u>718.20</u>	<u>733.20</u>	<u>731.70</u>	<u>732.95</u>	<u>716.20</u>	<u>691.45</u>	<u>674.95</u>	<u>662.45</u>	<u>650.35</u>	<u>625.85</u>

Source: County Human Resources. Includes full-time and part-time positions; excludes work-as-required staff.

COUNTY OF YORK, VIRGINIA
Operating Indicators By Function
Last Ten Years

Function	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government										
Elections - Registered voters	45,165	45,540	44,814	44,353	44,962	42,906	41,203	40,667	39,485	38,619
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	1,651	1,773	1,903	2,022	1,730	1,607	1,900	2,101	1,908	1,908
Land records filed	26,117	21,061	21,059	28,413	26,790	30,111	31,223	32,842	29,895	33,757
Sheriff										
Physical arrests	1,655	1,768	2,197	2,210	1,684	1,328	1,231	1,054	1,082	1,216
Parking violations	71	92	130	109	467	399	143	121	40	39
Traffic violations	2,476	3,489	3,395	3,712	4,390	2,694	3,292	3,575	3,446	3,129
Fire and Life Safety										
Number of calls	9,289	9,070	8,842	8,677	8,717	9,161	8,709	15,140	14,600	13,260
Fire dispatches	3,567	3,504	3,552	3,482	3,497	3,999	3,695	7,887	7,785	6,481
Rescue dispatches	5,722	5,566	5,290	5,195	5,220	5,162	5,014	7,253	6,815	6,779
Environmental and Development Services										
Building Permits Issued	4,043	3,663	3,751	3,676	3,881	4,859	5,606	5,297	6,113	6,691
Building Permit Value	\$ 74,340,412	\$ 55,959,121	\$ 50,093,788	\$ 76,376,378	\$ 113,550,581	\$ 153,900,889	\$ 194,087,943	\$ 174,039,300	\$ 161,305,773	\$ 158,120,247
Education										
Library book circulation	529,718	562,212	576,134	623,015	647,845	658,982	645,851	680,584	693,601	676,857
Library registered patrons	65,057	70,684	72,915	69,064	77,612	71,578	65,019	66,660	60,412	51,862
School Division cost per pupil	\$ 9,743	\$ 9,424	\$ 9,292	\$ 9,736	\$ 9,506	\$ 8,996	\$ 8,888	\$ 8,117	\$ 7,664	\$ 6,930
Community services										
Recreation program participation	108,590	101,650	119,314	113,653	130,137	82,284	57,328	45,508	40,392	42,461
Sewer										
New connections	339	366	158	166	251	442	530	760	841	214
Water										
New connections	N/A	N/A	N/A	N/A	8	12	10	7	8	11
Consumption	N/A	N/A	N/A	N/A	116,927,460	123,386,411	95,512,834	80,965,900	52,087,160	43,867,358
Solid Waste										
Refuse collections (tons)	82,774	91,699	95,671	103,842	110,282	115,738	132,544	152,493	141,635	136,792
Recyclables collected (tons)	23,970	18,139	17,302	29,780	27,200	30,136	21,527	17,424	16,591	38,047

Source: Various County departments, except for Sheriff's physical arrests 2005 - 2004, which is from the Virginia State Police on a calendar year basis.

Beginning in fiscal year 2010, the County's water operation was turned over to Newport News Waterworks.

Beginning in fiscal year 2011, electrical, plumbing and mechanical permits are reported as residential or commercial, as applicable. Due to system limitations, these permits are reported as commercial in prior years.

COUNTY OF YORK, VIRGINIA
Capital Asset Statistics By Function
Last Ten Years

Function	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Sheriff										
Patrol units	57	59	54	55	54	51	49	48	46	46
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	26	26	26	26	25	25	25	24	24	24
Community services										
Park acreage	786	786	786	786	786	847	840	847	847	660
Parks	11	11	11	11	11	11	11	11	11	10
Tennis courts	36	36	36	36	36	32	30	32	32	32
Basketball courts	38	38	38	38	38	36	36	36	36	36
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	73	73	73	60	60	60	60	60
Education										
School facilities	19	19	19	19	19	19	19	19	19	19
Sewer										
Sanitary sewer (miles)	362	350	294	337	288	287	384	214	211	204
Water										
Mains (miles)	N/A	N/A	N/A	N/A	21.00	20.00	19.50	16.00	15.00	14.00
Fire hydrants	N/A	N/A	N/A	N/A	208	232	152	114	108	97
Maximum daily capacity	N/A	N/A	N/A	N/A	300,000	300,000	300,000	300,000	300,000	300,000

Source: Various County departments.

Beginning in fiscal year 2010, the County's water operation was turned over to Newport News Waterworks.

**Independent Auditor's 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 Board of Supervisors
County of York, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements and have issued our report thereon dated November 12, 2013.

Internal Control Over Financial Reporting

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

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

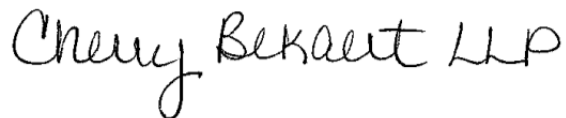
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Cheryl Bekaert LLP". The signature is written in a cursive, flowing style.

Virginia Beach, Virginia
November 12, 2013

**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 Board of Supervisors
County of York, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of York, Virginia's (the "County") 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 County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; 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 County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of York, Virginia's internal control over compliance.

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

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

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

Cherry Bekaert LLP

Virginia Beach, Virginia
November 12, 2013

**Independent Auditor's Report on Compliance with
Commonwealth of Virginia's Laws, Regulations,
Contracts and Grants**

The Honorable Members of the Board of Supervisors
County of York, Virginia

We have audited, 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 *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements and have issued our report thereon dated November 12, 2013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions, and, accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia's laws, regulations, contracts, and grants for which we performed tests of compliance:

Code of Virginia		State Agency Requirements
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Comprehensive Services Act Funds
Conflicts of Interest		Social Services
Debt Provisions		
Retirement Systems		

The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

Purpose of this Report

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

Cherry Bekaert LLP

Virginia Beach, Virginia
November 12, 2013

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

<u>Federal Granting Agency/Recipient State Agency/Grant Program</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Agriculture:		
Direct payments: Child and Adult Care Food Program	10.558	\$ 87,476
Pass-through payments:		
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-06)	10.561	485,027
Department of Agriculture: Donated Foods	10.555	\$ 167,744
Department of Education:		
School Breakfast Program (197-179-01)	10.553	163,153
National School Lunch Program (197-179-01)	10.555	915,583
Department of Juvenile Justice: National School Lunch Program (777-360-03)	10.555	<u>7,259</u>
Total Child Nutrition Cluster		1,253,739
Department of Defense:		
Direct payments:		
Naval Junior ROTC Program	12.000	65,660
National Defense Authorization Act	12.000	667,425
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	809,347
Department of Housing and Urban Development:		
Pass-through payments:		
Department of Housing and Community Development:		
Community Development Block Grants/State's Program (165-533-05)	14.228	128,086
Virginia Housing Development Authority:		
Section 8 Housing Choice Vouchers	14.871	106,423
Department of the Interior: Direct payments: Payments in Lieu of Taxes	15.226	9,541
Department of Justice:		
Direct payments:		
Edward Byrne Memorial State and Local Law Enforcement Assistance		
Discretionary Grants Program	16.580	38,816
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	35,266
State Criminal Alien Assistance Program	16.606	5,228
Bulletproof Vest Partnership Program	16.607	8,618
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10,000
Equitable Sharing Program	16.922	76,438
Pass-through payments:		
Department of Criminal Justice Services:		
Crime Victim Assistance (140-390-01)	16.575	68,150
Violence Against Women Formula Grants (140-390-01)	16.588	26,043
Department of Transportation:		
Pass-through payments: Department of Motor Vehicles:		
State and Community Highway Safety (530-605-07)	20.600	29,657
Federal Communications Commission:		
Direct payments: Universal Service - E-rate Program	32.000	15,630
Department of Education:		
Direct payments:		
Impact Aid	84.041	9,180,437
Pass-through payments:		
Department of Education (197-179-01):		
Title I Grants to Local Educational Agencies	84.010	396,836
Special Education and Rehabilitative Services:		
Special Education - Grants to States	84.027	2,121,170
Special Education - Preschool Grants	84.173	<u>46,260</u>
Total Special Education Cluster (IDEA)		2,167,430

(continued)

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

<u>Federal Granting Agency/Recipient State Agency/Grant Program</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Education:		
Pass-through payments:		
Department of Education (197-179-01):		
Vocational and Adult Education:		
Career and Technical Education - Basic Grants to States	84.048	105,623
English Language Acquisition State Grants	84.365	20,140
Improving Teacher Quality State Grants	84.367	246,881
United States Election Assistance Commission:		
Pass-through payments: State Board of Elections		
Help America Vote Act Requirements Payments (132-723-02)	90.401	5,600
Department of Health and Human Services:		
Direct payments: Administration for Children, Youth and Families: Head Start	93.600	878,189
Pass-through payments:		
Department of Social Services:		
Promoting Safe and Stable Families (765-469-01)	93.556	33,304
Temporary Assistance for Needy Families (765-452-01; 765-452-12; 765-460-03; 765-460-06)	93.558	415,198
Refugee and Entrant Assistance - State Administered Programs (765-460-03; 765-460-06; 765-491-02)	93.566	6,400
Low-Income Home Energy Assistance (765-460-03; 765-460-06)	93.568	28,855
Child Care and Development Block Grant (765-452-15)	93.575	(1,563)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (765-452-14; 765-452-15; 765-460-03; 765-460-06)	93.596	66,441
Total Child Care and Development Fund Cluster		64,878
Stephanie Tubbs Jones Child Welfare Services Program (765-460-03; 765-460-06)	93.645	1,603
Foster Care - Title IV-E (765-460-03; 765-460-06; 765-469-01)	93.658	261,819
Adoption Assistance (765-460-03; 765-460-06; 765-469-03)	93.659	118,870
Social Services Block Grant (765-460-03; 765-460-06; 765-468-02; 765-469-01; 765-469-03)	93.667	324,851
Chafee Foster Care Independence Program (765-460-03; 765-460-06; 765-469-01)	93.674	2,837
Children's Health Insurance Program (765-460-03; 765-460-06)	93.767	11,716
Medical Assistance Program (765-460-03; 765-460-06)	93.778	294,817
Department of Medical Assistance Services: Medical Assistance Program	93.778	119,494
Total Medicaid Cluster		414,311
Department of Homeland Security:		
Direct payments: Assistance to Firefighters Grant	97.044	83,576
Pass-through payments:		
Department of Emergency Services:		
Emergency Management Performance Grants (127-775-01)	97.042	45,529
Port Security Grant Program (127-775-01)	97.056	319,984
State Homeland Security Program (SHSP) (127-775-01)	97.073	62,405
 Total		 \$ 19,123,842

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2013

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of the County of York, Virginia. The County of York's reporting entity is defined in Note 1 to the basic financial statements. All revenues expended directly from federal agencies as well as monies passed through other government agencies are included on the Schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the County provided federal awards to a subrecipient as follows:

<u>Program Title</u>	<u>Number</u>	<u>Subrecipient</u>
Community Development Block Grants/State's Program	14.228	\$ <u>100,486</u>

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on the financial statements:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor's report issued on compliance for major programs:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to federal awards noted?	No
Any audit findings disclosed that are required to be reported in Accordance with Section 510(a) of OMB Circular A-133?	No

Identification of major federal programs:

<u>Name of Program</u>	<u>CFDA #</u>
Department of Defense:	
National Defense Authorization Act	12.000
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556
Department of Education:	
Impact Aid Cluster	84.041
Department of Health and Human Services:	
Head Start Cluster	93.600

Dollar threshold to distinguish between Types A and B Programs:	\$573,715
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The County of York was qualified as a low risk auditee?	Yes
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B. Findings - Financial Statement Audit	None
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C. Findings and Questioned Costs - Major Federal Awards	None
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D. Resolution of Prior Year's Findings	N/A
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