



Comprehensive Annual
Financial Report for the
Fiscal Year Ended
June 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2020

Prepared by the Department of Finance,
Division of Accounting and Financial Reporting

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Comprehensive Annual Financial Report
June 30, 2020

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COUNTY ADMINISTRATOR

Neil A. Morgan



BOARD OF SUPERVISORS

Walter C. Zaremba

District 1

Sheila S. Noll

District 2

W. Chad Green

District 3

Vacant

District 4

Thomas G. Shepperd, Jr.

District 5

November 20, 2020

The Board of Supervisors
County of York, Virginia

Dear Members of the Board:

On behalf of the staff, I am submitting the York County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020, as required by the Code of Virginia. The Finance Department has prepared this report in accordance with generally accepted accounting principles (GAAP) in the United States, the standards of financial reporting prescribed by the Governmental Accounting Standards Board, and those of the Auditor of Public Accounts of the Commonwealth of Virginia. Cherry Bekaert LLP, an independent certified public accounting firm, has audited the financial statements and the firm's 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. As such, and after detailed review, 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 to conform with the provisions of the Single Audit Act Amendments of 1996 and Title 2 in the Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. 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.

As a political entity, York County provides a wide range of municipal services including general government administration, judicial services, public safety, management services, education, human services, public works, community development and community services. In addition, the County operates and maintains a solid waste disposal program and a sewer utility system, which service geographically dispersed areas of the jurisdiction.

Three discretely presented component units are included in the County's financial statements. 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. In York County, these are the School Division, the Economic Development Authority (EDA), and the Marquis Community Development Authority (MCDA).

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A Hampton Roads Community

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

York County was established in 1634 and thrived for decades as a colonial seaport. However, it is best known as the site of the final major battle of the American Revolution when on October 19, 1781, British troops under the command of Lord Cornwallis surrendered to the combined American and French forces under the leadership of General George Washington. The County is located in the Virginia coastal plain on the peninsula formed by the James and York Rivers and the Chesapeake Bay. It 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, Camp Peary, and the U.S. Air Force's Landings at Langley Housing Complex (Langley Air Force Base) with its associated reservoir bring the total non-taxable federal landholdings to approximately 40% of the County's total land area. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

York County is organized under the traditional form of government (as defined under Virginia Law), with the elected Board of Supervisors (*the Board*) establishing laws and policies for the administration of the municipality. The Board is comprised of 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 appoints a County Administrator to act as the administrative head of the County.

York County provides a full range of services, including law enforcement and fire protection. It also is financially accountable for the legally separate School Division, Economic Development Authority, and the financial reporting for the Marquis Community Development Authority (discretely presented component units as mentioned above). 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, with all departments and agencies required to submit requests for appropriation to the County Administrator each November. These requests are utilized as a starting point for developing a proposed budget for presentation to the Board for review in March. The Board 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 (i.e. public safety). The County Administrator may make transfers of appropriations within functions. 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.

COVID-19, ECONOMIC CONDITION AND OUTLOOK

In March 2020, the entire world began to significantly react to the novel Coronavirus pandemic, COVID-19. With the initial onset of the virus in other countries, Senior Management had already begun planning for revenue losses for FY2020. The County's early estimated losses were less than the actual losses primarily due to the infusion of federal funds to individuals, businesses and governments which aided our economy. In addition, the County received an allocation from the Coronavirus Relief Fund (CFR) through the State, which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020 to assist in the pandemic response efforts. These federal dollars along with strong fiscal management measures taken early on have ensured that the County's financial condition remains strong despite the ongoing uncertainty surrounding COVID-19. Additional information regarding the federal funds received can be found in Note 15. The highest area of uncertainty is sales, historic triangle sales (SB942), lodging and meals taxes. York County has seen a significant drop in lodging taxes over a four month timeframe from March to June as well as a drop in meals taxes for the same time period. Sales, meals and lodging taxes will continue to be monitored on a monthly basis. There is still great uncertainty related to the impacts of the coronavirus on real estate assessments, personal property values, and business license taxes as well as other General Fund revenues. The economic uncertainty resulting from the pandemic has been extremely challenging for the County of York. From an operational standpoint, the County discovered innovative ways to continue to operate critical services and ensure that staff and citizens were safe. Regarding employment, the areas of Scientific & Technical, Federal Government and Education Services were three areas that continued to grow, whereas, most areas saw a decrease in employment related to COVID-19. The County's unemployment rate in 2020 was the highest it has been over a 10-year timeframe. The County's annual unemployment rate of 7.6% in June 2020 was more favorable than both the Virginia Beach-Norfolk-Newport News, VA MSA and the Commonwealth's rate of 9.2% and 8.2%, respectively.

STRATEGIC PRIORITIES

The Board developed Strategic Priorities in January of 2016 with revisions in January of 2020 that guided and influenced the development of the fiscal year 2021 budget and funding decisions.

1. Devote leadership and resources necessary to ensure and sustain EXEMPLARY PUBLIC SAFETY functions.
2. Facilitate EXCELLENT EDUCATIONAL OPPORTUNITIES for all County citizens.
3. Facilitate VALUE-DRIVEN ECONOMIC DEVELOPMENT that is sensitive to community character and the environment.
4. MAXIMIZE OUTSTANDING COMMUNICATIONS and CUSTOMER SERVICE as an organizational value, expectation and outcome amongst and between the Board of Supervisors, citizens, boards and commissions, and County staff.
5. Protect and respect the County's natural and built attributes through balanced and cost-effective ENVIRONMENTAL STEWARDSHIP with a FOCUS on RESILIENCY.
6. Promote QUALITY TECHNOLOGY INVESTMENTS to support the efficient operation of County government.

The FY2021 Adopted Budget represents a cautious fiscal plan taking into consideration the uncertainty of the economic impacts of the pandemic. It reflects a plan that invests, at a sustaining level, in all of the Board's strategic priorities without a tax rate increase.

Operations

The Comprehensive Plan, *Charting the Course to 2035*, is the long-range plan for the physical development of the County. The plan was adopted in September 2013 after an extensive review process involving citizens and civic and business groups, the Planning Commission, and the Board of Supervisors. The goals and implementation strategies set out in the Comprehensive Plan also inform and influence the budget, as well as various County programs and operations. For example, the Economic Development Authority's focus on revitalization of strategic development nodes on the Route 17 corridor is consistent with objectives identified in the Comprehensive Plan. Other initiatives that link back to the Comprehensive Plan include development management that encourages a balance of quality residential and commercial growth, financial and cooperative services support for the County's School Division, and a capital improvements program that devotes significant resources to public safety (emergency response and emergency communications) and utility infrastructure improvements (sewer, water and stormwater management). The 5-year review process for the Comprehensive Plan has begun and will continue through 2020 and beyond.

Economic Development

During Fiscal Year 2020, the Board of Supervisors re-affirmed its commitment to economic development by adopting the following as one of its six Strategic Priorities – *Facilitate VALUE DRIVEN ECONOMIC DEVELOPMENT that is sensitive to community character and the environment*. In support of this objective, the Economic Development Authority (EDA), the Office of Economic Development (OED), and the entire County organization were fostering solid business growth until the COVID-19 pandemic emergency response throttled the economy. The County's economic development focus pivoted in March to provide emergency assistance to our business community through timely and comprehensive information about available resources, promoting existing business operations, and administering two pandemic-related grant programs.

- **York CARES Grant Program:** Utilizing \$250,000 of the CARES Act funds delivered to York County the OED and Finance Department implemented the York CARES Grant program at the end of June. The program provided up to \$3,000 grants to reimburse businesses impacted by the pandemic for operating expenses and COVID-19 related expenditures. By October 1, 2020 all of the funds had been dispersed and 87 businesses had benefited.
- **COVID-19 Small Business Recovery Grant Program:** Led by the County's Housing and Neighborhood Revitalization Division, with assistance from the OED, an application was made to the state Department of Housing and Community Development for CDBG funds to support a business recovery grant program. The application was made on a regional basis on behalf of York, Williamsburg and Poquoson. The request was successful and \$500,000 was made available for York County businesses. The grant program was launched in mid-July and, by the end of October, 91 businesses had received grants totaling \$420,000.
- **Home-Based Business Support:** Due to the COVID-19 pandemic, the Office of Economic Development, in partnership with the five other Peninsula localities and Gloucester County, was forced to cancel the 5th annual Home-Based Business Conference, planned for late March 2020. The conference plans to resume again in 2021. The seven localities transitioned the monthly Home-based Business Lunch & Learn sessions to a virtual format and continued to host that popular series from April 2020 forward. The new and more flexible format allowed more participants to attend than ever before. In the entrepreneurial arena, the 8th annual Peninsula-wide business plan competition, START Peninsula, was held at Hampton University in Hampton in November 2019. A total of 27 people pitched their business ideas and three

startups were awarded a combined total of \$15,000, free membership in the local chamber of commerce of their choice, as well as extensive business counseling and mentorship services.

- **Regional Economic Development.** In November 2018, the Peninsula localities and Gloucester officially established the Eastern Virginia Regional Industrial Facility Authority (EVRIFA). The EVRIFA grew to 10 localities in FY2020 by adding Isle of Wight, Franklin and Chesapeake. The EVRIFA's first project will be acquiring 432 acres of surplus state property in York County formerly known as the "Fuel Farm". The EVRIFA plans to lease 250 acres to KDC Solar for a 20 megawatt facility and develop the remaining acreage as a light industrial park. A portion of the light industrial park has GO Virginia grant funds available to do the initial design for an unmanned systems testing and demonstration facility.
- **Residential Development Activity.** Home construction peaked in FY2019 at \$113.5 million, primarily due to pent up market demand for multi-family, townhomes, and small lot single family dwellings. Permitting for townhouse and apartment projects dropped significantly in FY2020 and single family detached construction increased slightly. The value of permits issued for all residential work dropped to \$67 million in FY2020. Ryan Homes dominated the new construction market in York County in FY 2020 with new construction in Arbordale, Whittakers Mill, and Marquis Hills.
- **Commercial Development Activity.** Building permit values dropped by over 50% from \$57.4 million in FY2019 to \$24.3 million in FY2020. While the pandemic had some negative impact on commercial construction the number of new projects permitted increased from 10 in FY2019 to 16 in FY2020. The EDA went under contract with two existing companies to build a new shared facility on two acres in the York River Commerce Park South. The EDA also went under contract with the Miller Group for three acres in Busch Industrial Park for a 20,000 sq. ft. flex space building. Waukeshaw Development received site plan approval for the Beale's East Brew Pub on Rt. 17 and plans to open in the spring of 2021. The branding effort for the "Edge District" in upper York County, James City County, and Williamsburg received additional funding as part of a regional EPA Brownfields Grant. Initial funding for this project, to promote the Merrimac Trail/Second Street commercial corridor, was provided by the three localities Economic Development Authorities.

Capital Improvements Program

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

However, due to COVID-19, it is especially important to protect the County's cash flow and limit the use of reserves as much as possible during uncertain times. Thus, all years of the capital projects fund have been shifted out one year and the FY2021 Capital Improvements Program was reduced to only include contingency funding for essential projects for the County.

Prior to COVID-19, on February 3, 2020, the Grafton School Complex incurred an electrical fire which destroyed the custom-designed electrical distribution panel that provides power to the entire complex and caused smoke and water damage to the electrical room. In addition, the Complex sustained smoke damage to the entire building. The costs of the clean-up and repairs due to the electrical fire

were reimbursed with insurance proceeds. Within the School Division's six-year capital improvements program, the School Division has several major building renovation and classroom addition projects planned. However, due to the uncertainty related to COVID-19, the FY2021 Capital Improvements Program for the School Division was reduced to only include contingency for urgent projects.

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 Detention Facility

A regional coalition was created involving 16 counties and 2 cities, of which the County is a voting member, of the secure juvenile detention facility. The 48-bed facility was opened in December 1997 to meet the demand for secure juvenile detention placements among the member jurisdictions. On-going operating and capital costs are shared by the 18 member localities based on utilization.

Other Projects

The County continues 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 operation of the Regional Radio System includes James City County and Gloucester County as partners and various other public and institutional participants as "tenants" on the system. Additional investments in this state of the art system continue.

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 health/dental insurance) 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 our 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/SIGNIFICANT CHANGES

Phase II of the County's new financial software system, Munis offered by Tyler Technologies went live in January 2020. This phase included Human Resources and Payroll and incorporates the County, Social Services, School Division, and Colonial Behavioral Health.

As a result of COVID-19, the County revised its workforce policies to include teleworking capabilities which is a type of alternative work arrangement available to eligible employees within departments that can maintain official County business operations with the employee working from an alternate work location.

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 Title 2 in the Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The reports of the independent auditors that relate specifically to the single audit are also included in the compliance section of this report.

AWARDS

The County continued to be recognized for excellence in operational and fiscal management during fiscal year 2020. The following awards were received:

- The 2019 Virginia Association of Counties award "Be the Change You Wish to See in the World: Leaders in Training"
- 2020 National Association of Counties awards for Citizen Cyber Security; Yorktown Trolley: Riding with Technology; Wormley Creek Landing Facility Enhancements: Accessibility for All; and Partners for Pollinators
- York County was named one of the nation's top digital counties in July 2019 by The Center for Digital Government (CDG) and the National Association of Counties (NACo). York County placed third in the category of counties with a population of 150,000 or less.
- Pinnacle Award and Members' Choice Award from National Association of Government Web Professions
- Governor's Technology Award for Citizen Cyber Security
- Partnership for Change, Exceptional Provider Award from the Virginia Department of Housing and Community Development for the Carver Gardens Neighborhood Revitalization Project
- New Fire Station One Leadership in Energy and Environmental Design (LEED) Designation

- 2019 “AWARD for UNMANNED EXCELLENCE LEADERSHIP and COLLABORATION” from the Virginia Unmanned Systems Center at the Virginia Center for Innovative Technology. The York County UAS (ROVER-Remotely Operated Vehicles for Emergency Response) Team has been recognized, by many, as one of the very best programs in the Commonwealth of Virginia and the nation. The team is jointly operated by the Department of Fire and Life Safety and the Sheriff's Office.
- American Heart Association Mission Lifeline Silver Award
- Commonwealth of Virginia, Governor's Award for Outstanding EMS Agency and Civilian Excellence in Virginia Fire Service Support
- Peninsulas EMS Council Awards for Outstanding Call, Outstanding Contribution to EMS Preparedness and Response and Innovation Excellence in EMS – Peninsula COVID Operations Center

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 York County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 34th 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.

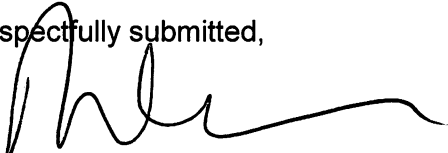
DISTINGUISHED BUDGET PRESENTATION

The GFOA presented a Distinguished Budget Presentation Award to York County for its annual budget for the fiscal year beginning July 1, 2019. This was the 17th 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 meets 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 Finance Department, in particular the divisions of Accounting and Financial Reporting, Budget, and Fiscal Accounting Services, as well as the Office of the Treasurer, the School Division, and York-Poquoson Social Services. I would like to express my appreciation to the employees who assisted with 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.

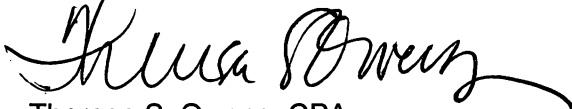
Respectfully submitted,



Neil A. Morgan
County Administrator



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



Theresa S. Owens, CPA
Finance Director

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Government Finance Officers Association

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

Presented to

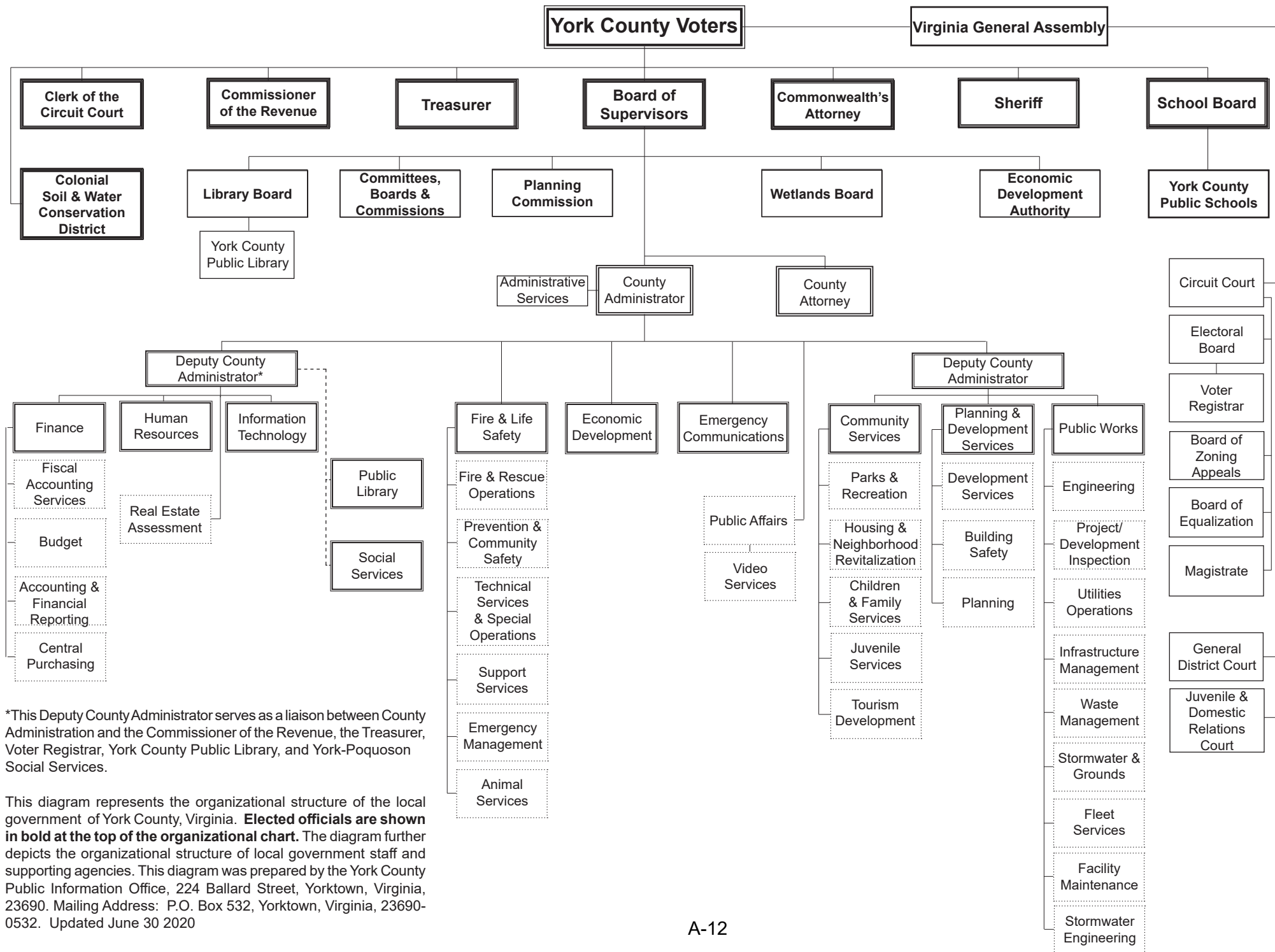
**County of York
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



*This Deputy County Administrator serves as a liaison between County Administration and the Commissioner of the Revenue, the Treasurer, Voter Registrar, York County Public Library, and York-Poquoson Social Services.

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 local government staff and supporting agencies. 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. Updated June 30 2020

COUNTY OF YORK, VIRGINIA
Principal Officials
For the Fiscal Year Ended June 30, 2020

Board of Supervisors

W. Chad Green, Chairman
Walter C. Zaremba, Vice-Chairman
Sheila S. Noll
Jeffrey D. Wassmer
Thomas G. Shepperd, Jr.

Constitutional Officers

Clerk of the Circuit Court	Kristen N. Nelson
Commissioner of the Revenue	Ann H. Thomas
County Treasurer	Candice D. Kelley
Commonwealth's Attorney	Benjamin M. Hahn
Sheriff	J. D. Diggs

County Officials

County Administrator	Neil A. Morgan
County Attorney	James E. Barnett, Jr.
Deputy County Administrator	Mark L. Bellamy, Jr.
Deputy County Administrator	Vivian A. Calkins-McGettigan
Director of Community Services	Brian P. Fuller
Director of Economic Development	James W. Noel, Jr.
Director of Emergency Communications	Donald T. Hall
Director of Finance	Theresa S. Owens
Fire Chief	Stephen P. Kopczynski
Director of Human Resources	David K. Gorwitz
Director of Information Technology	Adam A. Frisch
Director of Library Services	Kevin W. Smith
Director of Planning and Development Services	Susan D. Kassel
Director of Public Works	Brian K. Woodward

School Board

James E. Richardson, Chairman
Brett Higginbotham, Vice-Chairman
Mark J. Shafer
Laurel M. Garrelts
Sean P. Myatt

School Officials

Superintendent of Schools	Dr. Victor D. Shandor
Chief Academic Officer	Candi L. Skinner
Chief Financial Officer	William Bowen
Chief Human Resources Officer	Dr. Anthony Vladu
Chief Operations Officer	Dr. James Carroll
Director of Elementary Instruction	Dr. David Reitz
Director of Information Technology	Douglas E. Meade
Director of School Administration	Dr. Aaron Butler
Director of Secondary Instruction	Angela Seiders
Director of Student Services	Dr. Elaine B. Gould

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Report of Independent Auditor

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

Report on the Financial Statements

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 (the "County"), as of and for the year ended June 30, 2020, 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 and specifications 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, 2020, 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.

Uncertainty

As discussed in Note 13 to the financial statements, in March 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

OTHER MATTERS***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information other than management discussion and analysis, as listed in the table of contents, 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's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Other Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is 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 20, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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.

A handwritten signature in blue ink that reads "Cheryl Behrman CP". The signature is written in a cursive, flowing style.

Virginia Beach, Virginia
November 20, 2020

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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, 2020. Please read it in conjunction with the transmittal letter on pages A-1 through A-9 at the front of this report and the County's basic financial statements, which begin on page D-1.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2020 (FY2020)

- The assets and deferred outflows of resources of the County on a government-wide basis, excluding component units, exceeded its liabilities and deferred inflows of resources as of June 30, 2020 by \$157,173,571 (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 \$77,733,259 in school debt without the related assets.
- The County's total net position decreased by \$2,380,934. Governmental activities decreased by \$3,869,638, primarily due to an increase in General Fund expenditures for public safety and education in FY2020. Business-type activities increased by \$1,488,704, mainly attributable to decreases in expenses for a water project that occurred in FY2019 compared to FY2020.
- As of June 30, 2020, the County's governmental funds reported combined ending fund balances of \$68,767,537, a decrease of \$1,135,105 from the prior year. Unassigned fund balance totaled \$14,054,322 and is available for spending at the County's discretion. This amount reflects a General Fund unassigned fund balance of \$17,570,640, or 13.9% of total General Fund expenditures and an unassigned fund deficit of \$3,516,318 in the Yorktown Capital Improvements Fund, attributable to a long-term advance payable to another fund.
- The County's net OPEB liability, net pension liability and noncurrent liabilities at June 30, 2020 were \$172,773,114, which is an increase of \$13,647,750 from the prior year. The key factors in this increase was the issuance of new debt for the School Division capital projects and the increase for both pension and OPEB liabilities based on actuarial calculations.

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 as well as Other 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 + deferred outflows of resources less liabilities + deferred inflows of resources - 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, management services including finance, education, human services, public works, community development including planning 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 School Division and the Economic Development Authority component units and provides operating and capital funding. The County provides the financial reporting for the Marquis Community Development Authority.

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 thirteen 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 Fund, County Capital Fund and Education Debt Service Fund, all of which are considered to be major funds.

Data from the other eight 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-7 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.

During fiscal year 2020, the County used four 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. The Health and Dental Insurance fund provides for the revenues and expenses of the health and dental programs. The Workers' Compensation fund accounts for the claims and related expenses for workers' compensation. The Information Technology fund accounts for the costs of providing computer technical support, software support, and internet and telecommunications services. 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 – The County's fiduciary activities are reported in an Other Postemployment Benefit Trust Fund and agency fund statements of fiduciary net position and changes in fiduciary net position. The County excludes these activities from the County's government-wide statements because the County cannot use these assets to finance its operations. The OPEB Trust Fund is irrevocable and agency funds are County custodial funds used to provide accountability of client monies for which the County is the custodian. The OPEB Trust Fund accounts for future benefits payable for eligible retirees of the County towards health insurance coverage in a plan sponsored by the County.

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position can be found on pages E-8 to E-9 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-91 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 postemployment benefits to its employees and contributions for other postemployment 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, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>
Current and other assets	\$ 109,711,992	\$ 109,966,103	\$ 17,756,691	\$ 16,524,322	\$ 127,468,683	\$ 126,490,425
Capital assets	90,080,979	87,685,072	128,272,615	128,631,686	218,353,594	216,316,758
Total assets	<u>\$ 199,792,971</u>	<u>\$ 197,651,175</u>	<u>\$ 146,029,306</u>	<u>\$ 145,156,008</u>	<u>\$ 345,822,277</u>	<u>\$ 342,807,183</u>
Deferred outflows of resources	<u>\$ 25,080,471</u>	<u>\$ 19,506,365</u>	<u>\$ 2,767,915</u>	<u>\$ 2,225,090</u>	<u>\$ 27,848,386</u>	<u>\$ 21,731,455</u>
Current and other liabilities	\$ 26,755,875	\$ 26,515,836	\$ 2,239,142	\$ 2,725,918	\$ 28,995,017	\$ 29,241,754
Long-term liabilities	148,997,468	135,975,726	23,775,646	23,149,638	172,773,114	159,125,364
Total liabilities	<u>\$ 175,753,343</u>	<u>\$ 162,491,562</u>	<u>\$ 26,014,788</u>	<u>\$ 25,875,556</u>	<u>\$ 201,768,131</u>	<u>\$ 188,367,118</u>
Deferred inflows of resources	<u>\$ 13,491,099</u>	<u>\$ 15,167,340</u>	<u>\$ 1,237,862</u>	<u>\$ 1,449,675</u>	<u>\$ 14,728,961</u>	<u>\$ 16,617,015</u>
Net position:						
Net investment in capital assets	\$ 63,819,651	\$ 61,388,220	\$ 110,685,466	\$ 110,543,036	\$ 174,505,117	\$ 171,931,256
Restricted	3,484,204	3,846,463	-	122,713	3,484,204	3,969,176
Unrestricted (deficit)	<u>(31,674,855)</u>	<u>(25,736,045)</u>	<u>10,859,105</u>	<u>9,390,118</u>	<u>(20,815,750)</u>	<u>(16,345,927)</u>
Total net position	<u>\$ 35,629,000</u>	<u>\$ 39,498,638</u>	<u>\$ 121,544,571</u>	<u>\$ 120,055,867</u>	<u>\$ 157,173,571</u>	<u>\$ 159,554,505</u>

The County's net position totaled \$157,173,571, a decrease of \$2,380,934. This result is comprised of a decrease of net position in governmental activities of \$3,869,638, and an increase of \$1,488,704 in business-type activities. The decrease in governmental activities was primarily due to an increase in General Fund expenditures for public safety and education in FY2020. The increase for business-type activities was mainly attributable to decreases in expenses for a water project that occurred in FY2019 compared to FY2020.

Approximately 2.2% 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. At June 30, 2020, the County reported an unrestricted deficit of \$20,815,750. The increase in the unrestricted deficit of \$4,469,823 is primarily due to a debt borrowing for school capital projects and increases in net pension and OPEB liabilities.

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 as allowed for under GAAP. 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 Position and the related debt or liability are reported on the County's Statement of Net Position. Consequently, the County reports \$77,733,259 in school debt without the related assets.

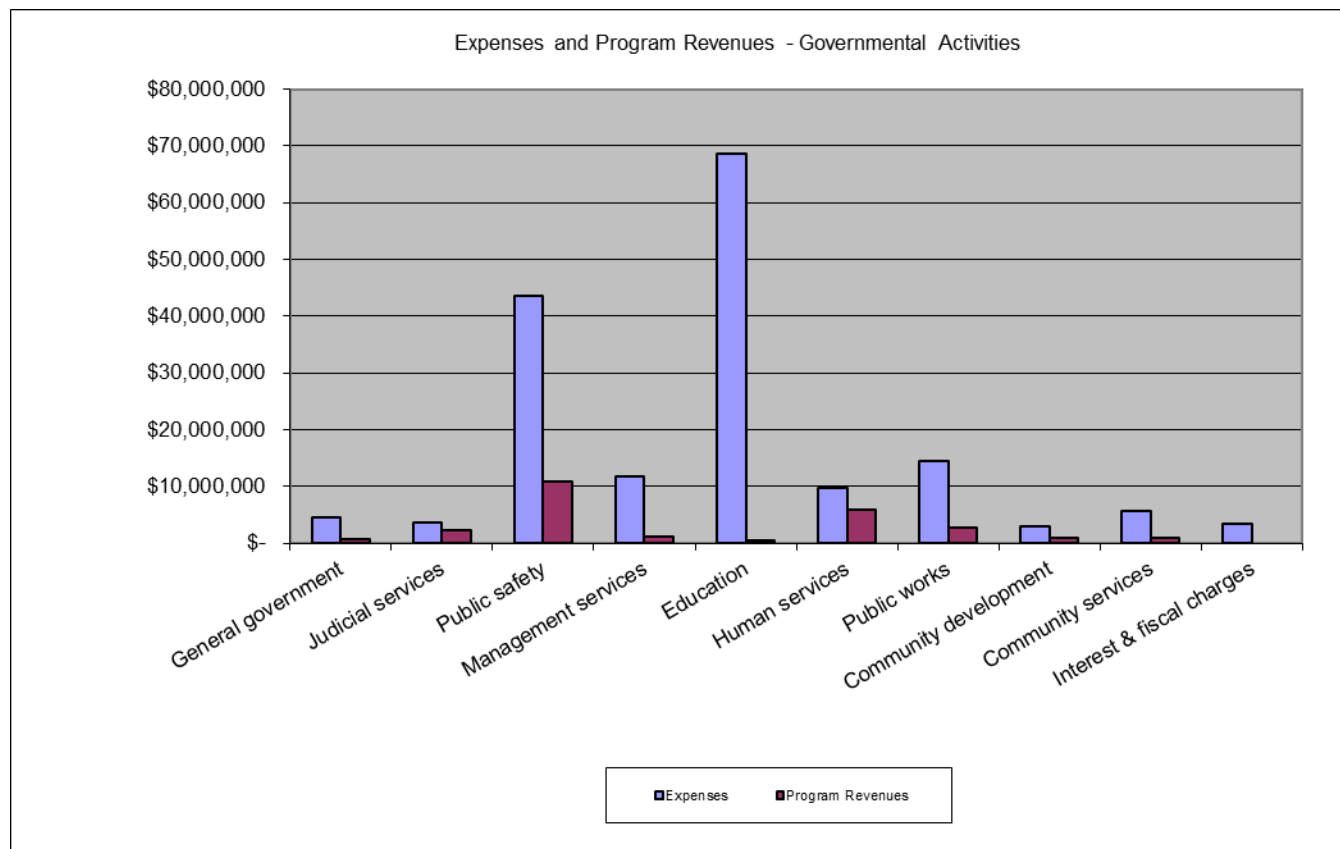
Summary of Changes in Net Position - Years Ended June 30, 2020 and 2019

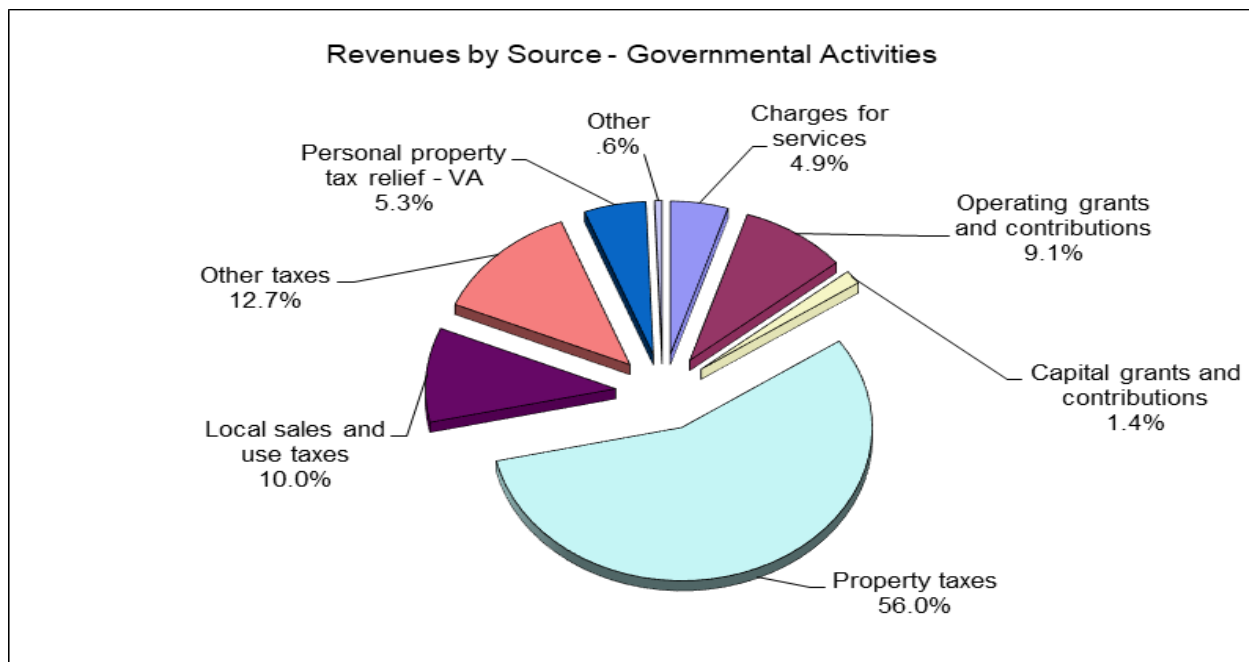
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,152,973	\$ 8,613,844	\$ 20,426,879	\$ 19,799,017	\$ 28,579,852	\$ 28,412,861
Operating grants and contributions	15,103,972	11,737,764	292,221	293,054	15,396,193	12,030,818
Capital grants and contributions	2,443,417	2,742,009	1,144,164	1,501,760	3,587,581	4,243,769
General revenues:						
Property taxes	93,017,827	91,611,559	-	-	93,017,827	91,611,559
Other taxes	37,578,694	37,870,994	1,493,198	1,446,798	39,071,892	39,317,792
Commonwealth of Virginia, net						
Local Aid to Commonwealth	8,741,680	8,741,680	-	-	8,741,680	8,741,680
Unrestricted investment earnings	859,654	1,386,131	133,285	134,586	992,939	1,520,717
Miscellaneous	162,593	210,254	11,841	8,469	174,434	218,723
Gain on sale of capital assets	<u>14,378</u>	<u>-</u>	<u>-</u>	<u>1,680</u>	<u>14,378</u>	<u>1,680</u>
Total revenues	<u>166,075,188</u>	<u>162,914,235</u>	<u>23,501,588</u>	<u>23,185,364</u>	<u>189,576,776</u>	<u>186,099,599</u>
Expenses:						
Governmental activities:						
General administration	4,468,101	4,195,707	-	-	4,468,101	4,195,707
Judicial services	3,721,294	3,102,522	-	-	3,721,294	3,102,522
Public safety	43,575,955	37,867,220	-	-	43,575,955	37,867,220
Management services	11,861,804	11,029,496	-	-	11,861,804	11,029,496
Education	68,609,783	65,751,397	-	-	68,609,783	65,751,397
Human services	9,834,859	9,900,319	-	-	9,834,859	9,900,319
Public works	14,572,672	11,607,674	-	-	14,572,672	11,607,674
Community development	3,012,762	4,551,850	-	-	3,012,762	4,551,850
Community services	5,682,266	7,201,508	-	-	5,682,266	7,201,508
Interest and fiscal charges on noncurrent debt	3,518,196	3,422,992	-	-	3,518,196	3,422,992
Business-type activities:						
Sewer Utility	-	-	12,245,651	11,582,981	12,245,651	11,582,981
Water Utility	-	-	326,842	4,036,161	326,842	4,036,161
Solid Waste	-	-	5,742,136	4,830,364	5,742,136	4,830,364
Yorktown Operations	-	-	158,295	72,335	158,295	72,335
Sanitary Districts	-	-	418,134	418,134	418,134	418,134
Regional Radio System	<u>-</u>	<u>-</u>	<u>4,208,960</u>	<u>4,075,751</u>	<u>4,208,960</u>	<u>4,075,751</u>
Total expenses	<u>168,857,692</u>	<u>158,630,685</u>	<u>23,100,018</u>	<u>25,015,726</u>	<u>191,957,710</u>	<u>183,646,411</u>
Change in net position, before transfers	(2,782,504)	4,283,550	401,570	(1,830,362)	(2,380,934)	2,453,188
Transfers	<u>(1,087,134)</u>	<u>(1,135,786)</u>	<u>1,087,134</u>	<u>1,135,786</u>	<u>-</u>	<u>-</u>
Change in net position	(3,869,638)	3,147,764	1,488,704	(694,576)	(2,380,934)	2,453,188
Net position, beginning	<u>39,498,638</u>	<u>36,350,874</u>	<u>120,055,867</u>	<u>120,750,443</u>	<u>159,554,505</u>	<u>157,101,317</u>
Net position, ending	<u>\$ 35,629,000</u>	<u>\$ 39,498,638</u>	<u>\$ 121,544,571</u>	<u>\$ 120,055,867</u>	<u>\$ 157,173,571</u>	<u>\$ 159,554,505</u>

Governmental Activities - For the fiscal year ended June 30, 2020, revenues from governmental activities totaled \$166,075,188. The \$1,406,268 increase from fiscal year 2019 in property taxes is comprised primarily of two revenue sources: real estate and personal property tax revenues. Real estate tax revenue, the County's largest revenue source, was \$75,444,432. The County's assessed real property tax base for calendar year 2020 was \$9,513,758,000. The County's second largest revenue source is personal property taxes, with total current year collections of \$24,417,841. The Commonwealth of Virginia provides a constant \$8,741,680 as an entitlement grant under the provisions of the Personal Property Tax Relief Act (PPTRA), which is included in the total current year collections.

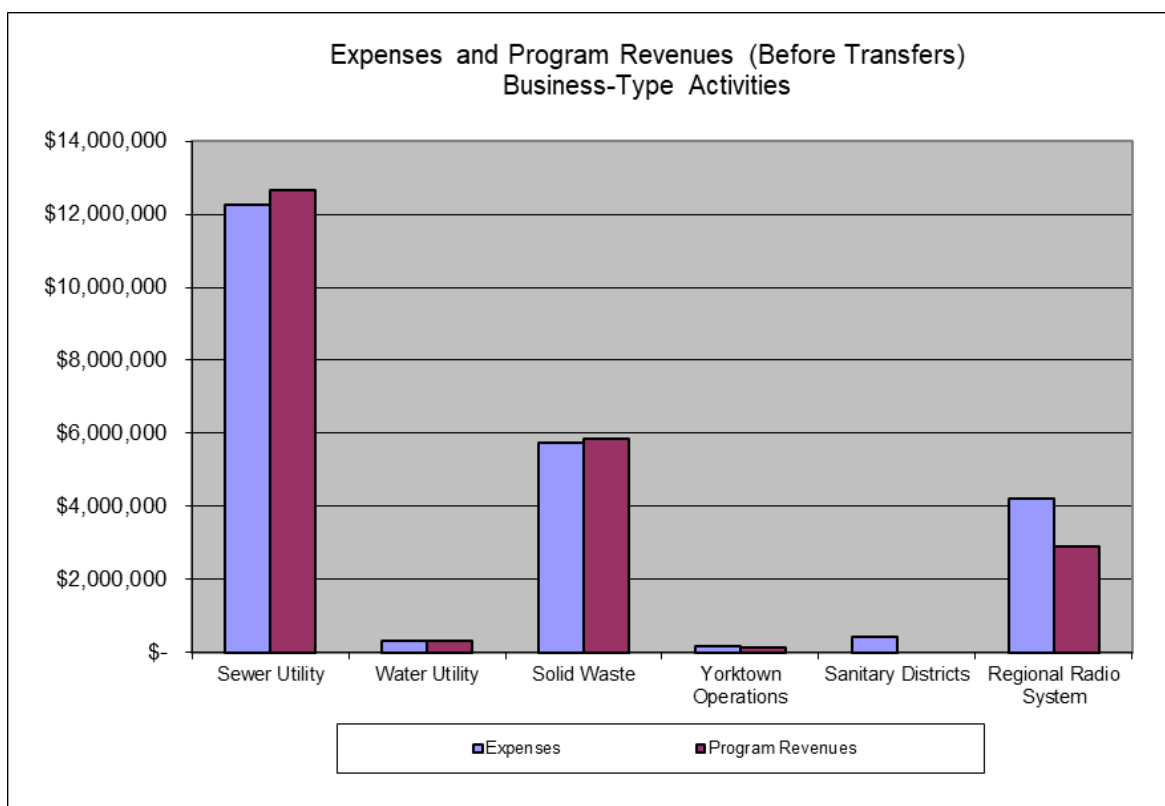
Other taxes decreased by \$292,300 from the prior year as a result of decreases in hotel and motel room tax revenue and restaurant food taxes as a result of the coronavirus pandemic offset by a change in policy to accrue the 13th month of sales tax to align it with the historic triangle sales tax as both are reported two months behind.

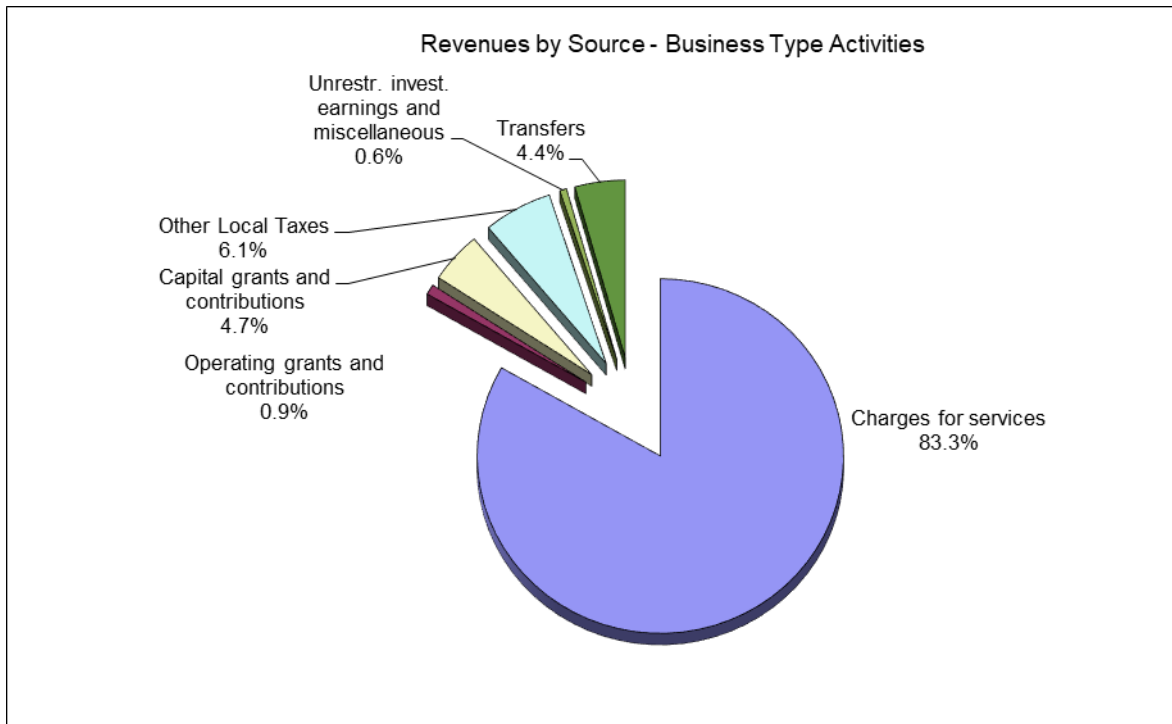
For the fiscal year ended June 30, 2020, expenses for governmental activities totaled \$168,857,692, including the following payments to the component unit - School Division: \$55,542,797 for operations and capital projects; the component unit - Economic Development Authority: \$568,035 for operations and capital, and the component unit - Community Development Authority: \$1,095,244 in incremental taxes and special assessments. For further discussion on changes from the prior year for the governmental funds, see page C-12.





Business-type Activities - Business-type activities increased the County's net position by \$1,488,704 for the fiscal year ended June 30, 2020. This increase is primarily attributable to a decrease in water expenses due to a major water project in the Lightfoot area that was completed and transferred to the City of Newport News Waterworks in FY2019. Significant transfers include \$1,091,099 for the maintenance on the emergency radio system in the Regional Radio System Fund.



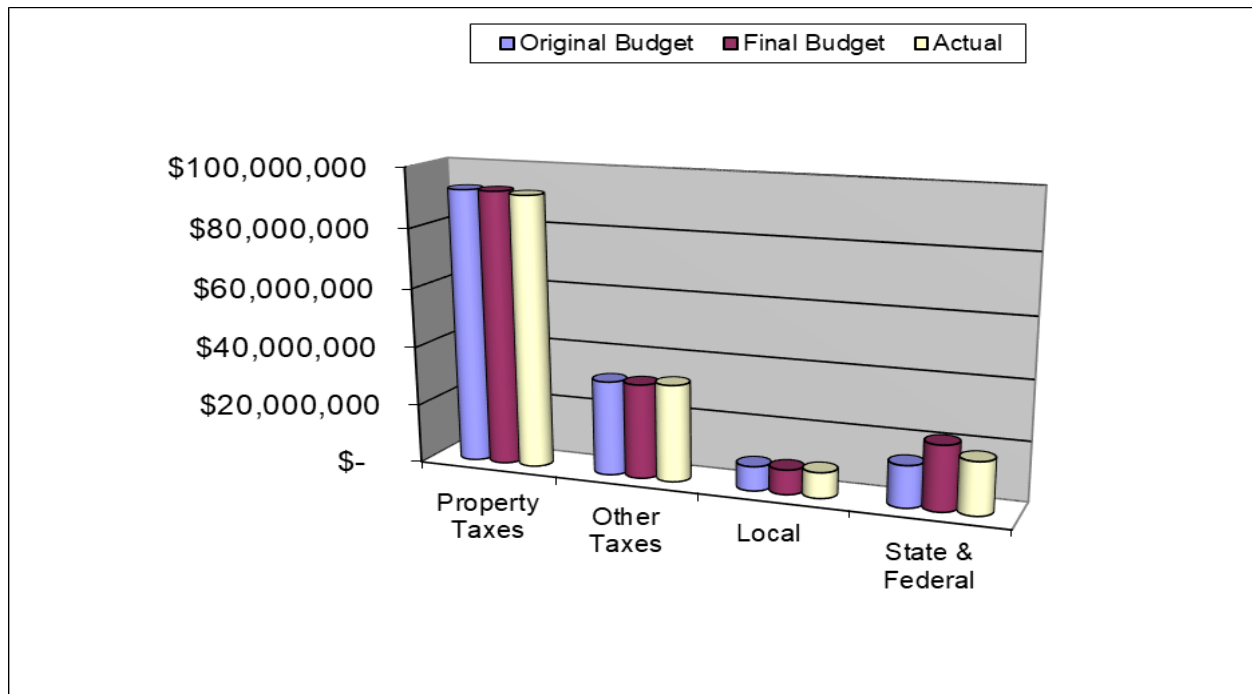


GENERAL FUND

As of June 30, 2020, the County's governmental funds reported combined ending fund balances of \$68,767,537, a decrease of \$1,135,105 from the prior year. Unassigned fund balance totaled \$14,054,322 and is available for spending at the County's discretion. Of the remainder of fund balance, \$6,452,931 is nonspendable, \$3,448,360 is restricted, \$17,691,671 is committed and \$27,120,253 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 \$17,570,640, and total fund balance was \$32,706,998. 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 13.9% of total General Fund expenditures while total fund balance represents 25.8% 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

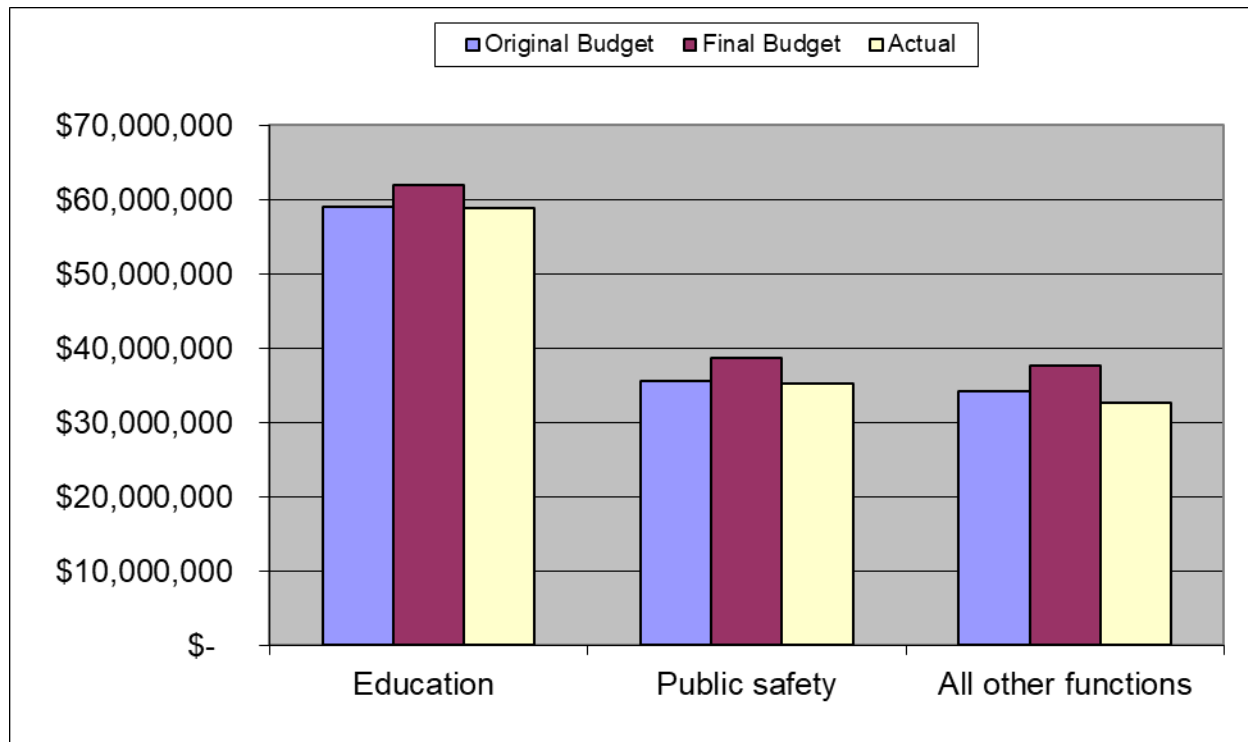


The total change in General Fund final budgeted revenues were \$7,863,022 or 5.4% over the original budget. The majority of the increase was driven by the appropriation of approx. \$6 million for the CARES Act Coronavirus Relief Funding and approx. \$1.5 million for other coronavirus and CARES Act grant funding as part of the FY2020 amended budget.

The total General Fund actual revenues were \$3,731,047 or 2.4% under the final budget. Significant variances include the following:

- General property taxes were lower than the final budget by \$784,010 or 0.85%, which was primarily driven by lower than anticipated real estate and personal property tax collections.
- Other local taxes were higher than the final budget by \$826,707 or 2.6%, primarily due to a change in policy to accrue the 13th month of sales tax to align it with the historic triangle sales tax as both are reported two months behind and increases in business license taxes offset by a reduction in hotel and motel room and restaurant food taxes as a result of the coronavirus pandemic.
- Charges for services were lower than the final budget by \$372,497 or 8.9%, which was driven by fees not being collected due to the cancellation of parks and recreation programs as well as school closures resulting in school resources officers not working at the middle and high schools.
- Intergovernmental revenue was \$4,108,799 or 18.9% below the final budget. The main contributor to the budget shortfall was for a CARES Act Community Development Block Grant that was approved and appropriated in its entirety in fiscal year 2020. Although, the grant is reimbursement-based and fiscal year 2020 included only a portion of the expenses for the grant. In addition, the County received approximately \$6 million of Coronavirus Relief funds of which approximately \$3 million was deferred until the next fiscal year because the expenditure eligibility requirements were not met as of June 30, 2020.

General Fund Expenditures - Comparison of Budget to Actual



The total change in General Fund final budgeted expenditures were \$16,988,373 or 11.6% over the original budget. The majority of the increase was driven by the appropriation of approximately \$6 million of CARES Act Coronavirus Relief Funding, approximately \$1.2 million of CARES Act Community Development Block Grant funding and approximately \$9.1 million of carryovers for continuing capital and special projects.

The total General Fund actual expenditures were \$12,348,715 or 7.6% under the final budget. A portion of the variance, \$310,958 is attributable to outstanding encumbrances at June 30, 2020, 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 the appropriation of CARES Act funding for technology.
- All Other Functions with significant variances:
 - General Administration: County Administration and the Registrar were under budget as a result of vacancies and additional CARES Act funding for the Registrar's office not spent as of June 30, 2020.
 - Public Safety: Fire and Life Safety were under budget as a result of additional funding received through the CARES Act to support personnel costs for public health and safety employees.
 - Management Services: Budget and Human Resources were under budget as a result of vacancies and due to funding set aside for management training yet to occur.

- Public Works: this department realized savings from operations and personnel due to turnover and vacancies.
- Community Services: the department had savings from operations due to the cancellation of parks and recreation programs as a result of the coronavirus pandemic and the additional funding appropriated for the CARES Act Community Development Block Grant.
- Transfers Out: savings resulted from lower than budgeted match transfers for Social Services and the Debt Service funds.

GOVERNMENTAL FUNDS

The County maintains thirteen 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, County Capital and the Education Debt Service Funds, all of which are considered to be major funds.

The General Fund decreased by \$507,683 primarily due to an increase in expenditures and revenues received being less than the amounts in the budget due to a the coronavirus pandemic.

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. The Education Debt Service Fund accounts for debt service payments for School Division capital projects for which debt was issued.

For fiscal year ended June 30, 2020, the Tourism Fund had a decrease in fund balance of \$208,514. The Yorktown Capital Improvements Fund had an increase in fund deficit of \$237,956, mainly due to a Comte de Grasse sidewalk and drainage project. The County Capital Fund had a decrease in fund balance of \$1,217,941 as a result of a decrease in transfers from the General Fund to support capital projects offset by the bond proceeds.

PROPRIETARY FUNDS

The County reported operations for eight enterprise funds and four 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.

During fiscal year 2020, the internal service funds were used to account for the operation of the centralized motor vehicle pool, for health and dental insurance programs, claims and related expenses for workers' compensation and costs of providing computer technical support, software support, internet and telecommunications.

The Sewer Utility Fund earned \$11,215,726 through charges for services and \$1,493,198 from restaurant food taxes. 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 Health and Dental Insurance Fund, accounts for the health and dental insurance claims, payments to the insurance providers and the IRS as required by the Affordable Care Act, and the contributions from the County and employees. The Workers Compensation Fund accounts for the claims associated with workers compensation. The Information Technology Fund collects its revenues through charges for services imposed on the various County departments to which computer and

network software and hardware are assigned and a transfer from the General Fund for overall operations.

The enterprise funds in the aggregate had an increase in net position during the fiscal period of \$1,488,704, and the internal service funds reported a decrease in net position of \$316,524. The net position for the enterprise funds and internal service funds were \$121,544,571 and \$11,922,080, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the County's investment in capital assets for its governmental and business-type activities amounts to \$218,353,594 (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 equipment associated with a capital lease.

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 Position of the component unit School Division, while the related debt is reflected in the Statement of Net Position of the County.

The decrease in capital assets for business-type activities is driven by a reduction in capital contributions from developers donating sewer systems to the County; fewer additions compared to the prior year; and an increase for a full year of depreciation for assets entered into service during the previous year.

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>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>
Land	\$ 12,854,926	\$ 12,546,626	\$ 3,946,755	\$ 3,946,755	\$ 16,801,681	\$ 16,493,381
Easements	789,666	782,620	688,253	688,253	1,477,919	1,470,873
Construction in progress	1,339,091	8,929,042	3,991,047	3,167,735	5,330,138	12,096,777
Land improvements	5,475,389	5,944,364	43,020	39,397	5,518,409	5,983,761
Buildings	29,161,191	22,058,164	6,374,786	7,103,928	35,535,977	29,162,092
Building improvements	10,573,604	10,499,112	125,530	57,907	10,699,134	10,557,019
Infrastructure	7,277,552	7,724,789	106,937,960	107,568,845	114,215,512	115,293,634
Equipment	8,959,741	8,017,533	4,509,182	4,241,695	13,468,923	12,259,228
Vehicles	12,218,918	11,039,670	1,656,082	1,817,171	13,875,000	12,856,841
Computer software	<u>1,430,901</u>	<u>143,152</u>	<u>-</u>	<u>-</u>	<u>1,430,901</u>	<u>143,152</u>
Total	<u>\$ 90,080,979</u>	<u>\$ 87,685,072</u>	<u>\$ 128,272,615</u>	<u>\$ 128,631,686</u>	<u>\$ 218,353,594</u>	<u>\$ 216,316,758</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 2020, \$88,000 was transferred to the Yorktown Capital Improvements Fund from the General Fund for a sidewalk project. This fund had a \$3,516,318 deficit at June 30, 2020, resulting from a prior year advance from the Tourism Fund.

County Capital Fund

For fiscal year 2020, a transfer of \$6,858,208 was from the General Fund for future projects. Capital expenditures of \$10,920,810 included the following: fire station replacement, fire and life safety apparatus, biomedical equipment replacement, Yorktown Library expansion design work, financial software upgrade, work management software, backup power emergency shelters, tennis and basketball court repairs, heating and air conditioning repairs/replacement; roof, building, parking lot and grounds repairs/maintenance and VDOT intersection and road related projects.

Additional information on the County's capital assets can be found in note 5 beginning on page F-17 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 \$123,094,382. Capital leases, compensated absences, claims liabilities, net pension liability and net OPEB obligation are not included in these figures.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2019</u>
Bonds payable	\$ 103,489,477	\$ 99,717,345	\$ 19,604,905	\$ 19,963,073	\$ 123,094,382	\$ 119,680,418
Total	\$ 103,489,477	\$ 99,717,345	\$ 19,604,905	\$ 19,963,073	\$ 123,094,382	\$ 119,680,418

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 2020, the County paid debt service of \$4,260,000 and \$2,839,978 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 AAA and the Moody's rating is Aa1 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-21 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 2021 budget including the economic impact from the coronavirus pandemic. The fiscal year 2021 approved budget for the General Fund is \$143,659,900, a 1.9% decrease from the fiscal year 2020 budget. Local revenue, which includes property tax, sales, lodging, and occupational license taxes were expected to decrease from fiscal year 2020 by 2.2%.

The fiscal year 2021 Budget represents a cautious fiscal plan taking into consideration the uncertainty of the economic impacts of the coronavirus pandemic. It reflects a plan that invests in all of the Board's

strategic priorities as outlined in the Letter of Transmittal without a tax rate increase. In order to balance the General Fund budget for the reduced revenues, the expenditures and transfers to other funds required reduction. It includes no compensation adjustment for employees; overtime was reduced; all new positions recommended were excluded; and eliminated the proposed increase in funding for the schools. Expenditure reductions were made through-out the budget for other discretionary items such as: professional development, minor furnishings, small equipment and minor capital outlays. The majority of the planned cash capital funding for capital projects in FY2021 was eliminated except for contingency for essential projects and all years of the capital projects fund have been shifted out one year.

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 Theresa S. Owens, CPA, Finance Director, 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, 2020

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Marquis Community Development Authority
ASSETS						
Cash and investments	\$ 88,168,419	\$ 15,557,049	\$ 103,725,468	\$ 7,778,140	\$ 1,416,641	\$ -
Restricted cash	2,651,941	1,619,164	4,271,105	-	14,510	732,119
Receivables, net	16,090,540	2,928,113	19,018,653	3,926,437	163,148	6
Due from Primary Government	-	-	-	15,405,486	-	301,369
Due from component unit - EDA	-	13,295	13,295	-	-	-
Prepaid expenses	401,092	39,070	440,162	586,000	914	-
Other assets	-	-	-	-	1,802,579	-
Net OPEB asset	-	-	-	1,782,169	-	-
Net pension asset	-	-	-	10,046	-	-
Internal balances	2,400,000	(2,400,000)	-	-	-	-
Capital assets:						
Nondepreciable/nonamortizable	14,983,683	8,626,055	23,609,738	17,792,475	-	24,416,800
Depreciable/amortizable	157,005,547	199,749,303	356,754,850	256,224,438	860,517	9,000
Less accumulated depreciation/amortization	(81,908,251)	(80,102,743)	(162,010,994)	(103,421,732)	(245,999)	(9,000)
Total assets	<u>199,792,971</u>	<u>146,029,306</u>	<u>345,822,277</u>	<u>200,083,459</u>	<u>4,012,310</u>	<u>25,450,294</u>
DEFERRED OUTFLOWS OF RESOURCES						
Debt refundings resulting in loss transactions, net of accumulated amortization	1,242,744	398,590	1,641,334	-	-	-
OPEB costs	13,055,555	1,343,264	14,398,819	3,858,533	-	-
Pension costs	10,782,172	1,026,061	11,808,233	25,229,871	-	-
Total deferred outflows of resources	<u>25,080,471</u>	<u>2,767,915</u>	<u>27,848,386</u>	<u>29,088,404</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 224,873,442</u>	<u>\$ 148,797,221</u>	<u>\$ 373,670,663</u>	<u>\$ 229,171,863</u>	<u>\$ 4,012,310</u>	<u>\$ 25,450,294</u>
LIABILITIES						
Accounts payable	\$ 2,028,059	\$ 592,839	\$ 2,620,898	\$ 3,231,854	\$ 11,789	\$ 1,271
Retainage payable	175,900	34,172	210,072	-	-	-
Deposits payable	680,492	60,888	741,380	139	14,510	-
Salaries, taxes and benefits payable	1,721,517	176,638	1,898,155	16,492,086	-	-
Unearned revenues	4,905,946	1,262,468	6,168,414	310,822	65,082	4,958
Due to Primary Government	-	-	-	-	13,295	-
Due to component unit - School Division	15,405,486	-	15,405,486	-	-	-
Due to component unit - CDA	301,369	-	301,369	-	-	-
Accrued interest payable	1,537,106	112,137	1,649,243	-	-	409,600
Noncurrent liabilities:						
Due within one year	10,343,968	858,098	11,202,066	3,538,100	20,000	-
Due in more than one year	138,653,500	22,917,548	161,571,048	134,933,649	36,667	38,138,247
Total liabilities	<u>175,753,343</u>	<u>26,014,788</u>	<u>201,768,131</u>	<u>158,506,650</u>	<u>161,343</u>	<u>38,554,076</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes, fees and receivables	1,369,495	-	1,369,495	-	-	-
OPEB costs	10,292,729	1,062,493	11,355,222	1,015,524	-	-
Pension costs	1,828,875	175,369	2,004,244	12,155,034	-	-
Total deferred inflows of resources	<u>13,491,099</u>	<u>1,237,862</u>	<u>14,728,961</u>	<u>13,170,558</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	63,819,651	110,685,466	174,505,117	170,595,181	614,518	(12,492,647)
Restricted for:						
CARES Act Funding (Coronavirus)	3,872	-	3,872	-	-	-
Public safety	2,354,570	-	2,354,570	-	-	-
Tourism	296,522	-	296,522	-	-	-
Judicial services	82,685	-	82,685	-	-	-
Transportation improvements	717,738	-	717,738	-	-	-
Other purposes	28,817	-	28,817	1,792,215	-	-
Food service	-	-	-	1,355,041	-	-
Unrestricted (deficit)	<u>(31,674,855)</u>	<u>10,859,105</u>	<u>(20,815,750)</u>	<u>(116,247,782)</u>	<u>3,236,449</u>	<u>(611,135)</u>
Total net position	<u>35,629,000</u>	<u>121,544,571</u>	<u>157,173,571</u>	<u>57,494,655</u>	<u>3,850,967</u>	<u>(13,103,782)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 224,873,442</u>	<u>\$ 148,797,221</u>	<u>\$ 373,670,663</u>	<u>\$ 229,171,863</u>	<u>\$ 4,012,310</u>	<u>\$ 25,450,294</u>

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, 2020

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position						
					Primary Government			Discretely Presented Component Units			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Marquis Community Development Authority	
Primary Government:											
Governmental activities:											
General administration	\$ 4,468,101	\$ 260,592	\$ 84,579	\$ 331,164	\$ (3,791,766)	\$ -	\$ (3,791,766)	\$ -	\$ -	\$ -	
Judicial services	3,721,294	842,850	1,353,813	-	(1,524,631)	-	(1,524,631)	-	-	-	
Public safety	43,575,955	3,726,192	7,132,732	45,000	(32,672,031)	-	(32,672,031)	-	-	-	
Management services	11,861,804	536,482	613,880	-	(10,711,442)	-	(10,711,442)	-	-	-	
Education	68,609,783	37,231	172,387	320,003	(68,080,162)	-	(68,080,162)	-	-	-	
Human services	9,834,859	322,784	5,475,045	-	(4,037,030)	-	(4,037,030)	-	-	-	
Public works	14,572,672	1,339,954	43,230	1,317,803	(11,871,685)	-	(11,871,685)	-	-	-	
Community development	3,012,762	832,921	-	-	(2,179,841)	-	(2,179,841)	-	-	-	
Community services	5,682,266	253,967	228,306	429,447	(4,770,546)	-	(4,770,546)	-	-	-	
Interest and fiscal charges on noncurrent debt	3,518,196	-	-	-	(3,518,196)	-	(3,518,196)	-	-	-	
Total governmental activities	168,857,692	8,152,973	15,103,972	2,443,417	(143,157,330)	-	(143,157,330)	-	-	-	
Business-type activities:											
Sewer Utility	12,245,651	11,215,726	282,039	1,144,164	-	396,278	396,278	-	-	-	
Water Utility	326,842	317,101	-	-	-	(9,741)	(9,741)	-	-	-	
Solid Waste	5,742,136	5,847,097	10,182	-	-	115,143	115,143	-	-	-	
Yorktown Operations	158,295	137,906	-	-	-	(20,389)	(20,389)	-	-	-	
Sanitary Districts	418,134	-	-	-	-	(418,134)	(418,134)	-	-	-	
Regional Radio System	4,208,960	2,909,049	-	-	-	(1,299,911)	(1,299,911)	-	-	-	
Total business-type activities	23,100,018	20,426,879	292,221	1,144,164	-	(1,236,754)	(1,236,754)	-	-	-	
Total Primary Government	\$ 191,957,710	\$ 28,579,852	\$ 15,396,193	\$ 3,587,581	(143,157,330)	(1,236,754)	(144,394,084)	-	-	-	
Component units:											
School Division	\$ 157,378,301	\$ 2,382,713	\$ 77,016,050	\$ -	-	-	-	\$ (77,979,538)	\$ -	\$ -	
Economic Development Authority	1,458,196	346,210	-	-	-	-	-	-	(1,111,986)	-	
Marquis Community Development Authority	2,254,851	-	-	11,433	-	-	-	-	-	(2,243,418)	
Total component units	\$ 161,091,348	\$ 2,728,923	\$ 77,016,050	\$ 11,433	-	-	-	(77,979,538)	(1,111,986)	(2,243,418)	
General revenues:											
Taxes:											
Property taxes					93,017,827	-	93,017,827	-	-	-	
Local sales and use taxes					16,525,293	-	16,525,293	-	-	-	
Hotel and motel room taxes					3,793,734	-	3,793,734	-	-	-	
Restaurant food taxes					4,501,921	1,493,198	5,995,119	-	-	-	
Business license taxes					7,633,724	-	7,633,724	-	-	-	
Motor vehicle licenses					1,602,643	-	1,602,643	-	-	-	
Taxes on recordation and wills					1,777,073	-	1,777,073	-	-	-	
Other local taxes					1,744,306	-	1,744,306	-	-	-	
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,741,680	-	8,741,680	-	-	-	
Payment from Primary Government					-	-	-	65,291,097	568,035	1,095,244	
Unrestricted shared intergovernmental revenues					-	-	-	14,032,251	-	-	
Unrestricted investment earnings					859,654	133,285	992,939	3,523	13,400	-	
Miscellaneous					162,593	11,841	174,434	1,598,966	2,500	-	
Gain on disposal of capital assets					14,378	-	14,378	-	-	-	
Transfers					(1,087,134)	1,087,134	-	-	-	-	
Total general revenues and transfers					139,287,692	2,725,458	142,013,150	80,925,837	583,935	1,095,244	
Change in net position					(3,869,638)	1,488,704	(2,380,934)	2,946,299	(528,051)	(1,148,174)	
Net position, beginning					39,498,638	120,055,867	159,554,505	54,548,356	4,379,018	(11,955,608)	
Net position, ending					\$ 35,629,000	\$ 121,544,571	\$ 157,173,571	\$ 57,494,655	\$ 3,850,967	\$ (13,103,782)	

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

COUNTY OF YORK, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2020

ASSETS	General	Tourism Special Revenue	Capital Project		Debt Service Education	Nonmajor Governmental Funds	Total Governmental Funds
			Yorktown Capital Improvements	County Capital			
Cash and investments	\$ 42,160,329	\$ 215,292	\$ 460,812	\$ 20,821,671	\$ 105,087	\$ 14,181,283	\$ 77,944,474
Restricted cash	17,004	-	-	2,634,937	-	-	2,651,941
Receivables, net	13,341,008	118,119	56,667	884,253	28,200	1,711,705	16,139,952
Due from component unit - School Division	-	-	-	2,958,687	-	-	2,958,687
Prepaid expenditures	19,134	-	-	-	-	4,958	24,092
Advances to other funds	6,433,797	4,033,797	-	-	-	-	10,467,594
Total assets	<u>\$ 61,971,272</u>	<u>\$ 4,367,208</u>	<u>\$ 517,479</u>	<u>\$ 27,299,548</u>	<u>\$ 133,287</u>	<u>\$ 15,897,946</u>	<u>\$ 110,186,740</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 811,400	\$ 8,359	\$ -	\$ 679,572	\$ 12,500	\$ 155,701	\$ 1,667,532
Retainage payable	-	-	-	175,900	-	-	175,900
Deposits payable	680,492	-	-	-	-	-	680,492
Salaries, taxes and benefits payable	1,580,712	22,896	-	-	-	82,239	1,685,847
Unearned revenues	3,084,195	27,506	-	1,554,674	-	239,571	4,905,946
Due to component unit - School Division	18,364,173	-	-	-	-	-	18,364,173
Due to component unit - CDA	-	-	-	-	-	301,369	301,369
Advances from other funds	-	4,033,797	4,033,797	-	-	-	8,067,594
Total liabilities	<u>24,520,972</u>	<u>4,092,558</u>	<u>4,033,797</u>	<u>2,410,146</u>	<u>12,500</u>	<u>778,880</u>	<u>35,848,853</u>
Deferred inflows of resources:							
Unavailable revenues - property taxes, fees and grants	4,167,901	13,972	-	-	-	18,982	4,200,855
Prepaid taxes, fees and receivables	575,401	-	-	756,675	-	37,419	1,369,495
Total deferred inflows of resources	<u>4,743,302</u>	<u>13,972</u>	<u>-</u>	<u>756,675</u>	<u>-</u>	<u>56,401</u>	<u>5,570,350</u>
Fund balances (deficit):							
Nonspendable	6,452,931	-	-	-	-	-	6,452,931
Restricted	13,872	260,678	-	2,137,093	-	1,036,717	3,448,360
Committed	1,109,003	-	-	4,250,801	-	12,331,867	17,691,671
Assigned	7,560,552	-	-	17,744,833	120,787	1,694,081	27,120,253
Unassigned	17,570,640	-	(3,516,318)	-	-	-	14,054,322
Total fund balances (deficit)	<u>32,706,998</u>	<u>260,678</u>	<u>(3,516,318)</u>	<u>24,132,727</u>	<u>120,787</u>	<u>15,062,665</u>	<u>68,767,537</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 61,971,272</u>	<u>\$ 4,367,208</u>	<u>\$ 517,479</u>	<u>\$ 27,299,548</u>	<u>\$ 133,287</u>	<u>\$ 15,897,946</u>	<u>\$ 110,186,740</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, 2020

Fund balances - Total governmental funds \$ 68,767,537

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. 86,698,856

Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Unavailable revenue property taxes, fees and grants	\$ 4,200,855	
Less allowance for doubtful accounts, fees	<u>(85,734)</u>	4,115,121

Deferred outflows and inflows of resources related to the net pension and OPEB obligations are not recognized in the funds.

Deferred outflows of resources related to OPEB costs	\$ 12,799,846	
Deferred inflows of resources related to OPEB costs	(10,091,294)	
Deferred outflows of resources related to pension costs	10,567,829	
Deferred inflows of resources related to pension costs	<u>(1,792,598)</u>	11,483,783

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.

Deferred charge on refunded debt	\$ 2,049,699	
Less accumulated amortization	<u>(806,955)</u>	1,242,744

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 Position.

Assets

Current assets	\$ 10,637,267	
Capital assets	9,097,210	
Less accumulated depreciation/amortization	(5,715,087)	
Deferred outflows of resources	<u>470,052</u>	
	14,489,442	
Liabilities	(2,329,650)	
Deferred inflows of resources	<u>(237,712)</u>	11,922,080

Noncurrent assets/liabilities are not due and payable in the current period and; therefore, are not reported in the funds.

Accrued interest payable	\$ (1,537,106)	
Net OPEB liability	(10,542,264)	
Net pension liability	(24,868,196)	
General obligation bonds, net	(77,733,259)	
Capital leases	(1,515,179)	
Lease revenue bonds, net	(25,756,218)	
Compensated absences	<u>(6,648,899)</u>	(148,601,121)

Total net position - Statement of Net Position \$ 35,629,000

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, 2020

			<u>Capital Project</u>				
	<u>General</u>	<u>Tourism Special Revenue</u>	<u>Yorktown Capital Improvements</u>	<u>County Capital</u>	<u>Debt Service Education</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
General property taxes	\$ 91,587,798	\$ -	\$ -	\$ -	\$ -	\$ 337,062	\$ 91,924,860
Other local taxes	32,687,707	2,606,459	-	-	-	2,250,788	37,544,954
Intergovernmental:							
Federal	3,895,246	-	-	56,907	56,182	4,620,079	8,628,414
State	13,775,088	-	-	255,289	158,734	3,234,573	17,423,684
Permits, fees, and licenses	999,687	-	-	-	-	-	999,687
Fines and forfeitures	380,930	-	-	-	-	-	380,930
Use of money and property	790,945	69,266	11,081	197,364	-	96,637	1,165,293
Charges for services	3,813,003	-	-	-	-	14,602	3,827,605
Miscellaneous	672,445	-	-	10,000	-	49,018	731,463
Recovered costs	1,757,200	-	-	48,682	105,087	294,755	2,205,724
Total revenues	<u>150,360,049</u>	<u>2,675,725</u>	<u>11,081</u>	<u>568,242</u>	<u>320,003</u>	<u>10,897,514</u>	<u>164,832,614</u>
EXPENDITURES							
Current:							
General administration	2,861,717	-	-	-	-	-	2,861,717
Judicial services	3,195,915	-	-	-	-	3,666	3,199,581
Public safety	35,228,582	285,000	-	-	-	708,439	36,222,021
Management services	9,340,928	438,600	-	-	-	-	9,779,528
Education	58,770,874	-	-	-	8,000,000	1,757,293	68,528,167
Human services	1,527,837	-	-	-	-	7,964,727	9,492,564
Public works	8,672,688	108,050	-	-	-	-	8,780,738
Community development	2,534,211	-	-	-	-	-	2,534,211
Community services	2,939,422	2,014,157	-	-	-	474,909	5,428,488
Non-departmental	1,553,979	-	-	-	-	929,052	2,483,031
Capital outlay	-	-	337,037	10,838,652	-	4,137,890	15,313,579
Debt service:							
Principal retirement	-	38,432	-	-	4,260,000	2,523,463	6,821,895
Interest and fiscal charges	-	-	-	-	2,826,453	1,010,617	3,837,070
Debt issuance costs	-	-	-	82,158	13,525	2,500	98,183
Total expenditures	<u>126,626,153</u>	<u>2,884,239</u>	<u>337,037</u>	<u>10,920,810</u>	<u>15,099,978</u>	<u>19,512,556</u>	<u>175,380,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,733,896</u>	<u>(208,514)</u>	<u>(325,956)</u>	<u>(10,352,568)</u>	<u>(14,779,975)</u>	<u>(8,615,042)</u>	<u>(10,548,159)</u>
OTHER FINANCING SOURCES (USES)							
Insurance recovery	27,734	-	-	-	-	-	27,734
Transfers in	166,192	-	88,000	6,858,208	6,735,979	9,862,219	23,710,598
Issuance of debt	-	-	-	2,185,000	8,000,000	-	10,185,000
Premium on bonds issued	-	-	-	491,419	-	-	491,419
Transfers out	(24,435,505)	-	-	(400,000)	-	(166,192)	(25,001,697)
Total other financing sources and (uses), net	<u>(24,241,579)</u>	<u>-</u>	<u>88,000</u>	<u>9,134,627</u>	<u>14,735,979</u>	<u>9,696,027</u>	<u>9,413,054</u>
Net change in fund balance	(507,683)	(208,514)	(237,956)	(1,217,941)	(43,996)	1,080,985	(1,135,105)
Fund balance (deficit), beginning of year	33,214,681	469,192	(3,278,362)	25,350,668	164,783	13,981,680	69,902,642
Fund balance (deficit), end of year	<u>\$ 32,706,998</u>	<u>\$ 260,678</u>	<u>\$ (3,516,318)</u>	<u>\$ 24,132,727</u>	<u>\$ 120,787</u>	<u>\$ 15,062,665</u>	<u>\$ 68,767,537</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, 2020

Net change in fund balances - total governmental funds \$ (1,135,105)

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. Capital outlay expenditures, depreciation and amortization expenses and the loss on disposal of capital assets in the current period are provided below.

Capital outlay expenditures	\$ 7,592,113	
Capital contribution of equipment	3,965	
Transfer of capital asset to proprietary fund	(899)	
Depreciation and amortization expenses	(5,286,443)	
Loss on disposal of capital assets	<u>(117,413)</u>	2,191,323

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenues changed by this amount in the current year. 1,141,823

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 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	\$ 6,821,895	
Issuance of debt	(10,185,000)	
Premium on issuance of noncurrent debt, net	(491,419)	
Amortization of premium on issuance of noncurrent debt	564,287	
Amortization of deferred charge on refunded debt	<u>(186,590)</u>	(3,476,827)

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. Retirement liabilities, accrued interest and compensated absences changed by the amounts provided below in the current year.

Accrued interest payable	\$ 39,360	
Net OPEB liability	(18,733)	
Net pension liability	(2,125,263)	
Compensated absences	<u>(169,692)</u>	(2,274,328)

The internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds are reported with governmental activities. (316,524)

Change in net position of governmental activities \$ (3,869,638)

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

COUNTY OF YORK, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 12,969,405	\$ 2,587,644	\$ 15,557,049	\$ 10,223,945
Restricted cash	1,619,164	-	1,619,164	-
Receivable, net	1,929,630	998,483	2,928,113	36,322
Due from component unit - EDA	-	13,295	13,295	-
Prepaid expenses	5,939	33,131	39,070	377,000
Total current assets	<u>16,524,138</u>	<u>3,632,553</u>	<u>20,156,691</u>	<u>10,637,267</u>
Noncurrent assets:				
Nondepreciable capital assets:				
Land	501,353	3,445,402	3,946,755	-
Construction in progress	3,991,047	-	3,991,047	17,660
Easements	677,308	10,945	688,253	-
Depreciable capital assets:				
Land improvements	68,920	-	68,920	262,573
Buildings	18,155,052	5,033,608	23,188,660	-
Buildings improvements	130,819	295,438	426,257	-
Infrastructure	139,391,897	23,422,860	162,814,757	-
Equipment	5,339,950	4,591,195	9,931,145	1,666,250
Vehicles	1,751,472	1,497,820	3,249,292	7,049,215
Computer software	70,272	-	70,272	101,512
Less accumulated depreciation	(53,768,899)	(26,263,572)	(80,032,471)	(5,613,575)
Less accumulated amortization	(70,272)	-	(70,272)	(101,512)
Total noncurrent assets	<u>116,238,919</u>	<u>12,033,696</u>	<u>128,272,615</u>	<u>3,382,123</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt refundings resulting in loss transactions, net of accumulated amortization	398,590	-	398,590	-
Deferred outflows related to OPEB costs	1,128,179	215,085	1,343,264	255,709
Deferred outflows related to pension costs	817,064	208,997	1,026,061	214,343
Total deferred outflows	<u>2,343,833</u>	<u>424,082</u>	<u>2,767,915</u>	<u>470,052</u>
Total assets and deferred outflows of resources	<u>\$ 135,106,890</u>	<u>\$ 16,090,331</u>	<u>\$ 151,197,221</u>	<u>\$ 14,489,442</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 118,951	\$ 473,888	\$ 592,839	\$ 360,527
Retainage payable	34,172	-	34,172	-
Deposits payable	48,888	12,000	60,888	-
Salaries, taxes and benefits payable	140,675	35,963	176,638	35,670
Unearned revenue	1,201,198	61,270	1,262,468	-
Accrued interest payable	112,137	-	112,137	-
Revenue bonds	836,898	-	836,898	-
Compensated absences	20,000	1,200	21,200	5,000
Total current liabilities	<u>2,512,919</u>	<u>584,321</u>	<u>3,097,240</u>	<u>401,197</u>
Noncurrent liabilities:				
Revenue bonds	18,768,007	-	18,768,007	-
Compensated absences	555,556	78,665	634,221	123,561
Claims payable	-	-	-	1,089,900
Net OPEB liability	898,015	184,425	1,082,440	211,733
Net pension liability	1,937,962	494,918	2,432,880	503,259
Advance from other fund	-	2,400,000	2,400,000	-
Total noncurrent liabilities	<u>22,159,540</u>	<u>3,158,008</u>	<u>25,317,548</u>	<u>1,928,453</u>
Total liabilities	<u>24,672,459</u>	<u>3,742,329</u>	<u>28,414,788</u>	<u>2,329,650</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB costs	893,980	168,513	1,062,493	201,435
Deferred inflows related to pension costs	139,694	35,675	175,369	36,277
Total deferred inflows of resources	<u>1,033,674</u>	<u>204,188</u>	<u>1,237,862</u>	<u>237,712</u>
NET POSITION				
Net investment in capital assets	98,651,770	12,033,696	110,685,466	3,382,124
Unrestricted	<u>10,748,987</u>	<u>110,118</u>	<u>10,859,105</u>	<u>8,539,956</u>
Total net position	<u>109,400,757</u>	<u>12,143,814</u>	<u>121,544,571</u>	<u>11,922,080</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 135,106,890</u>	<u>\$ 16,090,331</u>	<u>\$ 151,197,221</u>	<u>\$ 14,489,442</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, 2020

	<u>Business-type Activities</u>			<u>Governmental Activities</u>
	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating Revenues				
Use of property	\$ -	\$ 3,157,795	\$ 3,157,795	\$ -
Charges for services	11,215,726	6,053,358	17,269,084	18,692,486
Miscellaneous	<u>1,313</u>	<u>10,528</u>	<u>11,841</u>	<u>69,764</u>
Total operating revenues	<u>11,217,039</u>	<u>9,221,681</u>	<u>20,438,720</u>	<u>18,762,250</u>
Operating Expenses				
Personal services	4,828,712	1,193,552	6,022,264	2,154,376
Contractual services	508,049	8,253,953	8,762,002	14,977,360
Materials and supplies	1,823,905	528,187	2,352,092	1,636,368
Depreciation	<u>3,806,791</u>	<u>878,675</u>	<u>4,685,466</u>	<u>587,133</u>
Total operating expenses	<u>10,967,457</u>	<u>10,854,367</u>	<u>21,821,824</u>	<u>19,355,237</u>
Operating income (loss)	<u>249,582</u>	<u>(1,632,686)</u>	<u>(1,383,104)</u>	<u>(592,987)</u>
Nonoperating Revenues (Expenses)				
Other local taxes	1,493,198	-	1,493,198	-
Federal subsidy for interest on debt	282,039	-	282,039	-
Grant income	-	10,182	10,182	-
Interest income	115,305	17,980	133,285	58,639
Amortization of debt premium	118,846	-	118,846	-
Interest and fiscal charges	(1,390,340)	-	(1,390,340)	-
Gain (loss) on disposal of capital assets	<u>(6,700)</u>	<u>-</u>	<u>(6,700)</u>	<u>14,378</u>
Total nonoperating revenues (expenses), net	<u>612,348</u>	<u>28,162</u>	<u>640,510</u>	<u>73,017</u>
Income (loss) before contributions and transfers, net	861,930	(1,604,524)	(742,594)	(519,970)
Capital Contributions	1,144,164	-	1,144,164	33,090
Transfers In	-	1,098,667	1,098,667	200,000
Transfers Out	<u>(11,533)</u>	<u>-</u>	<u>(11,533)</u>	<u>(29,644)</u>
Change in net position	1,994,561	(505,857)	1,488,704	(316,524)
Total net position, beginning of year	<u>107,406,196</u>	<u>12,649,671</u>	<u>120,055,867</u>	<u>12,238,604</u>
Total net position, end of year	<u>\$ 109,400,757</u>	<u>\$ 12,143,814</u>	<u>\$ 121,544,571</u>	<u>\$ 11,922,080</u>

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, 2020

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,455,837	\$ 10,351,816	\$ 21,807,653	\$ 18,708,748
Other receipts	1,313	10,528	11,841	69,764
Payments to suppliers for goods and services	(2,526,953)	(9,000,900)	(11,527,853)	(16,856,969)
Payments to employees for services	(4,601,753)	(1,178,555)	(5,780,308)	(2,097,891)
Payment for interfund activity	-	(50,000)	(50,000)	-
Net cash provided by (used in) operating activities	<u>4,328,444</u>	<u>132,889</u>	<u>4,461,333</u>	<u>(176,348)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant income	-	10,182	10,182	-
Transfers in	-	1,091,109	1,091,109	200,000
Transfers out	(10)	-	(10)	-
Net cash provided by (used in) noncapital financing activities	<u>(10)</u>	<u>1,101,291</u>	<u>1,101,281</u>	<u>200,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(3,192,972)	-	(3,192,972)	(835,723)
Net proceeds from the disposal of capital assets	75	-	75	61,830
Other receipts	1,493,198	-	1,493,198	-
Federal subsidy for interest on debt	282,039	-	282,039	-
Proceeds from capital debt	10,755,000	-	10,755,000	-
Refunding of capital debt	(13,000,000)	-	(13,000,000)	-
Premium and deferred charge from refunding of capital debt	2,558,152	-	2,558,152	-
Principal paid on capital debt	(570,000)	-	(570,000)	-
Interest paid on capital debt	(1,454,991)	-	(1,454,991)	-
Net cash used in capital and related financing activities	<u>(3,129,499)</u>	<u>-</u>	<u>(5,687,651)</u>	<u>(773,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	115,305	17,980	133,285	58,639
Net cash provided by investing activities	<u>115,305</u>	<u>17,980</u>	<u>133,285</u>	<u>58,639</u>
Net increase (decrease) in cash and cash equivalents	1,314,240	1,252,160	2,566,400	(691,602)
Cash and cash equivalents, beginning of year	<u>13,274,329</u>	<u>1,335,484</u>	<u>14,609,813</u>	<u>10,915,547</u>
Cash and cash equivalents, end of year	<u>\$ 14,588,569</u>	<u>\$ 2,587,644</u>	<u>\$ 17,176,213</u>	<u>\$ 10,223,945</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments	\$ 12,969,405	\$ 2,587,644	\$ 15,557,049	\$ 10,223,945
Restricted cash	1,619,164	-	1,619,164	-
Cash and cash equivalents, end of year	<u>\$ 14,588,569</u>	<u>\$ 2,587,644</u>	<u>\$ 17,176,213</u>	<u>\$ 10,223,945</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 249,582	\$ (1,632,686)	\$ (1,383,104)	\$ (592,987)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,806,791	878,675	4,685,466	587,133
Decrease (increase) in:				
Receivables	241,711	1,135,088	1,376,799	18,551
Due from/to component unit - EDA	-	4,032	4,032	-
Prepaid expenses	-	3,201	3,201	-
Increase (decrease) in:				
Accounts payable	(208,792)	(218,760)	(427,552)	(186,041)
Retainage payable	13,689	-	13,689	-
Deposits payable	104	-	104	-
Salaries, taxes and benefits payable	(35,285)	(4,465)	(39,750)	(11,164)
Unearned revenues	(1,600)	(1,658)	(3,258)	(2,289)
Net OPEB liability and related outflows/inflows	(11,593)	(4,330)	(15,923)	6,334
Net pension liability and related outflows/inflows	167,999	36,317	204,316	55,854
Claims payable	-	-	-	(57,200)
Compensated absences	105,838	(12,525)	93,313	5,461
Advance from other fund	-	(50,000)	(50,000)	-
Net cash provided by (used in) operating activities	<u>\$ 4,328,444</u>	<u>\$ 132,889</u>	<u>\$ 4,461,333</u>	<u>\$ (176,348)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 1,144,164	\$ -	\$ 1,144,164	\$ 33,090
Transfer in of capital assets	\$ -	\$ 7,558	\$ 7,558	\$ -
Transfer out of capital assets	<u>\$ 11,523</u>	<u>\$ -</u>	<u>\$ 11,523</u>	<u>\$ (29,644)</u>

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

COUNTY OF YORK, VIRGINIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

ASSETS	Other Postemployment Benefits Trust Fund	Agency Funds
Cash	\$ -	\$ 5,223,967
Investments at fair value:		
Investment in pooled funds - County		
Fixed Income	2,111,035	-
Stocks	5,931,004	-
Real Estate	703,678	-
Alternative Investments	1,306,831	-
Investment in pooled funds - School Division		
Fixed Income	1,643,491	-
Stocks	4,617,429	-
Real Estate	547,830	-
Alternative Investments	1,017,399	-
Investment in pooled funds - Colonial Behavioral Health		
Fixed Income	20,265	-
Stocks	56,935	-
Real Estate	6,755	-
Alternative Investments	12,545	-
Other receivables	-	66,529
Total assets	<u>\$ 17,975,197</u>	<u>\$ 5,290,496</u>
 LIABILITIES		
Accounts payable	\$ -	\$ 705,844
Salaries, taxes and benefits payable	-	273,995
Amounts held for others	-	4,310,657
Total liabilities	<u>\$ -</u>	<u>\$ 5,290,496</u>
 NET POSITION		
Restricted for postemployment benefits other than pensions	<u>\$ 17,975,197</u>	
Total liabilities and net position	<u>\$ 17,975,197</u>	

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

COUNTY OF YORK, VIRGINIA
Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Fund
For the Year Ended June 30, 2020

	Other Postemployment Benefits Trust Fund
ADDITIONS	
Contributions:	
County	\$ 1,070,691
School Division	389,344
Colonial Behavioral Health	174,397
Total contributions	<u>\$ 1,634,432</u>
Investment earnings:	
Net increase in fair value of investments	\$ 523,081
Less administrative expenses	<u>(20,332)</u>
Total investment earnings, net	<u>502,749</u>
 Total additions	 <u>\$ 2,137,181</u>
DEDUCTIONS	
Retirement benefits	\$ 1,454,069
Total deductions	<u>\$ 1,454,069</u>
 Change in net position	 <u>683,112</u>
Total net position restricted for postemployment benefits other than pensions, beginning of year	<u>17,292,085</u>
Total net position restricted for postemployment benefits other than pensions, end of year	<u>\$ 17,975,197</u>

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

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COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

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 2020, GASB issued GASB Statement No. 95 ("GASB 95"), *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of the pronouncements by one year.

The Reporting Entity

The County's financial reporting entity is defined and its financial statements are presented in accordance with GAAP where in it defines 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. 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and a description of each follows:

The **York County School Division (the School Division)** is a separate legal entity that 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 Board; however, the School Division is fiscally dependent upon the County because the Board of Supervisors approves the School Division's annual budget and levies the necessary taxes to finance the School Division's operations. The Board of Supervisors makes an annual appropriation to the School Division, but is prohibited from exercising any control over specific expenditures of the School Division's operating funds. The School Division may not issue debt, so the Board of Supervisors borrows funds to finance the acquisition, construction, and improvement of School Division property. The School Division holds title to this property, while the County remains responsible for repayment of the debt. The majority of the School Division's funding is from the County and the Commonwealth of Virginia. 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* (Code). The 2004 General Assembly amended the Code 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 the 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
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The CDA is fiscally dependent upon the County for the remittance of the incremental tax revenues to fund the CDA's debt service requirements. On November 28, 2007, the Authority issued \$32,860,000 Revenue Bonds, Series 2007 which were restructured on March 1, 2012. On October 27, 2015, the CDA issued convertible capital appreciation revenue bonds. The principal of and the interest on the 2007 bonds do not constitute a pledge of the faith and credit of the County and therefore the faith and credit of the County have not been pledged to the payment of the principal of or interest on the 2007 bonds. The issuance of the bonds does not directly, indirectly or contingently obligate the 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, the County is expressly precluded from paying the principal of or interest on the 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 Theresa S. Owens, 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 GAAP.

The **Virginia Peninsulas Public Service Authority (VPPSA)** was established under the Code, Virginia Water and Sewer Authorities Act. 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 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. 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The **Eastern Virginia Regional Industrial Facility Authority (EVRIFA)** was created pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400, et seq., of the Code to provide a regional authority mechanism for member localities to cooperate in developing, owning, and operating one or more facilities through combined action. The EVRIFA was established in November 2018. A separate thirteen-primary member board, of which the County Board of Supervisor serves as a member and the County appoints one representative, governs the EVRIFA. The EVRIFA is fiscally independent of the County because substantially all of its income is generated from a GO Virginia grant.

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 Net Position provides information on assets and deferred outflows of resources, liabilities and deferred inflows of resources and the net position. 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

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.

The County reports the following nonmajor governmental funds:

Special Revenue Funds: The Revenue Stabilization, Children and Family Services, Virginia Public Assistance, Grant and Donations, 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Health and Dental Insurance Fund accounts for the payment of claims and other expenses related to medical and dental benefits provided to employees and retirees. The Workers' Compensation Fund accounts for the claims and related expenses for workers' compensation. The Information Technology Fund accounts for the costs of providing computer technical support, software support, internet and telecommunications services.

Fiduciary Funds:

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, and the Darby-Firby Neighborhood Corporation.

Other Postemployment Benefits (OPEB) Trust Fund: Accounts for the resources held in trust for members and beneficiaries other postemployment benefits.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2019 and June 25, 2020, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar year 2019 and 2020 was \$0.795, 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, 2019, and June 25, 2020, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2019 and 2020 was \$4.00 per \$100 of assessed value.

The County's property tax collection records show that 96.55% 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 consumption method.

Prepays

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

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 acquired prior to 2002 that meets the County's capitalization threshold 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 cost \$10,000 or more; and buildings and improvements that individually cost \$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 acquisition 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, 2020 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
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County's deferred outflows of resources consist of the amount by which the principal and premium of a refunding bond exceed the net carrying amount of the refunded debt and amounts related to pension and OPEB costs. The deferred outflow associated with the refunded debt is being amortized over the remaining life of the refunded debt. Changes of assumptions, differences between projected and actual earnings on investments, differences between expected and actual experience, and changes in proportion and differences between employer contributions and proportionate share of contributions on pension plan investments are actuarially determined and recorded as deferred outflows. Additionally, employer contributions subsequent to the measurement date will be recognized as a reduction of the liability in the following fiscal year. Other amounts reported as deferred outflows of resources will be amortized according to the actuarial amortization calculation. See note 10 and 11 for further details.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Under the modified accrual basis of accounting, the County has revenues, which are applicable to a future period, and will not be recognized until the period they become available. These amounts are recorded on the governmental funds' Balance Sheet as a deferred inflow of resources. Deferred revenue for prepaid taxes, fees and receivables are recorded as deferred inflows in the government-wide financial statements. Additionally, amounts related to pension and OPEB costs are actuarially determined and recorded as deferred inflows in the government-wide financial statements and proprietary funds' Balance Sheet. These inflows include differences between expected and actual experience, differences between projected and actual earnings, changes of assumptions and changes in proportionate share. Other amounts reported as deferred inflows of resources will be amortized according to the actuarial amortization calculation. See note 10 and 11 for further details.

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). 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) 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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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.

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, liabilities and deferred flows of resources and related disclosures to prepare these financial statements in conformity with GAAP. 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 10.33% 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* (Code), 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

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. 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, bankers' 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 a manner consistent with the "2a7 like pool" risk limiting requirements of GAAP with the portfolio securities valued by the amortized cost method, which approximates fair value. 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.

The County and the School Division are participates in the Virginia Pooled OPEB Trust administered by the VML/VACo Finance Program. Funds of participating jurisdictions are pooled and invested in the name of the Virginia Pooled OPEB Trust. The County and School Division's investment amounts are reported on the Fiduciary Fund statements on pages E-8 and E-9. The Board of Trustees of the Virginia Pooled OPEB Trust have adopted an investment policy to maximize total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. Investments are structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Investment decisions for the fund's assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies in light of market and economic conditions and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments through the appointment and oversight of investment managers and ensures adherence to the adopted policies and guidelines. Specific investment information and written investment policies for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 919 E. Main Street, Suite 1100, Richmond, VA 23219.

The carrying amount of the Primary Government's cash and investments at June 30, 2020 is as follows:

	Amount
Restricted cash	\$ 4,271,105
Investments	36,131,280
Deposits with financial institutions	72,813,810
Petty cash	4,345
Total cash and investments	<u>\$ 113,220,540</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

2. DEPOSITS AND INVESTMENTS (Continued)

A reconciliation to the basic financial statements is as follows:

	Primary Government and Agency Funds	School Division Component Unit	Economic Development Authority Component Unit	Community Development Authority Component Unit	Total
Cash and investments	\$ 103,725,468	\$ 7,778,140	\$ 1,416,641	\$ -	\$ 112,920,249
Restricted cash	4,271,105	-	14,510	732,119	5,017,734
Fiduciary funds:					
Restricted cash	-	82,116	-	-	82,116
Restricted investments	-	1,486,712	-	-	1,486,712
Agency funds	5,223,967	1,589,422	-	-	6,813,389
Total cash and investments	<u>\$ 113,220,540</u>	<u>\$ 10,936,390</u>	<u>\$ 1,431,151</u>	<u>\$ 732,119</u>	<u>\$ 126,320,200</u>

Restricted Cash

The County's restricted cash of \$4,271,105 at June 30, 2020 consisted of the following: \$4,000 of surety deposits for junkyards held in the County and junkyards' names; \$13,004 of surety deposits for developments; \$2,634,937 for debt reserves on the 2020 bonds; \$100,056 for debt reserves on the 2010 sewer revenue bonds; and \$1,519,108 for debt reserves on the 2020 sewer revenue bonds.

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, 2020, the County's investments as rated by Standard & Poor's were as follows:

Investment Type	AAA	AA+	Unrated
LGIP	\$ 4,475,814	\$ -	\$ -
Money market	-	-	17,430
Treasury bills	-	14,903,854	-
Municipal bonds	1,572,100	-	-
Federal agency bonds and notes	-	15,162,082	-
Total investments	<u>\$ 6,047,914</u>	<u>\$ 30,065,936</u>	<u>\$ 17,430</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
June 30, 2020

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, 2020, the carrying values and weighted average maturity of the County's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity in Years
Money market	\$ 17,430	0.02
Treasury bills	14,903,854	0.53
Federal agency bonds and notes	15,162,082	1.05
Municipal Bonds	1,572,100	1.03
Total investments	<u>\$ 31,655,466</u>	
Weighted average of portfolio		<u>0.70</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, 2020, all of the County's investments were held in a bank's trust department in the County's name.

Fair Value Hierarchy

GAAP establishes a hierarchy (3 Levels) of valuation techniques used to measure fair value. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are inputs other than quoted prices that are observable either directly or indirectly. Level 3 inputs are unobservable inputs. The County has the following fair value measurements as of June 30, 2020:

Fair Value Measurements Using

Investments- At fair value	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market	\$ 17,430	\$ 17,430	\$ -
Treasury bills	14,903,854	13,904,174	999,680
Federal agency bonds and notes	15,162,082	5,301,324	9,860,758
Municipal Bonds	1,572,100	-	1,572,100
Total investments	<u>\$ 31,655,466</u>	<u>\$ 19,222,928</u>	<u>\$ 12,432,538</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

2. DEPOSITS AND INVESTMENTS (Continued)

In addition, investments held by the Virginia Pooled OPEB Trust Fund in the pool in which the County and the School Division participate (Portfolio I) as reported by the Fund's investment advisor, Asset Consulting Group, at June 30, 2020 are \$1.031 billion, of which the County, School Division and the Colonial Behavioral Health have \$17,975,197 invested.

Investments measured at fair value using net asset value per share (VML/VACo Pooled OPEB Trust) are not classified in the fair value hierarchy. The VML/VACo Pooled OPEB Trust categorizes their investments within the fair value hierarchy established by GAAP. A government is permitted, in certain circumstances, to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the VML/VACo Pooled OPEB Trust are valued using the NAV per share, which is determined by dividing the total value of the Trust by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the Trust. Generally, VML/VACo Pooled OPEB Trust participants may redeem their investment at the end of a calendar quarter upon 90 days; written notice.

Discretely Presented Component Units

At June 30, 2020, and excluding fiduciary funds of \$3,158,250 not held by the County Treasurer, the School Division had investments of \$176,463 with LGIP, rated AAA by Standard and Poor's. At June 30, 2020, the EDA had bank deposits of \$1,008,134 (\$14,510 of which was restricted for tenant security deposits) and investments in LGIP of \$423,017, rated AAAM by Standard & Poor's. The CDA's restricted cash and investments of \$732,119 at June 30, 2020, consisted of unspent bond proceeds. The total amount was invested in the U.S. Treasury money market funds. The U.S. Treasury money market funds are rated AAAM by Standard & Poor's and were stated at cost, which approximates fair value.

3. RECEIVABLES

At June 30, 2020, receivables were as follows:

	<u>General</u>	<u>Tourism</u>	<u>Yorktown Capital Imps</u>	<u>County Capital</u>	<u>Education Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
Property taxes	\$ 5,858,601	\$ -	\$ -	\$ -	\$ -	\$ 36,129	\$ -	\$ -	\$ -
Vehicle registration fees	607,580	-	-	-	-	-	-	-	-
Other taxes	3,141,699	178,181	-	-	-	210,945	112,584	-	-
Accounts	245,758	-	-	65,300	-	115,515	1,906,254	1,045,544	36,322
Interest	-	-	-	-	-	-	-	-	-
Notes	-	-	56,667	756,675	-	-	-	-	-
Intergovernmental:									
Federal	317,339	-	-	3,828	28,200	946,872	-	-	-
State	4,469,117	-	-	58,450	-	402,244	-	-	-
Receivables, gross	14,640,094	178,181	56,667	884,253	28,200	1,711,705	2,018,838	1,045,544	36,322
Less allowance for doubtful accounts	(1,299,086)	(60,062)	-	-	-	-	(89,208)	(47,061)	-
Receivables, net	<u>\$ 13,341,008</u>	<u>\$ 118,119</u>	<u>\$ 56,667</u>	<u>\$ 884,253</u>	<u>\$ 28,200</u>	<u>\$ 1,711,705</u>	<u>\$ 1,929,630</u>	<u>\$ 998,483</u>	<u>\$ 36,322</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Advance from Fund</u>	<u>Advance to Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Tourism	Infrastructure	\$ 4,033,797
	Nonmajor Enterprise Funds	Land purchase	<u>2,400,000</u>
Total Advances to other funds			<u>\$ 6,433,797</u>
	Yorktown Capital Improvements		
Tourism		Infrastructure	<u>\$ 4,033,797</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 the lodging tax revenue generated by tourism. There was no repayment made in FY2020 due to the decline in Tourism revenues related to the coronavirus pandemic. 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	<u>\$ 18,364,173</u>
School Division	County of York	Construction	<u>\$ 2,958,687</u>
EDA	County of York	Riverwalk Landing lease	<u>\$ 13,295</u>
County of York	CDA	Incremental tax revenues	<u>\$ 301,369</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS *(Continued)*

Transfers In and Out:

<u>Fund</u>	<u>Transfers Out Fund</u>	<u>Transfers In Fund</u>
General	\$ 24,435,505	\$ 166,192
Yorktown Capital Improvements	-	88,000
County Capital	400,000	6,858,208
Debt Service Education	-	6,735,979
Nonmajor governmental	166,192	9,862,219
Sewer Utility	11,533	-
Nonmajor enterprise	-	1,098,667
Internal service	29,644	200,000
Total	<u>\$ 25,042,874</u>	<u>\$ 25,009,265</u>

The difference between transfers out and transfers in of \$33,609 represents a capital asset transferred from the Enterprise Fund – Sewer Utility and Internal Service Fund – Vehicle Maintenance to the General Fund, which does not report capital assets in the fund statements.

Significant transactions between the Primary Government and component units during fiscal year 2020 were as follows:

Payments from County to School Division for School operations	\$ 55,737,094
Payments from County to School Division for school capital projects	917,706
Payments to County from School Division - year-end reversion entry	<u>(1,109,003)</u>
Total General Fund	<u>\$ 55,545,797</u>
Payments from County to School Division for School operations	\$ 200,000
Payments from County to School Division for school capital projects	<u>1,545,300</u>
Total Nonmajor Special Revenue Fund	<u>\$ 1,745,300</u>
Bond proceeds from County to School Division for construction -	
Education Debt Service	<u>\$ 8,000,000</u>
Statement of Activities - Payment from County of York	<u>\$ 65,291,097</u>
Payment from County General Fund to Economic Development Authority	
for operations; Statement of Activities - Payment from County of York	<u>\$ 568,035</u>
Payment from County to Community Development Authority for incremental tax revenue -	
Nonmajor Governmental Fund; Statement of Activities - Payment from County of York	<u>\$ 1,095,244</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

Primary Government:

Governmental Activities:	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated/amortized:				
Land	\$ 12,546,626	\$ 308,300	\$ -	\$ 12,854,926
Easements	782,620	7,046	-	789,666
Construction in progress	8,929,042	3,519,419	(11,109,370)	1,339,091
Total capital assets not being depreciated/amortized	22,258,288	3,834,765	(11,109,370)	14,983,683
Capital assets being depreciated/amortized:				
Land improvements	23,294,074	732,761	-	24,026,835
Buildings	37,524,147	7,916,050	-	45,440,197
Building improvements	13,978,263	464,104	-	14,442,367
Infrastructure	15,115,891	26,900	-	15,142,791
Equipment	29,278,808	2,591,931	(1,533,479)	30,337,260
Vehicles	23,050,237	2,684,834	(930,511)	24,804,560
Computer software	1,355,041	1,456,496	-	2,811,537
Total capital assets being depreciated/amortized	143,596,461	15,873,076	(2,463,990)	157,005,547
Less accumulated depreciation/amortization for:				
Land improvements	(17,349,710)	(1,201,736)	-	(18,551,446)
Buildings	(15,465,983)	(813,023)	-	(16,279,006)
Building improvements	(3,479,151)	(389,612)	-	(3,868,763)
Infrastructure	(7,391,102)	(474,137)	-	(7,865,239)
Equipment	(21,261,275)	(1,471,908)	1,355,664	(21,377,519)
Vehicles	(12,010,567)	(1,354,412)	779,337	(12,585,642)
Computer software	(1,211,889)	(168,747)	-	(1,380,636)
Total accumulated depreciation/amortization	(78,169,677)	(5,873,575)	2,135,001	(81,908,251)
Total capital assets being depreciated/amortized, net	65,426,784	9,999,501	(328,989)	75,097,296
Governmental activities capital assets, net	\$ 87,685,072	\$ 13,834,266	\$ (11,438,359)	\$ 90,080,979

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

5. CAPITAL ASSETS (Continued)

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

General administration	\$ 1,044,969
Judicial services	328,503
Public safety	2,098,355
Management services	292,127
Education	101,526
Human services	9,237
Public works	308,599
Community services	1,103,127
Internal Service Fund - charged to functions based on usage	<u>587,132</u>
Total depreciation and amortization expenses - governmental activities	<u>\$ 5,873,575</u>

Business-type Activities:	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated/amortized:				
Land	\$ 3,946,755	\$ -	\$ -	\$ 3,946,755
Easements	688,253	-	-	688,253
Construction in progress	<u>3,167,735</u>	<u>2,285,680</u>	<u>(1,462,368)</u>	<u>3,991,047</u>
Total capital assets not being depreciated/amortized	<u>7,802,743</u>	<u>2,285,680</u>	<u>(1,462,368)</u>	<u>8,626,055</u>
Capital assets being depreciated/amortized:				
Land improvements	62,025	6,895	-	68,920
Buildings	23,188,660	-	-	23,188,660
Building improvements	348,727	77,530	-	426,257
Infrastructure	160,253,976	2,560,781	-	162,814,757
Equipment	9,354,124	838,475	(261,454)	9,931,145
Vehicles	3,209,092	40,200	-	3,249,292
Computer software	<u>70,272</u>	<u>-</u>	<u>-</u>	<u>70,272</u>
Total capital assets being depreciated/amortized	<u>196,486,876</u>	<u>3,523,881</u>	<u>(261,454)</u>	<u>199,749,303</u>
Less accumulated depreciation/amortization for:				
Land improvements	(22,628)	(3,272)	-	(25,900)
Buildings	(16,084,732)	(729,142)	-	(16,813,874)
Building improvements	(290,820)	(9,907)	-	(300,727)
Infrastructure	(52,685,132)	(3,191,665)	-	(55,876,797)
Equipment	(5,112,429)	(550,191)	240,657	(5,421,963)
Vehicles	(1,391,921)	(201,289)	-	(1,593,210)
Computer software	<u>(70,272)</u>	<u>-</u>	<u>-</u>	<u>(70,272)</u>
Total accumulated depreciation/amortization	<u>(75,657,934)</u>	<u>(4,685,466)</u>	<u>240,657</u>	<u>(80,102,743)</u>
Total capital assets being depreciated/amortized, net	<u>120,828,942</u>	<u>(1,161,585)</u>	<u>(20,797)</u>	<u>119,646,560</u>
Business-type activities capital assets, net	<u>\$ 128,631,685</u>	<u>\$ 1,124,095</u>	<u>\$ (1,483,165)</u>	<u>\$ 128,272,615</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

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	\$ 370,659
Solid waste	163,025
Sewer utility	3,806,791
York Sanitary District	31,734
Upper County utility	15,741
Water utility	5,586
Regional radio	<u>291,930</u>
Total depreciation and amortization expenses (excluding amortization on capitalized debt costs) - business-type activities	 <u>\$ 4,685,466</u>

Discretely Presented Component Unit - School Division

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 4,824,818	\$ -	\$ -	\$ 4,824,818
Construction in progress	11,504,241	18,824,695	(17,361,279)	12,967,657
Total capital assets not being depreciated	<u>16,329,059</u>	<u>18,824,695</u>	<u>(17,361,279)</u>	<u>17,792,475</u>
Capital assets being depreciated:				
Buildings	215,156,463	8,610,879	-	223,767,342
Building improvements	6,156,606	8,750,400	-	14,907,006
Equipment	2,954,605	88,487	(489,828)	2,553,264
Vehicles	15,112,634	391,007	(506,815)	14,996,826
Total capital assets being depreciated	<u>239,380,308</u>	<u>17,840,773</u>	<u>(996,643)</u>	<u>256,224,438</u>
Less accumulated depreciation for:				
Buildings	(84,955,155)	(4,209,343)	-	(89,164,498)
Building improvements	(3,646,793)	(250,993)	-	(3,897,786)
Equipment	(1,994,077)	(172,142)	417,702	(1,748,517)
Vehicles	(8,169,720)	(934,265)	493,054	(8,610,931)
Total accumulated depreciation	<u>(98,765,745)</u>	<u>(5,566,743)</u>	<u>910,756</u>	<u>(103,421,732)</u>
Total capital assets being depreciated, net	<u>140,614,563</u>	<u>12,274,030</u>	<u>(85,887)</u>	<u>152,802,706</u>
School Division capital assets, net	<u>\$ 156,943,622</u>	<u>\$ 31,098,725</u>	<u>\$ (17,447,166)</u>	<u>\$ 170,595,181</u>

Discretely Presented Component Unit - EDA

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated:				
Buildings	\$ 652,738	\$ -	\$ (652,738)	\$ -
Total capital assets not being depreciated	<u>652,738</u>	<u>-</u>	<u>(652,738)</u>	<u>-</u>
Capital assets being depreciated:				
Land improvements	9,604	-	-	9,604
Infrastructure	850,913	-	-	850,913
Total capital assets being depreciated	<u>860,517</u>	<u>-</u>	<u>-</u>	<u>860,517</u>
Less accumulated depreciation for:				
Land improvements	(4,801)	(640)	-	(5,441)
Infrastructure	(212,257)	(28,301)	-	(240,558)
Total accumulated depreciation	<u>(217,058)</u>	<u>(28,941)</u>	<u>-</u>	<u>(245,999)</u>
Total capital assets being depreciated, net	<u>643,459</u>	<u>(28,941)</u>	<u>-</u>	<u>614,518</u>
Economic Development Authority capital assets, net	<u>\$ 1,296,197</u>	<u>\$ (28,941)</u>	<u>\$ (652,738)</u>	<u>\$ 614,518</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

5. CAPITAL ASSETS (Continued)

Discretely Presented Component Unit - CDA	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020
Capital assets not being depreciated:				
Construction in progress	\$ 18,561,448	\$ -	\$ -	\$ 18,561,448
Capitalized interest expense	2,821,491	-	-	2,821,491
Less interest revenue on investments	(496,139)	-	-	(496,139)
Public improvements 2015 to be transferred	3,530,000	-	-	3,530,000
Total capital assets not being depreciated	24,416,800	-	-	24,416,800
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	\$ 24,416,800	\$ -	\$ -	\$ 24,416,800

6. UNEARNED REVENUE AND DEFERRED INFLOWS

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue at the fund level arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Deferred inflows represent an acquisition of net position that will not be recognized as revenue until a future period. At June 30, 2020, unearned revenues and deferred inflows are provided in the table below.

	General	Tourism	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds
<u>Unearned Revenues</u>						
Advance payments for fees, services and rents	\$ 3,084,195	\$ 27,506	\$ 1,554,674	\$ 239,571	\$ 1,201,198	\$ 61,270
<u>Deferred Inflows</u>						
Unavailable property taxes and fees	\$ 4,167,901	\$ 13,972	\$ -	\$ -	\$ -	\$ -
Unavailable grants	-	-	-	18,982	-	-
Prepaid taxes and services	575,401	-	-	37,419	-	-
Long-term notes receivable	-	-	756,675	-	-	-
Total	\$ 4,743,302	\$ 13,972	\$ 756,675	\$ 56,401	\$ -	\$ -

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2020:

<u>Primary Government:</u>	Balance			Balance	Due Within
<u>Governmental Activities:</u>	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
General obligation bonds	\$ 69,960,000	\$ 8,000,000	\$ (4,260,000)	\$ 73,700,000	\$ 4,705,000
Premium on bonds	4,311,325	-	(278,066)	4,033,259	278,066
Capital leases	1,997,074	-	(481,895)	1,515,179	1,416,258
Lease revenue bonds	22,635,000	2,185,000	(2,080,000)	22,740,000	2,160,000
Premium on bonds	2,811,020	491,419	(286,221)	3,016,218	308,744
Compensated absences	6,602,307	4,930,451	(4,755,298)	6,777,460	386,000
Claims liabilities, IBNR	1,147,100	1,089,900	(1,147,100)	1,089,900	1,089,900
Net pension liability	16,515,303	19,441,361	(10,585,209)	25,371,455	-
Net OPEB liability	9,996,597	25,765,958	(25,008,558)	10,753,997	-
Total Governmental Activities	<u>\$ 135,975,726</u>	<u>\$ 61,904,089</u>	<u>\$ (48,882,347)</u>	<u>\$ 148,997,468</u>	<u>\$ 10,343,968</u>

<u>Primary Government:</u>	Balance			Balance	Due Within
<u>Business-type Activities:</u>	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
Revenue bonds	\$ 18,945,000	\$ 10,755,000	\$ (13,570,000)	\$ 16,130,000	\$ 600,000
Premium on bonds	1,018,073	2,575,678	(118,846)	3,474,905	236,898
Compensated absences	562,108	493,915	(400,602)	655,421	21,200
Net pension liability	1,589,612	1,852,493	(1,009,225)	2,432,880	-
Net OPEB liability	1,034,845	2,679,212	(2,631,617)	1,082,440	-
Total Business-type Activities	<u>\$ 23,149,638</u>	<u>\$ 18,356,298</u>	<u>\$ (17,730,290)</u>	<u>\$ 23,775,646</u>	<u>\$ 858,098</u>

<u>Discretely Presented</u>	Balance			Balance	Due Within
<u>Component Units:</u>	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>One Year</u>
<u>School Division</u>					
Compensated absences	\$ 2,835,358	\$ 1,432,441	\$ (1,013,891)	\$ 3,253,908	\$ 1,140,000
Claims liabilities	4,420,182	608,976	(370,328)	4,658,830	2,398,100
Net pension liability *	98,645,005	40,381,348	(26,340,982)	112,685,371	-
Net OPEB liability	16,599,000	3,917,140	(2,642,500)	17,873,640	-
	<u>\$ 122,499,545</u>	<u>\$ 46,339,905</u>	<u>\$ (30,367,701)</u>	<u>\$ 138,471,749</u>	<u>\$ 3,538,100</u>

* Beginning balance restated to add School Division's Nonprofessional (non-teacher) retirement plan which was a net pension asset in the prior year.

Economic Development Authority

Notes payable	<u>\$ 76,667</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 56,667</u>	<u>\$ 20,000</u>
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Community Development Authority

Refunding bonds payable	\$ 28,875,000	\$ -	\$ -	\$ 28,875,000	\$ -
Capital Appreciation bonds payable	4,404,482	-	-	4,404,482	-
Total bonds payable	<u>\$ 33,279,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,279,482</u>	<u>\$ -</u>
Accretion of interest payable:					
Refunding bonds	\$ 2,681,250	\$ 365,625	\$ -	\$ 3,046,875	\$ -
Capital Appreciation bonds	1,370,652	441,238	-	1,811,890	-
Total accretion of interest payable	<u>\$ 4,051,902</u>	<u>\$ 806,863</u>	<u>\$ -</u>	<u>\$ 4,858,765</u>	<u>\$ -</u>
Total bonds and accretion of interest payables	<u>\$ 37,331,384</u>	<u>\$ 806,863</u>	<u>\$ -</u>	<u>\$ 38,138,247</u>	<u>\$ -</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT (Continued)

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. As of June 30, 2020, 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, 2020 of the Primary Government governmental activities are as follows:

GOB Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2020
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	\$ 6,120,000
VPSA 10	Grafton Bethel Elementary	07/08/10	06/01/27	1.09-1.93%	470,000
VPSA 12	Coventry Elementary HVAC and gymnasium (gym) roof; New Horizons HVAC; Grafton Bethel gym roof; Tabb Elementary classrooms and Grafton Complex gym	05/10/12	07/15/32	2.55-5.05%	5,195,000
VPSA 14	Various schools HVAC, roofs, kitchens, gyms and other repairs	11/20/14	01/15/35	2.05-5.05%	7,145,000
VPSA 14B	Yorktown Middle and New Horizons renovations	05/15/14	07/15/26	3.60-5.35%	5,060,000
VPSA 15	Dare, Magruder, Yorktown Elementary classrooms	02/17/15	07/15/28	4.10-5.35%	3,115,000
VPSA 16	Waller Mill roof and Magruder HVAC and roof	05/17/16	01/15/37	2.30-5.05%	10,405,000
VPSA 16B	Dare and Mt. Vernon Elementary and Tabb High	11/17/16	07/15/29	3.05-4.05%	2,450,000
VPSA 17	York HVAC, roof and Bethel Manor roof, renovation Tabb Elementary HVAC; Grafton Complex, Yorktown Elementary Roofs, York High School Interior doors, modular classrooms	04/30/17	07/15/37	3.05-5.05%	7,580,000
VPSA 18A	Tabb, Dare, Mt. Vernon, Coventry Elementary, Tabb Middle, and Grafton Complex various renovations	04/15/18	07/15/38	3.05-5.05%	7,605,000
VPSA 19A		05/21/19	07/15/39	3.05-5.05%	7,765,000
VPSA 19B	Bruton High	05/21/19	07/15/22	2.35-5.10%	1,675,000
VPSA 19B	Queens Lake	05/21/19	07/15/23	3.10-5.35%	1,115,000
VPSA 20	Various schools HVAC, roofs, interior doors, security vestibules, parking lot and other repairs	04/16/20	07/15/40	2.90%	8,000,000
					<u>\$ 73,700,000</u>

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

Year	Governmental Activities	
	Principal	Interest
2021	\$ 4,705,000	\$ 2,701,259
2022	5,250,000	2,527,513
2023	5,505,000	2,273,958
2024	5,145,000	2,046,630
2025	5,080,000	1,836,257
2026-2030	20,595,000	6,143,851
2031-2035	16,680,000	3,017,994
2036-2040	10,220,000	742,283
2041	520,000	7,540
	<u>\$ 73,700,000</u>	<u>\$ 21,297,285</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT (Continued)

Compensated Absences

For governmental activities, compensated absences are typically liquidated by the General Fund.

Net OPEB and Pension Liabilities

For governmental activities, net OPEB and pension obligations are typically liquidated by the General Fund. For business-type activities, net OPEB and pension obligations are liquidated by the respective 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, 2020 of the Primary Government governmental 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, 2020</u>
2014	Communications system and building, equipment, parking garage	02/27/14	07/15/23	2.000-4.500%	\$ 3,590,000
2016	Sports Field Complex-Partial refunding of Series 2008	05/25/16	10/01/29	4.163-5.125%	9,640,000
2018A	Fire Apparatus, Grafton Fire Station and Carver Gardens	05/23/18	10/01/38	1.918%-5.125%	7,325,000
2020	Fire Apparatus, Yorktown Library, Sheriff Building	06/03/20	10/01/40	4.125%-5.125%	2,185,000
					<u>\$ 22,740,000</u>

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>
2021	\$ 2,160,000	\$ 987,779
2022	2,320,000	896,029
2023	2,430,000	789,034
2024	1,255,000	676,709
2025	1,310,000	610,981
2026-2030	7,580,000	2,016,614
2031-2035	2,750,000	852,616
2036-2040	2,775,000	274,705
2041	160,000	3,300
	<u>\$ 22,740,000</u>	<u>\$ 7,107,767</u>

In an event of default, outstanding amounts become due and payable immediately if the County is unable to make payment. In addition, upon the occurrence and continuation of an Event of Default, the Lessor may take possession of the leased property as stated in the financing lease agreement for the bonds as a result of the assets pledged as collateral for the debt. The Yorktown Library for Series 2020A, the Grafton Fire Station for Series 2018A, the Sports Field Complex for Series 2016 and the parking terrace, communications equipment and real estate for Series 2014 are pledged as collateral for these bonds.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT (Continued)

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, 2020 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, 2020</u>
2016C	Sewer systems refunding	11/16/16	10/01/28	2.125-5.125%	\$ 5,375,000
2020	Sewer systems refunding	06/03/20	10/01/39	4.125-5.125%	9,510,000
2020	SCADA system	06/03/20	10/01/30	5.125%	1,245,000
					<u>\$ 16,130,000</u>

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>
2021	\$ 600,000	\$ 701,277
2022	730,000	712,407
2023	765,000	674,098
2024	805,000	633,865
2025	790,000	592,994
2026-2030	3,565,000	2,430,304
2031-2035	4,070,000	1,448,145
2036-2040	4,805,000	510,367
	<u>\$ 16,130,000</u>	<u>\$ 7,703,457</u>

In an event of default, outstanding amounts become due and payable immediately if the County is unable to make payment. The County would pay to the Owners of the Bonds the entire unpaid principal and accrued interest on the Bonds, but only from the Net Revenues and other funds of the County pledged to such payment.

Economic Development Authority

In November 2012, the Authority executed a 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 an equipment lease. The lease is for \$200,000, with repayments starting on May 1, 2013 for 120 months and with interest on the outstanding balance of 3.14% per annum. The balance at June 30, 2020 is \$56,667.

Marquis 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 has been redeemed.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT (Continued)

Marquis Community Development Authority (Continued)

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 June 30,	<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>
2021	\$ -	\$ 289,425	\$ -	\$ 939,375	\$ -	\$ -
2022	-	289,425	-	939,375	-	-
2023	-	289,425	-	939,375	-	-
2024	-	289,425	-	939,375	-	-
2025	-	289,425	-	939,375	-	-
2026-2030	1,715,000	1,277,678	-	4,696,875	-	-
2031-2035	2,685,000	680,978	4,950,000	4,158,844	-	-
2036-2040	1,275,000	65,918	7,925,000	2,239,453	-	-
2041-2042	-	-	3,825,000	218,109	6,500,000	26,890,476
Total	<u>\$ 5,675,000</u>	<u>\$ 3,471,699</u>	<u>\$ 16,700,000</u>	<u>\$ 16,010,156</u>	<u>\$ 6,500,000</u>	<u>\$ 26,890,476</u>

On October 27, 2015, the CDA issued convertible capital appreciation revenue bonds in the amount of \$4,404,482 to finance additional public infrastructure improvements located within the District. The 2015 Bonds will initially be issued as capital appreciation bonds and will convert to current interest bonds on September 1, 2021, the "conversion date". Prior to the conversion date, the 2015 Bonds will not pay interest on a current basis, but will increase in value by the accumulation of earned interest from their initial principal amounts on the issue date to the conversion date. Interest will be compounded each March 1 and September 1, commencing March 1, 2016 at a rate of 7.5% according to the table of accreted values. The accreted value at the conversion date will be \$6,773,000. Following the conversion date, interest on the 2015 Bonds will be payable semiannually on each March 1 and September 1, commencing March 1, 2022 at a rate of 7.5%.

The Authority's long-term debt activity for the 2015 Bonds for the year ended June 30, 2020 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>
Series 2015 CAB Bonds	\$ 4,404,482	\$ -	\$ -	\$ 4,404,482
Accretion of interest payable	1,370,652	441,238	-	1,811,890
Total	<u>\$ 5,775,134</u>	<u>\$ 441,238</u>	<u>\$ -</u>	<u>\$ 6,216,372</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

7. LONG-TERM DEBT (Continued)

Marquis Community Development Authority (Continued)

Mandatory debt service requirements after conversion consist of the following:

Year Ending <u>June 30,</u>	<u>Series 2015 CAB Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ -	\$ -
2022	-	253,988
2023	-	507,975
2024	-	507,975
2025	-	507,975
2026-2030	-	2,539,875
2031-2035	-	2,539,875
2036-2040	-	2,539,875
2041-2045	4,516,000	2,201,175
2046	<u>2,257,000</u>	<u>84,638</u>
Total	<u>\$ 6,773,000</u>	<u>\$ 11,683,351</u>

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:

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

8. FUND BALANCE (DEFICIT) (Continued)

<u>Purpose</u>	<u>General</u>	<u>Tourism</u>	<u>Yorktown Capital Imps</u>	<u>County Capital</u>	<u>Debt Service Education</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Prepaid expenditures	\$ 19,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,134
Advances	6,433,797	-	-	-	-	-	6,433,797
Total nonspendable	<u>\$ 6,452,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,452,931</u>
Restricted:							
Judicial services and Commonwealth's Attorney grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,685	\$ 82,685
Interest earned on CARES Act funding received in advance	3,872	-	-	-	-	-	3,872
Public safety grants and donations	10,000	-	-	1,419,355	-	925,215	2,354,570
Community services grants and donations	-	-	-	-	-	7,405	7,405
Tourism projects	-	260,678	-	-	-	-	260,678
Transportation Improvements	-	-	-	717,738	-	-	717,738
Other purposes	-	-	-	-	-	21,412	21,412
Total restricted	<u>\$ 13,872</u>	<u>\$ 260,678</u>	<u>\$ -</u>	<u>\$ 2,137,093</u>	<u>\$ -</u>	<u>\$ 1,036,717</u>	<u>\$ 3,448,360</u>
Committed:							
School reversion	\$ 1,109,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109,003
Intergovernmental revenue shortfalls for School Division	-	-	-	-	-	8,572,117	8,572,117
Meals tax for drainage projects	-	-	-	-	-	3,759,750	3,759,750
Environmental and transportation improvements	-	-	-	4,250,801	-	-	4,250,801
Total committed	<u>\$ 1,109,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,250,801</u>	<u>\$ -</u>	<u>\$ 12,331,867</u>	<u>\$ 17,691,671</u>
Assigned:							
Backup power emergency shelter support	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
Capital outlay/one time expenditures	7,028,694	-	-	7,645,902	-	-	14,674,596
Communications system	-	-	-	1,472,233	-	-	1,472,233
Contractual services	87,216	-	-	-	-	-	87,216
Coronavirus supplies and equipment	62,645	-	-	-	-	-	62,645
Courthouse security and operations	-	-	-	1,981	-	-	1,981
Economic development	-	-	-	1,637,090	-	-	1,637,090
Emergency communications operations	10,182	-	-	-	-	-	10,182
Environmental and transportation improvements	-	-	-	782,402	-	-	782,402
Facility maintenance and repair	-	-	-	1,553,118	-	-	1,553,118
Facility renovation & relocation	-	-	-	775,386	-	-	775,386
Facility security	-	-	-	92,319	-	-	92,319
Fire & Life Safety equipment and operations	15,361	-	-	575,858	-	-	591,219
Fire Alarm System	-	-	-	195,000	-	-	195,000
Grounds maintenance repairs, operations and equipment	-	-	-	404,134	-	-	404,134
Head Start and Social Services programs	-	-	-	-	-	609,944	609,944
Information technology: hardware/software	-	-	-	1,061,653	-	-	1,061,653
Library renovation & expansion	-	-	-	64,579	-	-	64,579
Other purposes/miscellaneous	215,696	-	-	-	120,787	1,084,137	1,420,620
Parks and recreation improvements	-	-	-	304,559	-	-	304,559
Public works operations	104,657	-	-	-	-	-	104,657
Sheriff operations, equipment and training facility	36,101	-	-	900,000	-	-	936,101
Video services equipment	-	-	-	28,619	-	-	28,619
Total assigned	<u>\$ 7,560,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,744,833</u>	<u>\$ 120,787</u>	<u>\$ 1,694,081</u>	<u>\$ 27,120,253</u>
Unassigned:	<u>\$ 17,570,640</u>	<u>\$ -</u>	<u>\$ (3,516,318)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,054,322</u>
Total fund balances (deficit)	<u>\$ 32,706,998</u>	<u>\$ 260,678</u>	<u>\$ (3,516,318)</u>	<u>\$ 24,132,727</u>	<u>\$ 120,787</u>	<u>\$ 15,062,665</u>	<u>\$ 68,767,537</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

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, 2020 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2021	\$ 537,085	\$ 171,161
2022	503,925	171,161
2023	503,260	171,161
2024	504,536	14,263
2025	463,429	-
2026-2030	1,961,106	-
2031-2035	1,241,290	-
2036-2040	1,241,290	-
2041-2045	1,199,014	-
2046-2050	1,058,271	-
Total minimum lease payments	<u>\$ 9,213,206</u>	<u>\$ 527,746</u>

Rental expenditures for the year ended June 30, 2020 for all operating leases were \$540,590 and \$171,161 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 \$9,376,297 for a carrying amount of \$16,393 at June 30, 2020. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2020 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2021	\$ 569,649	\$ 353,810
2022	541,001	371,294
2023	543,025	371,073
2024	302,098	371,190
2025	261,230	371,320
2026-2030	991,530	-
2031-2035	837,611	-
2036-2040	249,700	-
2041-2045	63,424	-
2046-2050	10	-
2051-2055	10	-
Total minimum lease payments	<u>\$ 4,359,288</u>	<u>\$ 1,838,687</u>

Rental revenue receipts for all operating leases were \$573,113 for the County and \$364,628 for the School Division for the year ended June 30, 2020.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

9. LEASES (Continued)

Capital Leases

The County leases certain equipment and a building under capital lease agreements. In July 2016, the County executed a four-year lease-purchase agreement with Motorola for 800 MHz system upgrades on behalf of York, James City and Gloucester Counties with payments to end in FY2021. Also, a Memorandum of Understanding was executed with the County's partner counties that will empower York to act as their fiscal agent for purposes of this contract and committing the local government partners to make their proportional contributions over the next five fiscal years. The total cost of the upgrade is \$10,492,814, and York and James City County's shares are each \$4,736,044 and Gloucester's share is \$1,020,276. 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, 2020 is as follows:

<u>Year</u>	Primary Government - Governmental <u>Activities</u>
2021	\$ 1,452,992
2022	25,000
2023	25,000
2024	25,000
2025	<u>23,921</u>
Total minimum lease payments	1,551,913
Less amount representing interest	<u>(36,734)</u>
Present value of principal	<u><u>\$ 1,515,179</u></u>

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - \$8,042,193 (equipment) with Accumulated Depreciation of \$4,758,654.

10. DEFINED BENEFIT PENSION PLANS

Virginia Retirement System

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Retirement Plan and the York County Schools ("Schools") Professional and Nonprofessional Retirement Plans and the additions to/deductions from the County Retirement Plan's and Schools Professional and Nonprofessional Retirement Plans' net fiduciary position have been determined on the same basis as they were reported by Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

All full-time, salaried permanent employees of the County and School Division are automatically covered by a VRS retirement plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active duty military service, certain periods of leave, and previously refunded VRS service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>About Plan 1</u> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	<u>About Plan 2</u> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	<u>About the Hybrid Plan</u> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Eligible Members</u> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. <u>Hybrid Opt-In Election</u> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	<u>Eligible Members</u> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. <u>Hybrid Opt-In Election</u> Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	<u>Eligible Members</u> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • County employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <u>Non-Eligible Members</u> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include political subdivision employees who are covered by enhanced benefits for hazardous duty employees. Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Retirement Contributions</u> Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	<u>Retirement Contributions</u> Same as Plan 1.	<u>Retirement Contributions</u> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
<u>Service Credit</u> Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	<u>Service Credit</u> Same as Plan 1.	<u>Service Credit</u> <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. <u>Defined Contributions Component:</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Vesting</u> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	<u>Vesting</u> Same as Plan 1.	<u>Vesting</u> <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <u>Defined Contributions Component:</u> Defined contribution vesting refers to minimum length of service a member needs to be eligible to withdraw employer contributions from the defined contribution component of the plan. Members are always 100% vested in contributions they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Calculating the Benefit</u> The Basic Benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chose in then applied.	<u>Calculating the Benefit</u> See definition under Plan 1.	<u>Calculating the Benefit</u> <u>Defined Benefit Component:</u> See definition under Plan 1 <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
<u>Average Final Compensation</u> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	<u>Average Final Compensation</u> A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	<u>Average Final Compensation</u> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
<u>Service Retirement Multiplier</u> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. <u>Sheriffs</u> The retirement multiplier for sheriffs is 1.85%. <u>Hazardous Duty Employees</u> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs is 1.85% as elected by the employer.	<u>Service Retirement Multiplier</u> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013. <u>Sheriffs and Hazardous Duty Employees</u> Same as Plan 1.	<u>Service Retirement Multiplier</u> <u>Defined Benefit Component:</u> The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. <u>Sheriffs and Hazardous Duty Employees</u> Not applicable. <u>Defined Contribution Component:</u> Not applicable.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Normal Retirement Age</u> Age 65. <u>Hazardous Duty Employees</u> Age 60.	<u>Normal Retirement Age</u> Normal Social Security retirement age. <u>Hazardous Duty Employees</u> Same as Plan 1.	<u>Normal Retirement Age</u> <u>Defined Benefit Component:</u> Same as Plan 2. <u>Hazardous Duty Employees</u> Not applicable. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<u>Earliest Unreduced Retirement Eligibility</u> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. <u>Hazardous Duty Employees</u> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	<u>Earliest Unreduced Retirement Eligibility</u> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90. <u>Hazardous Duty Employees</u> Same as Plan 1.	<u>Earliest Unreduced Retirement Eligibility</u> <u>Defined Benefit Component:</u> Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90. <u>Hazardous Duty Employees</u> Not applicable. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<u>Earliest Reduced Retirement Eligibility</u> Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. <u>Hazardous Duty Employees</u> Age 50 with at least five years of service credit.	<u>Earliest Reduced Retirement Eligibility</u> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit. <u>Hazardous Duty Employees</u> Same as Plan 1.	<u>Earliest Reduced Retirement Eligibility</u> <u>Defined Benefit Component:</u> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit. <u>Hazardous Duty Employees</u> Not applicable. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Cost-of-Living Adjustment (COLA) in Retirement</u> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. <u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. <u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within 5 years of qualifying for an unreduced retirement benefit as of Jan. 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.	<u>Cost-of-Living Adjustment (COLA) in Retirement</u> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. <u>Eligibility:</u> Same as Plan 1. <u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.	<u>Cost-of-Living Adjustment (COLA) in Retirement</u> <u>Defined Benefit Component:</u> Same as Plan 2. <u>Defined Contribution Component:</u> Not applicable. <u>Eligibility:</u> Same as Plan 1 and Plan 2. <u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Exceptions to COLA Effective Dates</u> (continued): • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.		
<u>Disability Coverage</u> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	<u>Disability Coverage</u> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	<u>Disability Coverage</u> Employees of political subdivisions (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Purchase of Prior Service</u> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	<u>Purchase of Prior Service</u> Same as Plan 1.	<u>Purchase of Prior Service</u> <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: Hybrid Retirement Plan members are ineligible for ported service. <u>Defined Contribution Component:</u> Not applicable.

1. Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County</u>	<u>(Nonprofessional) Schools</u>
Inactive Members or Their Beneficiaries		
Currently Receiving Benefits	506	209
Inactive Members:		
Vested Inactive Members	132	30
Non-Vested Inactive Members	217	150
Inactive Members Active Elsewhere in VRS	243	57
Total Inactive Members	592	237
Active Members	764	276
Total Covered Employees	1,862	722

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

2. Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could have been phased in over a period of up to 5 years and the employer was required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required contribution rate for the year ended June 30, 2020 was 15.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

The School Division's contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation (professional employees). This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$11,359,571 and \$10,917,764 for the years ended June 30, 2020 and June 30, 2019, respectively.

In addition, for the Nonprofessional (non-teacher) employees, the School Division is contractually required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code and approved by the VRS Board of Trustees. The School Division contribution rate for the fiscal year ended 2020 was 5.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$4,448,949 and \$4,341,119 for the year ended June 30, 2020 and 2019, respectively. Contributions to the pension plan from the School Division were \$324,157 and \$327,734 for the years ended June 30, 2020 and June 30, 2019, respectively.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

3. Net Pension Liability

The County and School Division's net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net position. The County's net pension liability was measured as of June 30, 2019 and totaled \$27,804,335. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019.

At June 30, 2020, the School Division reported a net pension liability of \$112,097,772 for its proportionate share of the net pension liability of the Teacher Retirement Plan (Professional). The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the net pension liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion was 0.85177% as compared to 0.84051% at June 30, 2018.

In addition, the School Division's net pension liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. At June 30, 2020, the School Division reported a liability of \$587,599 for the Nonprofessional (non-teacher) Retirement Plan.

4. Pension Expense

For the year ended June 30, 2020, the County recognized pension expense of \$6,753,631.

For the year ended June 30, 2020, the School Division recognized pension expense of \$12,490,811 of the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

In addition, for the year ended June 30, 2020, the School Division recognized pension expense of \$573,478 for the Nonprofessional (non-teacher) Retirement Plan.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,757,412	\$108,733
Difference between projected and actual earnings on pension plan investments	-	1,754,050
Change in assumptions	4,601,872	141,461
Employer contributions subsequent to the measurement date	4,448,949	-
Total	<u>\$ 11,808,233</u>	<u>\$ 2,004,244</u>

\$4,448,949 reported as deferred outflows of resources related to pensions results from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2021	\$ 3,068,753
2022	1,326,400
2023	845,417
2024	114,470
Total	<u>\$ 5,355,040</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2020, for the Teacher Retirement Plan (Professional), the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$7,178,093
Change of assumptions	11,100,307	-
Net difference between projected and actual earnings on pension plan investments	-	2,461,401
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,006,146	2,129,425
Employer contributions subsequent to the measurement date	11,359,571	-
Total	<u>\$ 24,466,024</u>	<u>\$ 11,768,919</u>

The \$11,359,571 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2021	\$ 182,303
2022	(2,506,883)
2023	676,472
2024	1,974,270
2025	1,011,372
Total	<u>\$ 1,337,534</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources *(Continued)*

In addition, at June 30, 2020, for the Nonprofessional (non-teacher) Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,677	\$ 41,552
Changes of assumptions	407,013	-
Net difference between projected and actual earnings on pension plan investments	-	221,086
Employer contributions subsequent to the measurement date	324,157	-
Total	<u>\$ 763,847</u>	<u>\$ 262,638</u>

The \$324,157 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2021	\$ 272,923
2022	(105,328)
2023	(5,022)
2024	14,479
Total	<u>\$ 177,052</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions

County Retirement Plan

The total pension liability for the County Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Political Subdivision Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long- term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, unisex using 100% male.

All Others (Non 10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

COUNTY OF YORK, VIRGINIA
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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

Professional/Teacher Retirement Plan

The total pension liability for the Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older, projected with Scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decrease rate from 7.00% to 6.75%

Nonprofessional/Non-teacher Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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9. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14 to 15%
Discount Rate	Decrease from 7.00% to 6.75%

7. Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		5.13%
Inflation			<u>2.50%</u>
Expected arithmetic nominal return*			<u>7.63%</u>

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return of the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

8. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

9. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's net pension liability using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net Pension Liability	\$ 57,720,404	\$ 27,804,335	\$ 3,903,103

The following presents the School Division's proportionate share of the net pension liability for the Professional/Teacher Retirement Plan using the discount rate of 6.75%, as well as what the School Division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	\$ 168,755,846	\$ 112,097,772	\$ 65,252,039

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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

9. Sensitivity of the Net Pension Liability to Changes in the Discount Rate *(Continued)*

In addition, the following presents the net pension liability of the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the Net Pension Liability (Asset) for the Nonprofessional Plan	\$ 3,694,845	\$ 587,599	\$ (1,913,515)

10. Changes in Net Pension Liability – County Retirement Plan

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance – June 30, 2018	\$ 212,651,389	\$ 194,546,474	\$ 18,104,915
Changes for the fiscal year:			
Service cost	4,577,670	-	4,577,670
Interest	14,551,387	-	14,551,387
Changes of assumptions	6,602,686	-	6,602,686
Difference between expected and actual experience	3,138,804	-	3,138,804
Contribution – employer	-	4,260,368	(4,260,368)
Contribution – employee	-	2,116,844	(2,116,844)
Net investment income	-	12,930,127	(12,930,127)
Benefit payments	(9,548,874)	(9,548,874)	-
Administrative expenses	-	(128,063)	128,063
Other changes	-	(8,149)	8,149
Net Changes	19,321,673	9,622,253	9,699,420
Balance – June 30, 2019	\$ 231,973,062	\$ 204,168,727	\$ 27,804,335

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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

11. Changes in Net Pension Liability – Nonprofessional (non-teacher) Retirement Plan

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balance – July 1, 2018	\$ 24,180,813	\$ 24,379,808	\$ (198,995)
Changes for the fiscal year:			
Service cost	601,823	-	601,823
Interest	1,652,635	-	1,652,635
Assumptions	706,288		
Difference between expected and actual experience	56,704	-	56,704
Contribution – employer	-	326,377	(326,377)
Contribution – employee	-	305,891	(305,891)
Net investment income	-	1,615,700	(1,615,700)
Benefit payments	(1,143,487)	(1,143,487)	-
Administrative expenses	-	(16,095)	16,095
Other changes	-	(1,017)	1,017
Net Changes	<u>1,873,963</u>	<u>1,087,369</u>	<u>80,306</u>
Balance – June 30, 2019	<u>\$ 26,054,776</u>	<u>\$ 25,467,177</u>	<u>\$ 587,599</u>

12. Pension Plan Fiduciary Net Position – Teacher Retirement Plan

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

13. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 Comprehensive Annual Financial Report (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/pdf/Publications/2019-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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10. DEFINED BENEFIT PENSION PLANS (Continued)

York County Public Schools - Optional Plan

Plan Description

Plan Administration – The York County School Division administers the Optional Plan, a single employer defined benefit pension plan, provides pension benefits to non-professional employees of the School Division who were not previously covered by VRS. A fiduciary agent of the School Division administers the optional plan, which 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 as noted above. Stand-alone financial reports are not issued for this plan.

Plan Membership – At June 30, 2020, optional plan membership consisted of the following:

Active plan members	8
Retirees and beneficiaries	66
Number of vested terminations	4
	<u>78</u>

Benefits Provided – The School Division provides retirement benefits. Retirement benefits for plan members are calculated as 1.5% of final 3-year average earnings times the member's years of participation. Optional Plan members may retire at the age of 65 for normal retirement. Optional Plan members may retire at the age of 55 and with 5 years of participation for early retirement. Benefits are reduced actuarially for early commencement.

Contributions – 2.50% of pay contribution was required as a condition of participation; however, no employee contributions were required after June 30, 1992. Employee contributions are accumulated with interest at 5.00%. For the year ended, June 30, 2020, the average active member contribution rate was 0% of annual payroll, and the School Division's average contribution rate was 0% percent of annual payroll.

Summary of Significant Accounting Policies

Method Used to Value Investments - Investments are reported at fair value. Short-term investments are recorded at cost, which approximates fair value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the School Division's fiscal year. Investments that do not have an established market are reported at estimated fair value.

Investments

Investment Policy – The Optional Plan's policy in regard to the allocation of invested assets is established and may be amended by the School Division Board. It is the policy of the School Division Board to pursue an investment strategy that reduces the risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Optional Plan's investment policy discourages the use of no-load mutual funds that invest in combinations of stocks and/or bonds.

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10. DEFINED BENEFIT PENSION PLANS (Continued)

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 1.44%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset) of the School Division – Optional Plan

Based on a measurement date of June 30, 2019, the components of the net pension liability of the School Division's Optional Plan at June 30, 2020 were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance – June 30, 2019	\$ 1,786,943	\$ 1,791,326	\$ (4,383)
Changes for the fiscal year:			
Service cost	1,138	-	1,138
Interest	117,944	-	117,944
Difference between expected and actual experience	40,567	-	40,567
Change of assumptions	(4,898)	-	(4,898)
Net investment income	-	179,448	(179,448)
Benefit payments	(206,332)	(206,332)	-
Administrative expenses	-	(19,034)	19,034
Net Changes	<u>(51,581)</u>	<u>(45,918)</u>	<u>(5,663)</u>
Balance – June 30, 2020	<u>\$ 1,735,362</u>	<u>\$ 1,745,408</u>	<u>\$ (10,046)</u>

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10. DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions applied to all periods included in the measurement:

Interest	7.00%
General Inflation	2.50%
Cost of Living Adjustment (COLA)	2.00%
Salary Scale	N/A

Mortality rates were based on the Pub 2010, “Teachers” Classification table under Scale MP-2019.

Discount Rate – From July 1, 2018 on, it is assumed the School Division will contribute 100% of the actuarially determined contribution rates. Based on those assumptions the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.00%.

Pension Expense and Deferred Outflows/Inflows of Resources

At June 30, 2020, for the Optional Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 123,477

The School Division did not have any contributions subsequent to the measurement date to be reported as a deferred outflow of resources that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

	Deferred Amounts
2021	\$ (33,392)
2022	(41,112)
2023	(36,586)
2024	(12,387)
Total	\$ (123,477)

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10. DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2020, the School Division recognized pension expense for the Optional Plan of \$15,553.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the School Division's Optional Plan, calculated using the discount rate of 7.00%, as well as what the School Division's Optional Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Net Pension Liability (Asset) for the Optional Plan	\$ 108,959	\$ (10,046)	\$ (115,327)

Combining Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The VRS County Retirement plan, the VRS School Professional plan, VRS Nonprofessional plan, and the School Optional plan are reported separately herein since each plan has distinctive characteristics, reporting requirements and valuations. The impact of total pension requirements on the net position of the County and the York County School Division is combined and summarized in the schedule below:

	County Retirement Plan	School Division VRS Professional Plan	VRS Nonprofessional Plan	Optional Plan	School Combined Totals
Net pension liability	\$ 27,804,335	\$ 112,097,772	\$ 587,599	\$ -	\$ 112,685,371
Net pension asset	\$ -	\$ -	\$ -	\$ 10,046	\$ 10,046
Pension expense	\$ 6,753,631	\$ 12,490,811	\$ 573,478	\$ 15,553	\$ 13,079,842
Deferred outflows of resources:					
Differences between expected and actual experience	\$ 2,757,412	\$ -	\$ 32,677	\$ -	\$ 32,677
Changes in assumptions	4,601,872	11,100,307	407,013	-	11,507,320
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,006,146	-	-	2,006,146
Employer contributions subsequent to the measurement date	4,448,949	11,359,571	324,157	-	11,683,728
Total deferred outflows of resources	\$ 11,808,233	\$ 24,466,024	\$ 763,847	\$ -	\$ 25,229,871
Deferred inflows of resources:					
Differences between expected and actual experience	\$ 108,733	\$ 7,178,093	\$ 41,552	\$ -	\$ 7,219,645
Changes in assumptions	141,461	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	1,754,050	2,461,401	221,086	123,477	2,805,964
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,129,425	-	-	2,129,425
Total deferred inflows of resources	\$ 2,004,244	\$ 11,768,919	\$ 262,638	\$ 123,477	\$ 12,155,034

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11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

County and School Division OPEB Liability – VRS Plans

The County participates in a cost-sharing multiple employer Group Life Insurance (GLI) Program and an Employee Health Insurance Credit (HIC) Program offered by VRS. The School Division participates in a cost-sharing multiple employer GLI Program, a Teacher Employee HIC Program, a Political Subdivision Employee Virginia Disability Program, and a Teacher Employee Virginia Local Disability Program (VLDP) offered by the VRS.

VRS issues a publicly available CAFR that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org>, or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

The actuarial assumptions and long term expected rate of return are the same for the VRS OPEB programs. As such, the presentation of the actuarial assumptions and long term expected rate of return are combined below. Specific information for the OPEB plans will be presented after this section.

Actuarial Assumptions

The VRS OPEB liability was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5%
Salary increases, including inflation –	
General state employees	3.5% – 5.35%
Teachers	3.5% – 5.95%
SPORS & VaLORS employees	3.5% – 4.75%
JRS employees	4.5%
Locality – General employees	3.5% – 5.35%
Locality – Hazardous Duty employees	3.5% – 4.75%
Investment rate of return	6.75%, net of plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Mortality rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020.

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Health Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Mortality rates – Largest and Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from age 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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11. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75.
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14 to 20% (Largest); increased rate from 14 to 15% (Non-Largest)
Discount Rate	Decrease rate from 7.00% to 6.75%

Mortality rates – Largest and Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

COUNTY OF YORK, VIRGINIA
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June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages (Largest); increased age 50 rates and lowered rates at older ages (Non-Largest)
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates (Largest); adjusted rates to better match experience (Non-Largest)
Salary Scale	No change
Line of Duty Disability	Increased rate from 60 to 70% (Largest); Decreased rate from 60% to 45% (Non-Largest)
Discount Rate	Decrease rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
Inflation			<u>2.50%</u>
*Expected arithmetic nominal return			<u>7.63%</u>

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return of the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Virginia Retirement System – Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OBEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.
Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • <u>Natural Death Benefit</u> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,463 as of June 30, 2020.

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution; however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the County were \$233,351 and \$225,979 for the years ended June 30, 2020 and June 30, 2019, respectively. Contribution to the GLI Program from the School Division for nonprofessional employees were \$34,895 and \$33,927 for the years ended June 30, 2020 and June 30, 2019, respectively. Contributions to the GLI Program from the School Division for professional employees were \$387,637 and \$370,627 for the years ended June 30, 2020 and June 30, 2019, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2020, the County reported a liability of \$3,607,323 for its proportionate share of the Net GLI OPEB Liability. At June 30, 2020, the School Division reported a liability of \$541,554 for its proportionate share of the Net GLI OPEB Liability for nonprofessional employees. At June 30, 2020, the School Division reported a liability of \$5,916,415 for its proportionate share of the Net GLI OPEB Liability for professional employees. The Net GLI OPEB Liability was measured as of June 30, 2019 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 0.22168% as compared to 0.21566% at June 30, 2018. At June 30, 2019, the participating employer's proportion was 0.03328% as compared to 0.03399% at June 30, 2018 for nonprofessional employees. At June 30, 2019, the participating employer's proportion was 0.36358% as compared to 0.35768% at June 30, 2018 for professional employees.

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2020, the County recognized GLI OPEB expense of \$108,935. For the year ended June 30, 2020, the School Division recognized GLI OPEB expense of \$5,277 for nonprofessional employees. For the year ended June 30, 2020, the School Division recognized GLI OPEB expense of \$118,210 for professional employees. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 239,909	\$ 46,790
Net difference between projected and actual earnings on GLI OPEB program investments	-	74,097
Change in assumptions	227,745	108,777
Changes in proportionate share	141,372	12,404
Employer contributions subsequent to the measurement date	233,351	-
Total	<u>\$ 842,377</u>	<u>\$ 242,068</u>

\$233,351 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2021 for employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ 38,336
2022	38,339
2023	69,722
2024	100,344
2025	94,587
Thereafter	25,630
Total	<u>\$ 366,958</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB for nonprofessional employees from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 36,017	\$ 7,025
Net difference between projected and actual earnings on OPEB plan investments	-	11,124
Changes of assumptions	34,191	16,330
Changes in proportionate share	-	30,987
Employer contributions subsequent to the measurement date	34,895	-
Total	<u>\$ 105,103</u>	<u>\$ 65,466</u>

\$34,895 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2021 for nonprofessional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ (5,322)
2022	(5,321)
2023	(610)
2024	5,175
2025	8,306
Thereafter	2,514
Total	<u>\$ 4,742</u>

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB for professional employees from the following sources:

COUNTY OF YORK, VIRGINIA
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June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 393,477	\$ 76,741
Net difference between projected and actual earnings on OPEB plan investments	-	121,528
Changes of assumptions	373,528	178,406
Changes in proportionate share	78,712	131,457
Employer contributions subsequent to the measurement date	387,637	-
Total	<u>\$ 1,233,354</u>	<u>\$ 508,132</u>

\$387,637 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2021 for professional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ 2,420
2022	2,425
2023	53,897
2024	110,017
2025	130,073
Thereafter	38,753
Total	<u>\$ 337,585</u>

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2019, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,390,238
Plan Fiduciary Net Position	<u>1,762,972</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,627,266</u>

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%
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COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of U.S. GAAP in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate

of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the County's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability for County employees using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Proportionate Share of the GLI Program Net OPEB Liability	\$ 4,739,025	\$ 3,607,323	\$ 2,689,545

Sensitivity of the School Division's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the employer's proportionate share of the net GLI OPEB liability for nonprofessional employees using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

COUNTY OF YORK, VIRGINIA
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the GLI Program Net OPEB Liability - nonprofessional	\$ 711,452	\$ 541,554	\$ 403,772

The following presents the employer's proportionate share of the net GLI OPEB liability for professional employees using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the GLI Program Net OPEB Liability - professional	\$ 7,772,531	\$ 5,916,415	\$ 4,411,156

Virginia Retirement System – Health Insurance Credit Program

Plan Description

The HIC Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. The specific information about the Political Subdivision HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the County who are covered under the VRS pension plan.
Benefit Amounts The County's Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • <u>At Retirement</u> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • <u>Disability Retirement</u> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
Health Insurance Credit Program Notes: • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees – Teacher Employee (Professional) The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS. Eligible Employees – Political Subdivision (Nonprofessional) The political subdivision's Retiree HIC was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of public school divisions covered under the VRS pension plan.

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS (Continued)
Benefit Amounts – Teacher Employee (Professional) The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • <u>At Retirement</u> – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • <u>Disability Retirement</u> – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: ○ \$4.00 per month, multiplied by twice the amount of service credit, or ○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. Benefit Amounts – Political Subdivision (Nonprofessional) The political subdivision's Retiree HIC provides the following benefits for eligible employees: • <u>At Retirement</u> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • <u>Disability Retirement</u> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
Health Insurance Credit Program Notes – Teacher Employee (Professional): • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree. Health Insurance Credit Program Notes – Political Subdivision (Nonprofessional): • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit for premiums paid and qualified under LODA, however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2020 was 0.17% of covered employee compensation for employees in the VRS Health Insurance Credit Program. Each school division's contractually required employer contribution rate for the year ended June 30, 2020 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program (Professional) and 0.53% of covered compensation for the School Division's nonprofessional employees. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. The actuarially determined rate was expected to finance the costs of benefits

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the VRS Health Insurance Credit Program were \$53,656 and \$51,431 for the years ended June 30, 2020 and June 30, 2019, respectively. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$892,376 and \$852,109 for the years ended June 30, 2020 and June 30, 2019, respectively. For nonprofessional employees, contributions from the School Division to the HIC were \$34,311 and \$0- for the years ended June 30, 2020 and June 30, 2019, respectively.

HIC Program OPEB Liabilities, HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Program OPEB

At June 30, 2020, the County reported a HIC Program Net OPEB liability of \$365,786 measured as of June 30, 2019. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement date and rolled forward to the measurement date of June 30, 2019. At June 30, 2020, the School Division reported a liability of \$11,082,687 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2019 and the total HIC OPEB liability used to calculate the net HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the school division's proportion of the VRS Teacher Employee HIC Program was 0.84659% as compared to 0.83687% at June 30, 2018.

For the year ended June 30, 2020, the County recognized VRS HIC Program OPEB expense of \$40,694. Since there was a change in proportionate share between June 30, 2018 and June 30, 2019 a portion of the VRS HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,030	\$ 1,108
Net difference between projected and actual earnings on HIC OPEB program investments	-	10,909
Change in assumptions	27,030	23,596
Employer contributions subsequent to the measurement date	53,656	-
Total	<u>\$ 99,716</u>	<u>\$ 35,613</u>

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$53,656 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ (4,646)
2022	(4,646)
2023	2,502
2024	7,417
2025	9,005
Thereafter	815
Total	<u>\$ 10,447</u>

For the year ended June 30, 2020, the school division recognized VRS nonprofessional HIC Program OPEB expense of \$64,700. At June 30, 2020 the School Division reported deferred outflows of resources and deferred inflows of resources related to the School Division's HIC from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 268,168	\$ -
Changes of assumptions	7,816	-
Employer contributions subsequent to the measurement date	34,311	-
Total	<u>\$ 310,295</u>	<u>\$ -</u>

\$34,311 reported as deferred outflows of resources related to the HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the nonprofessional HIC OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the nonprofessional HIC OPEB will be recognized in the nonprofessional HIC OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ 54,741
2022	54,741
2023	54,741
2024	54,739
2025	54,830
Thereafter	2,192
Total	<u>\$ 275,984</u>

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2020, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$872,816. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 62,774
Net difference between projected and actual earnings on OPEB plan investments	700	-
Changes of assumptions	257,945	77,009
Changes in proportionate share	108,521	276,240
Employer contributions subsequent to the measurement date	892,376	-
Total	<u>\$ 1,259,542</u>	<u>\$ 416,023</u>

\$892,376 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ (28,801)
2022	(28,813)
2023	(23,956)
2024	(25,582)
2025	(6,973)
Thereafter	65,268
Total	<u>\$ (48,857)</u>

COUNTY OF YORK, VIRGINIA
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net HIC OPEB Liability

The net OPEB liability (NOL) for the County's HIC Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2019, NOL amounts for the VRS HIC Program is as follows (amounts expressed in thousands):

	HIC OPEB Program
Total HIC OPEB Liability	\$ 42,677,000
Plan Fiduciary Net Position	<u>24,468,000</u>
Employers' Net HIC OPEB Liability	<u><u>18,209,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	57.33%

The total HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Credit Program represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of June 30, 2019, the amounts for the VRS HIC Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Program
Total Teacher Employee HIC OPEB Liability	\$ 1,438,114
Plan Fiduciary Net Position	<u>129,016</u>
Teacher Employee Net HIC OPEB Liability	<u><u>1,309,098</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	8.97%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of U.S. GAAP in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) – (b)
Balance – June 30, 2018	\$ 1,266,218	\$ 932,252	\$ 333,966
Changes for the fiscal year:			
Service cost	23,113	-	23,113
Interest	85,890	-	85,890
Changes of assumptions	32,340	-	32,340
Difference between expected and actual experience	22,769	-	22,769
Contribution – employer	-	73,808	(73,808)
Net investment income	-	59,868	(59,868)
Benefit payments	(78,442)	(78,442)	-
Administrative expenses	-	(1,313)	1,313
Other changes	-	(71)	71
Net Changes	85,670	53,850	31,820
Balance – June 30, 2019	\$ 1,351,888	\$ 986,102	\$ 365,786

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Nonprofessional Changes in Net HIC OPEB Liability:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) – (b)
Balance – June 30, 2018	\$ -	\$ -	\$ -
Changes for the fiscal year:			
Service cost	11,130	-	11,130
Interest	(540)	-	(540)
Changes of assumptions	9,367	-	9,367
Difference between expected and actual experience	321,805	-	321,805
Contribution – employer	-	34,311	(34,311)
Net investment income	-	1,107	(1,107)
Benefit payments	(15,426)	(15,426)	-
Administrative expenses	-	(28)	28
Other changes	-	(1)	1
Net Changes	<u>326,336</u>	<u>19,963</u>	<u>306,373</u>
Balance – June 30, 2019	<u>\$ 326,336</u>	<u>\$ 19,963</u>	<u>\$ 306,373</u>

Sensitivity of the Employer's Proportionate Share of the Net HIC OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net HIC OPEB liability for County employees using the discount rate of 6.75%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Proportionate Share of the HIC Program Net OPEB Liability	\$ 508,993	\$ 365,786	\$ 243,697

The following presents the School Division's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC (professional) OPEB liability and the Political Subdivision HIC (nonprofessional) OPEB liability using the discount rate of 6.75%, as well as what the School Division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the HIC Program Net OPEB Liability - professional employees	\$ 12,403,411	\$ 11,082,687	\$ 9,960,733
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the HIC Program Net OPEB Liability - nonprofessional employees	\$ 347,858	\$ 306,373	\$ 271,029

Virginia Retirement System – Virginia Local Disability Program

Plan Description

All full-time, salaried permanent teachers and general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS
Eligible Employees The Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Political subdivision (non-professional) - Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS. • Teachers (professional) – Teachers and other full-time permanent salaried employees of public school division covered under VRS.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

Benefit Amounts

Virginia Disability Local Program (VLDP) provides the following benefits for eligible employees:

Short-Term Disability –

- The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
- During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related of work-related disability.
- Once the eligibility period is satisfied, employees are eligible for higher income replacement levels

Long-Term Disability –

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Virginia Local Disability Program Notes:

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Contributions

Nonprofessional - The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2020 was 0.72% of covered employee compensation for employees in the VRS Political Subdivision Employee Virginia Local Disability Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were \$15,907 and \$10,848 for the years ended June 30, 2020 and June 30, 2019, respectively.

Professional - The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2020 was 0.41% of covered employee compensation for employees in the VRS Political Subdivision Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were \$64,967 and \$51,201 for the years ended June 30, 2020 and June 30, 2019, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VLDP OPEB

Nonprofessional - At June 30, 2020, the political subdivision reported a liability of \$11,471 for its proportionate share of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB Liability. The Net VRS Political Subdivision Employee VLDP OPEB Liability was measured as of June 30, 2019 and the total VRS Political Subdivision Employee VLDP OPEB liability used to calculate the Net VRS Political Subdivision Employee VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the Net VLDP OPEB Liability was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion of VLDP was 0.56622% as compared to 0.55393% at June 30, 2018.

For the year ended June 30, 2020, the School Division recognized VLDP OPEB expense of \$13,501. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to VLDP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,753	\$ 353
Net difference between projected and actual earnings on OPEB plan investments	39	-
Changes of assumptions	329	439
Changes in proportionate share	96	-
Employer contributions subsequent to the measurement date	15,907	-
Total	<u>\$ 22,124</u>	<u>\$ 792</u>

\$15,907 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the Net VLDP OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to VLDP will be recognized in VLDP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ 1,126
2022	1,119
2023	1,113
2024	1,125
2025	1,076
Thereafter	(134)
Total	<u>\$ 5,425</u>

Professional - At June 30, 2020, the School Division reported a liability of \$15,140 for its proportionate share of the net VLDP OPEB Liability. The net VLDP OPEB Liability was measured as of June 30, 2019 and the total VLDP OPEB liability used to calculate the net VLDP OPEB Liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to the measurement date of June 30, 2019. The School Division's proportion of the Net VLDP OPEB Liability was based on the School Division's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the School Division's proportion of VLDP was 2.60420% as compared to 2.70217% at June 30, 2018.

For the year ended June 30, 2020, the School Division recognized VLDP OPEB expense of \$45,701. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,827
Net difference between projected and actual earnings on OPEB plan investments	58	-
Changes of assumptions	2,585	-
Changes in proportionate share	-	673
Employer contributions subsequent to the measurement date	64,967	-
Total	<u>\$ 67,610</u>	<u>\$ 2,500</u>

\$64,967 reported as deferred outflows of resources related to VLDP OPEB resulting from the School Division's subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB Liability in the Fiscal Year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ (1)
2022	(1)
2023	(40)
2024	(66)
2025	(42)
Thereafter	293
Total	<u>\$ 143</u>

Net School Division's VLDP OPEB Liability

The net VLDP OPEB liabilities represents the program's total OPEB liability determined in accordance with U.S. GAAP, less the associated fiduciary net position. As of June 30, 2019, net VLDP OPEB liabilities are as follows (amounts expressed in thousands):

	Political Subdivision Employee VLDP OPEB Plan	Teacher Employee VLDP OPEB Plan
Total VLDP OPEB Liability	\$ 3,989	\$ 2,241
Plan Fiduciary Net Position	1,962	1,661
Net VLDP OPEB Liability	<u>\$ 2,027</u>	<u>\$ 580</u>

Plan Fiduciary Net Position as a Percentage of the
Total VLDP OPEB Liability

49.19%

74.12%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The VLDP OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net VLDP OPEB liability is disclosed in accordance with the requirements of U.S. GAAP in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the School Division's VLDP OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by entity for the VRS Virginia Local Disability Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2019 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VLDP OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VRS VLDP OPEB liability.

Sensitivity of the School Division's Proportionate Share of the VLDP OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net VLDP OPEB liability using the discount rate of 6.75%, as well as what the net VLDP OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the net VLDP OPEB liability - nonprofessional employees	\$ 13,192	\$ 11,471	\$ 9,966
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School Division's Proportionate Share of the net VLDP OPEB liability - professional employees	\$ 22,240	\$ 15,140	\$ 9,007

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

County and School Division OPEB Liability – Health and Dental Insurance

Plan Description

The County and School Division's OPEB plan are each single-employer defined benefit plans administered by the County and School Division. At July 1, 2019, the County had 789 active members and the School Division had 1,638 active members of the plan. In accordance with Article 8, Chapter 15, Title 15.2 of the *Code of Virginia*, the County and School Division have elected to establish a pooled trust for the purpose of accumulating and investing assets to fund Other Postemployment Benefits. The School Division in accordance with this election has joined the Virginia Pooled OPEB Trust Fund (Trust Fund), an irrevocable trust, with the purpose to fund other postemployment benefits. The Colonial Behavioral Health (CBH), an agency fund to the County of York, began to participate in the County's OPEB Trust in June 2019. Both the County and the School Division agreed to the participation of CBH as a sub-account. The Trust Fund issues separate financial statements, which can be obtained by requesting a copy from the plan administrator, VML/VACo Finance, 919 E. Main Street, Suite 1100, Richmond, Virginia 23219.

Benefits Provided

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 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 HIC Program).

At June 30, 2020, 122 retirees were participating in this program. The School Division's contribution for retirees having 20 or more years of service with the School Division is 50% of the medical premium and 100% of the dental premium cost, regardless of the plan or coverage tier elected. The School Division's contribution is reduced by the amount of any VRS HIC received by the retiree.

The School Division provides post-retirement health care benefits, in accordance with School Division policy. Medical and dental coverage is provided to eligible retirees and their dependents. Medical benefits are provided until the retiree's age 65. Medical benefits for dependent spouse are provided until the earlier of the spouses's death, the retiree's death, or the retiree's age 65. Upon the earlier of the retiree's death or the retiree's age 65, the dependent spouse may elect to continue coverage through COBRA only. For participant's who retire on or before age 65, dental benefits for both the retiree and their dependent spouse are provided until the retiree's age 66, 6 months. For participants who retire after age 65, dental benefits for both the retiree and their dependent spouse are provided for 18 months from the date of retirement.

Contributions

Contribution requirements are established and may be amended by the Board of Supervisors and School Board. The required contributions were actuarially determined and are based upon projected pay-as-you-go financing requirements. The actuarially determined contribution at June 30, 2020 was \$720,577 and \$241,410 for the County and School Division, respectively.

COUNTY OF YORK, VIRGINIA
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11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the County reported an OPEB liability of \$7,863,328 for its share of the Net OPEB Liability. The Net OPEB Liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019. The covered employer's proportion of the Net OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Program for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions.

For the year ended June 30, 2020, the County recognized OPEB expense of \$1,241,181. OPEB expense was calculated as follows:

	OPEB Expense
Service cost	\$ 233,175
Interest	1,196,966
Administrative expenses	11,270
Expected Investment Return Net of Investment Expenses	(632,024)
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	1,061,666
Assumption changes or inputs	(702,227)
Investment gains or losses	72,355
OPEB Expense	<u>\$ 1,241,181</u>

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,754,095	\$ -
Net difference between projected and actual earnings	324,569	-
Change in assumptions	7,378,062	11,077,541
Total	<u>\$ 13,456,726</u>	<u>\$ 11,077,541</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense in future reporting periods as follows:

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11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	Deferred Amounts
2021	\$ 431,794
2022	431,793
2023	471,696
2024	427,042
2025	359,439
Thereafter	257,421
Total	<u>\$ 2,379,185</u>

For the year ended June 30, 2020, the School Division recognized OPEB expense of \$350,630. At June 30, 2020, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 105,745	\$ -
Changes of assumptions	502,211	22,611
Net difference between projected and actual earnings on OPEB plan investments	252,549	-
Total	<u>\$ 860,505</u>	<u>\$ 22,611</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB will be recognized in OPEB expense in future reporting periods as follows:

	Deferred Amounts
2021	\$ 128,584
2022	128,586
2023	159,982
2024	124,593
2025	72,299
Thereafter	223,850
Total	<u>\$ 837,894</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability – The components of the net OPEB liability for the year ended June 30, 2020 were as follows:

Total OPEB liability	\$ 17,915,876
Plan fiduciary net position	\$ 10,052,548
Net OPEB liability	<u>\$ 7,863,328</u>
Fiduciary net position as a percent of total OPEB liability	56.11%

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, 2020 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6.5% investment rate of return (annual returns net of both investment and non-actuarial administrative expenses), general inflation of 2.5% and an annual healthcare cost trend rate of 3.2% for Pre-Medicare eligible, grading to a rate of 4.0% for fiscal year ending June 30, 2074 and 5.9% for Post-Medicare eligible, grading to a rate of 4.0% for fiscal year ending June 30, 2074. The dental cost trend rate assumption per year is 4.0%.

Long-Term Expected Rate of Return

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense was 3.02%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The long-term expected rate of return on OPEB investments was determined by taking the annual average long-term future inflation and real return components, with each component being reasonable in our professional opinion, including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's December 31, 2019 capital market assumptions (real returns) and the 2019 Social Security Trustees Report (inflation). The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	21.00%	1.56%	1.47%
Large Cap US Equities	26.00%	4.33%	3.23%
Small Cap US Equities	10.00%	5.64%	3.82%
Global Equities	5.00%	5.27%	4.01%
Developed Foreign Equities	13.00%	5.94%	4.45%
Emerging Market Equities	5.00%	8.03%	5.28%
Hedge Funds/Absolute Return	10.00%	2.88%	2.40%
Real Estate (REITS)	7.00%	3.84%	3.13%
Commodities	3.00%	2.83%	1.27%
Total	<u>100.00%</u>		
Inflation		2.60%	2.60%
Portfolio Real Mean Return		<u>4.10%</u>	3.53%
Portfolio Nominal Mean Return		<u>6.70%</u>	6.22%
Portfolio Standard Deviation			10.53%
Long-Term Expected Rate of Return			6.50%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. The Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. The long-term expected rate of return on plan investments is 6.5%. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the long-term expected rate of return.

Changes in Net OPEB Liability – County

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance – June 30, 2019	\$ 17,110,914	\$ 9,689,438	\$ 7,421,476
Changes for the fiscal year:			
Service cost	233,175	-	233,175
Interest	1,196,966	-	1,196,966
Economic/Demographic Gains/Losses	1,558,131	-	1,558,131
Changes in assumptions	(1,192,982)	-	(1,192,982)
Contribution – employer	-	1,070,691	(1,070,691)
Net investment income	-	294,017	(294,017)
Benefit payments	(990,328)	(990,328)	-
Administrative expenses	-	(11,270)	11,270
Net Changes	804,962	363,110	441,852
Balance – June 30, 2020	\$ 17,915,876	\$ 10,052,548	\$ 7,863,328

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the County, calculated using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB Liability	\$ 10,125,957	\$ 7,863,328	\$ 5,980,710

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the County, as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease (4.20% decreasing to 2.20%)	Healthcare Cost Trend Rates (5.20% decreasing to 3.20%)	1.00% Increase (6.20% increasing to 4.20%)
Net OPEB Liability	\$ 5,691,204	\$ 7,863,328	\$ 10,501,516

Changes in Net OPEB Liability (Asset) – School Division

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance – June 30, 2019	\$ 5,751,666	\$ 7,602,647	\$ (1,850,981)
Changes for the fiscal year:			
Service cost	324,527	-	324,527
Interest	382,499	-	382,499
Effect of assumption changes or inputs	(25,368)	-	(25,368)
Contribution – employer	-	389,344	(389,344)
Net investment income	-	232,409	(232,409)
Benefit payments	(389,344)	(389,344)	-
Administrative expenses	-	(8,907)	8,907
Net Changes	292,314	223,502	68,812
Balance – June 30, 2020	\$ 6,043,980	\$ 7,826,149	\$ (1,782,169)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the School Division, calculated using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB Asset	\$ (1,365,280)	\$ (1,782,169)	\$ (2,169,313)

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the School Division, as well as what the School Division's net OPEB liability would be if were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.6% decreasing to 3.2%) or 1-percentage-point higher (5.6% decreasing to 5.2%) than the current healthcare cost trend rates:

	1.00% Decrease (3.6% decreasing to 3.2%)	Healthcare Cost Trend Rates (4.6% decreasing to 4.2%)	1.00% Increase (5.6% decreasing to 5.2%)
Net OPEB Liability (Asset)	\$ (2,448,206)	\$ (1,782,169)	\$ (1,011,785)

Combining Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The VRS GLI County plan, the VRS HIC County plan and the County Health and Dental OPEB plan are reported separately herein since each plan has distinctive characteristics, reporting requirements and valuations. The impact of total OPEB requirements on the net position of the County is combined and summarized in the schedule below:

	County			
	VRS GLI Plan	VRS HIC Plan	County Health/Dental Plan	Combined Totals
Net OPEB liability	\$ 3,607,323	\$ 365,786	\$ 7,863,328	\$ 11,836,437
Net OPEB asset	\$ -	\$ -	\$ -	\$ -
OPEB expense	\$ 108,935	\$ 40,694	\$ 1,241,181	\$ 1,390,810
Deferred outflows of resources:				
Differences between expected and actual experience	\$ 239,909	\$ 19,030	\$ 5,754,095	\$ 6,013,034
Changes in assumptions	227,745	27,030	7,378,062	7,632,837
Net difference between projected and actual earnings	-	-	324,569	324,569
Changes in proportion and differences between Employer contributions and proportionate share of contributions	141,372	-	-	141,372
Employer contributions subsequent to the measurement date	233,351	53,656	-	287,007
Total deferred outflows of resources	\$ 842,377	\$ 99,716	\$ 13,456,726	\$ 14,398,819
Deferred inflows of resources:				
Differences between expected and actual experience	\$ 46,790	\$ 1,108	\$ -	\$ 47,898
Changes in assumptions	108,777	23,596	11,077,541	11,209,914
Net difference between projected and actual earnings on OPEB plan investments	74,097	10,909	-	85,006
Changes in proportion and differences between Employer contributions and proportionate share of contributions	12,404	-	-	12,404
Total deferred inflows of resources	\$ 242,068	\$ 35,613	\$ 11,077,541	\$ 11,355,222

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The VRS GLI School Professional plan, VRS GLI School Nonprofessional County plan, VRS HIC School Professional plan, VRS VLDP School Professional plan, VRS VLDP School Nonprofessional plan and the School Division Health and Dental OPEB plan are reported separately herein since each plan has distinctive characteristics, reporting requirements and valuations. The impact of total OPEB requirements on the net position of the School Division is combined and summarized in the schedule below:

	School Division						
	VRS GLI Professional Plan	VRS GLI Nonprofessional Plan	VRS HIC Professional Plan	VRS HIC Nonprofessional Plan	VRS VLDP Professional Plan	VRS VLDP Nonprofessional Plan	School Health/Dental Plan
							Combined Totals
Net OPEB liability	\$ 5,916,415	\$ 541,554	\$ 11,082,687	\$ 306,373	\$ 15,140	\$ 11,471	\$ -
Net OPEB asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,782,169
OPEB expense	\$ 118,210	\$ 5,277	\$ 872,816	\$ 64,700	\$ 45,701	\$ 13,501	\$ 350,630
Deferred outflow s of resources:							
Differences between expected and actual experience	\$ 393,477	\$ 36,017	\$ -	\$ 268,168	\$ -	\$ 5,753	\$ 105,745
Changes in assumptions	373,528	34,191	257,945	7,816	2,585	329	502,211
Net difference between projected and actual earnings	-	-	700	-	58	39	252,549
Changes in proportionate share	78,712	-	108,521	-	-	96	-
Employer contributions subsequent to the measurement date	387,637	34,895	892,376	34,311	64,967	15,907	-
Total deferred outflow s of resources	\$ 1,233,354	\$ 105,103	\$ 1,259,542	\$ 310,295	\$ 67,610	\$ 22,124	\$ 860,505
Deferred inflow s of resources:							
Differences between expected and actual experience	\$ 76,741	\$ 7,025	\$ 62,774	\$ -	\$ 1,827	\$ 353	\$ -
Changes in assumptions	178,406	16,330	77,009	-	-	439	22,611
Net difference between projected and actual earnings on OPEB plan investments	121,528	11,124	-	-	-	-	-
Changes in proportionate share	131,457	30,987	276,240	-	673	-	-
Total deferred inflow s of resources	\$ 508,132	\$ 65,466	\$ 416,023	\$ -	\$ 2,500	\$ 792	\$ 22,611

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 21 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

12. DEFERRED COMPENSATION PLAN (Continued)

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 11 investment options.

13. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2020 were as follows:

	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Project:		
Schools Technology Upgrades Due to Covid 19	\$ -	\$ 2,000,292
Sheriff's Office Renovation	80,382	1,353,028
Radio Communications Upgrade (SCADA System)	126,590	1,163,150
National Lane Sanitary Sewer Project	50,000	535,700
Oakwood Subdivision Rural Addition	-	372,367
Ford Super Duty F-550 Pickup for Public Works	21,728	203,487
Two Rescue Pumper Fire Trucks	1,471,207	163,468
Hickory Hills Pump Station Rehabilitation Project	16,283	133,541
Public Works Linework Repair - Engineering Services	5,425	122,575
Tyler Munis Software Conversion	94,488	101,086
Potomac Run Road Work and Protective Barriers	-	99,882
Bypass Road Sidewalk Project	12,700	93,485
Ford F-450 XL Pickup for Public Works	-	80,434
New Quarter Park Playground Project	-	80,372
	<u>\$ 1,878,803</u>	<u>\$ 6,502,867</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 and health and dental benefits for employees; and natural disasters. 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 County reports all of its risk management activities except those related to health and dental benefits and workers' compensation in its General Fund. The General Fund retains the full risk for unemployment compensation. The Workers' Compensation Fund retains the risk up to \$400,000 with no aggregate, for each workers' compensation occurrence and all claims for workers' compensation are paid from this fund. Risks related to health and dental benefits for employees and retirees are reported in an Internal Service Fund. The County's risk for each health care claim is \$300,000 per year.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

13. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The School Division reports all of its risk management activities in its Operating Fund except those related to health and dental benefits. The School Operating Fund retains the full risk for unemployment compensation, and up to \$500,000, with no aggregate, for each worker's compensation occurrence. All claims for retained risks are paid from Operating Fund resources. Risks related to health and dental benefits for employees and retirees are reported in an Internal Service Fund. The School Division's risk for each health care claim is \$300,000.

All unemployment and school workers' compensation claims are paid through a third-party administrator through resources from the General and School Operating Funds. The County's workers' compensation claims and both the County and School Division's health care claims are paid through a third-party administrator through each entity's Internal Service 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 nine fiscal years.

The County's health care liability at June 30 has been included in claims payable in the County's internal service funds. The County had available \$6,090,340 for health care and dental claims and \$816,205 for workers' compensation claims at June 30, 2020, which is considered sufficient.

Changes in the reported amounts for both workers' compensations and health and dental claims resulted from the following:

	<u>2020</u>	<u>2019</u>
Claims payable/unrestricted net position, beginning of fiscal year	\$ 7,647,353	\$ 7,376,372
Claims and changes in estimates	13,468,533	13,274,344
Claims payments	<u>(14,209,341)</u>	<u>(13,003,363)</u>
Claims payable/unrestricted net position, end of fiscal year	<u>\$ 6,906,545</u>	<u>\$ 7,647,353</u>

The School Division's health care claim liability of \$1,860,100 at June 30, 2020 is reasonably estimated and has been included in claims payable in the School Division's internal service fund. The School Division's workers' compensation claims liability of \$2,798,730 at June 30, 2020 is included in long-term debt, and is considered sufficient to cover pending claims and incurred but not reported claims that may arise. Changes in the reported amounts since June 30, 2019 resulted from the following:

	<u>2020</u>	<u>2019</u>
Claims payable/committed fund balance, beginning of fiscal year	\$ 4,420,182	\$ 3,863,529
Claims and changes in estimates	608,976	957,205
Claims payment	<u>(370,328)</u>	<u>(400,552)</u>
Claims payable/committed fund balance, end of fiscal year	<u>\$ 4,658,830</u>	<u>\$ 4,420,182</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

13. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Consent Order

A Special Order has been issued under the authority of the Code Section 62.1-44.15(8a) between the State Water Control Board and the Hampton Roads Sanitation District, the Cities of Chesapeake, Hampton, Newport News, Norfolk, 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.

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, only one possible claim or assessment exists that would be deemed material. A local company has filed amended business personal property tax returns for several years, claiming that certain assets which it had previously reported as business tangible personal property should instead be reported for those years as real property, which is taxed at a lower rate than personal property. The Commissioner of the Revenue has agreed to a refund of \$63,000, less than has been requested in the amended filings. However, if the decision is appealed and all of the assets must be reclassified per the amended filings, then the tax refund by the County could exceed \$100,000.

Uncertainty

In March 2020, the World Health Organization declared COVID-19 a global pandemic. Due to the pandemic, the County undertook steps to limit non-essential spending, while continuing to provide safe and essential services to the county residents. As there is still a significant level of uncertainty associated with the pandemic, the County continues to actively monitor developments and will take steps to respond accordingly to the situation.

14. DISCRETELY PRESENTED COMPONENT UNIT – CDA: CASH LIQUIDITY FOR FUTURE DEBT SERVICE PAYMENTS AND GOING CONCERN

The Series 2007 Bonds were restructured in 2015 limiting the availability of future special assessments to cover any shortfall in incremental tax revenues. The terms of the restructuring have materially inhibited the Marquis CDA's ability to pay its operating expenses, including debt service, in an economic environment of declining sales. The delay in expanding the retail portion of the development, along with the impacts of COVID-19 on sales revenues, have resulted in lower-than-forecasted incremental tax revenues available for the Marquis CDA's expenses.

There have been regular draws on the Series 2007 Debt Service Reserve Fund and Series 2015 Debt Service Reserve Fund to make the regularly scheduled debt service payments on the Bonds each September and March since September 1, 2015. As of September 16, 2020, the Series 2007 Debt Service Reserve Fund balance was \$154.21 and the Series 2015 Debt Service Reserve Fund balance was \$316,478.41. The next scheduled debt service payment due on March 1, 2021, consists of an interest payment in the amount of \$614,400. Incremental tax revenues are not projected to be sufficient to make up the difference between the debt service requirements and the current balances in the trust accounts.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2020

14. DISCRETELY PRESENTED COMPONENT UNIT – CDA: CASH LIQUIDITY FOR FUTURE DEBT SERVICE PAYMENTS AND GOING CONCERN *(Continued)*

Currently, the Marquis CDA does not have any plans to mitigate the shortfall in revenues and the expected default on the Bonds. Therefore, there is substantial doubt regarding the entity's ability to continue as a going concern.

15. SUBSEQUENT EVENT

The County has received or has been granted various funding in FY2020 as a result of the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020. The County received \$5,957,167 in June 2020 from the Coronavirus Relief Fund (CRF) which is part of the CARES Act. In August 2020, the County received its second allocation of CRF funds in the amount of \$5,957,167. This funding can be used for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 and must be expended by December 30, 2020.

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**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 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, 2020

	<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	\$ 73,196,808	\$ 73,196,808	\$ 72,271,445	\$ (925,363)
Real and personal property taxes-public service corporation	2,700,000	2,700,000	3,011,715	311,715
Personal property taxes	15,720,000	15,720,000	15,605,087	(114,913)
Machinery and tools taxes	130,000	130,000	145,317	15,317
Boat taxes > 5 tons	-	-	50	50
Penalties and interest	625,000	625,000	554,184	(70,816)
Total general property taxes	<u>92,371,808</u>	<u>92,371,808</u>	<u>91,587,798</u>	<u>(784,010)</u>
Other local taxes:				
Local sales and use taxes	10,765,000	10,765,000	11,617,827	852,827
Historic Triangle local sales and use taxes	4,200,000	4,200,000	4,263,491	63,491
Hotel and motel room taxes	1,570,000	1,570,000	1,151,431	(418,569)
Restaurant food taxes	3,320,000	3,320,000	2,997,053	(322,947)
Business license taxes	6,855,000	6,855,000	7,527,828	672,828
Consumer utility taxes	240,000	240,000	224,860	(15,140)
Communications sales taxes	1,150,000	1,150,000	1,090,046	(59,954)
Vehicle registration fees	1,650,000	1,650,000	1,648,997	(1,003)
Bank stock taxes	320,000	320,000	257,274	(62,726)
Franchise taxes	6,000	6,000	4,713	(1,287)
Taxes on recordation and wills	1,645,000	1,645,000	1,777,073	132,073
Rental taxes	140,000	140,000	127,114	(12,886)
Total other local taxes	<u>31,861,000</u>	<u>31,861,000</u>	<u>32,687,707</u>	<u>826,707</u>
From the Federal Government:				
Payments in lieu of taxes	<u>11,000</u>	<u>11,000</u>	<u>11,203</u>	<u>203</u>
Categorical aid:				
Supplemental Local Emergency Management Program grant	-	-	61,842	61,842
Universal Service Library E-rate program	10,000	10,000	10,542	542
Violence Against Women Formula grant	27,000	27,000	27,930	930
Crime Victim Assistance grant	100,000	100,000	108,369	8,369
DMV Traffic Enforcement grant	-	55,327	33,670	(21,657)
Section 8 Housing Choice Vouchers program	-	-	113,102	113,102
Assistance to Firefighters grant (SAFER)	285,000	331,252	257,433	(73,819)
Indirect Cost Allocation reimbursement	180,000	180,000	191,630	11,630
State Criminal Alien Assistance program	-	16,393	16,393	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	-	1,248	1,248
Community Development Block grant - CARES Act	-	1,230,000	-	(1,230,000)
HHS Provider Relief Fund - CARES Act	-	62,109	62,109	-
FEMA Public Assistance - Coronavirus	-	150,069	105,304	(44,765)
Virginia Department of Elections grant - CARES Act	-	68,555	-	(68,555)
CARES Act Coronavirus Relief Funding (CRF)	-	5,967,167	2,894,471	(3,072,696)
Total categorical aid	<u>602,000</u>	<u>8,197,872</u>	<u>3,884,043</u>	<u>(4,313,829)</u>
Total revenues from the Federal Government	<u>613,000</u>	<u>8,208,872</u>	<u>3,895,246</u>	<u>(4,313,626)</u>
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	10,000	10,000	9,496	(504)
Rolling stock taxes	20,000	20,000	19,600	(400)
Personal property tax relief	<u>8,742,000</u>	<u>8,742,000</u>	<u>8,741,680</u>	<u>(320)</u>
Total non-categorical aid	<u>8,772,000</u>	<u>8,772,000</u>	<u>8,770,776</u>	<u>(1,224)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	562,680	562,680	565,328	2,648
Sheriff	2,688,700	2,688,700	2,746,093	57,393
Commissioner of the Revenue	201,150	201,150	204,905	3,755
Treasurer	160,790	160,790	158,096	(2,694)
Registrar	39,000	39,000	42,355	3,355
Electoral Board	9,000	9,000	9,347	347
Clerk of the Circuit Court	<u>435,680</u>	<u>509,937</u>	<u>545,854</u>	<u>35,917</u>
Total shared expenses	<u>4,097,000</u>	<u>4,171,257</u>	<u>4,271,978</u>	<u>100,721</u>
Other categorical aid:				
VA Department of Emergency Management FEMA				
Public Assistance - Coronavirus	-	6,386	22,465	16,079
Fire and life safety grants	-	-	1,802	1,802
Wireless E911 services	250,000	250,000	317,285	67,285
Crime Victim Assistance grant	30,000	30,000	36,124	6,124
VA Juvenile Community Crime Control Act grant	55,000	55,000	54,684	(316)
VA Supreme Court extradition	10,000	10,000	18,795	8,795
Emergency Home Repair grant	-	66,314	66,314	-
Arts Commission grant	-	4,500	4,500	-
Presidential Primary reimbursement	-	32,858	32,858	-
Library Aid	156,000	160,946	163,651	2,705
Court services postage reimbursement	<u>11,000</u>	<u>11,000</u>	<u>13,856</u>	<u>2,856</u>
Total other categorical aid	<u>512,000</u>	<u>627,004</u>	<u>732,334</u>	<u>105,330</u>
Total categorical aid	<u>4,609,000</u>	<u>4,798,261</u>	<u>5,004,312</u>	<u>206,051</u>
Total revenues from the Commonwealth of Virginia	<u>13,381,000</u>	<u>13,570,261</u>	<u>13,775,088</u>	<u>204,827</u>

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

(Continued)

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources
Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	20,000	20,000	13,148	(6,852)
Permits and other licenses	930,000	930,000	986,539	56,539
Total permits, privilege fees and regulatory licenses	<u>950,000</u>	<u>950,000</u>	<u>999,687</u>	<u>49,687</u>
Fines and forfeitures	<u>343,000</u>	<u>343,000</u>	<u>380,930</u>	<u>37,930</u>
Revenues from use of money and property:				
Use of money	474,000	474,000	385,334	(88,666)
Unrealized gain on investment	-	-	115,252	115,252
Use of property	<u>305,500</u>	<u>305,500</u>	<u>290,359</u>	<u>(15,141)</u>
Total revenues from use of money and property	<u>779,500</u>	<u>779,500</u>	<u>790,945</u>	<u>11,445</u>
Charges for services:				
Court costs	110,000	110,000	23,264	(86,736)
Charges for Commonwealth's Attorney	13,000	13,000	12,139	(861)
Charges for fiscal accounting services	3,000	3,000	3,050	50
Charges for law enforcement and traffic control	168,000	168,000	139,723	(28,277)
Charges for fire and life safety operations	-	-	1,000	1,000
Charges for emergency medical services	1,400,000	1,400,000	1,551,288	151,288
Charges for parks and recreation	501,000	501,000	253,957	(247,043)
Charges for library	35,000	35,000	26,529	(8,471)
Charges for mosquito control	-	-	500	500
Charges for information technology	5,000	5,000	3,484	(1,516)
Charges for grounds maintenance	1,135,000	1,135,000	1,135,000	-
Charges for law enforcement	534,500	534,500	303,477	(231,023)
Charges for video services	182,000	182,000	207,171	25,171
Charges for radio maintenance services	99,000	99,000	99,000	-
Charges for vehicle maintenance	-	-	53,421	53,421
Total charges for services	<u>4,185,500</u>	<u>4,185,500</u>	<u>3,813,003</u>	<u>(372,497)</u>
Miscellaneous:				
Miscellaneous	165,000	216,000	669,981	453,981
Sale of surplus property	-	-	2,464	2,464
Total miscellaneous revenues	<u>165,000</u>	<u>216,000</u>	<u>672,445</u>	<u>456,445</u>
Recovered costs:				
City of Poquoson shared court services	395,000	395,000	448,930	53,930
City of Poquoson E911 services	333,000	333,000	336,405	3,405
City of Poquoson cooperative extension services	9,000	9,000	10,115	1,115
City of Williamsburg E911 services	573,000	573,000	578,859	5,859
City of Williamsburg public safety	1,000	1,000	36,625	35,625
Regional radio system staffing	45,000	45,000	45,000	-
Assistance for fire & life safety training and other public safety	-	-	41,691	41,691
Fiscal agent fees	238,000	238,000	247,661	9,661
Streetlight operations	6,000	6,000	8,927	2,927
Signage	5,000	5,000	1,750	(3,250)
Riverwalk Landing repairs and maintenance	-	-	1,046	1,046
Commissioner of Accounts' postage and phone reimbursement	<u>1,000</u>	<u>1,000</u>	<u>191</u>	<u>(809)</u>
Total recovered costs	<u>1,606,000</u>	<u>1,606,000</u>	<u>1,757,200</u>	<u>151,200</u>
Total revenues	<u>146,255,808</u>	<u>154,091,941</u>	<u>150,360,049</u>	<u>(3,731,892)</u>
Other financing sources:				
Insurance recovery	-	26,889	27,734	845
Transfers in	<u>166,192</u>	<u>166,192</u>	<u>166,192</u>	<u>-</u>
Total other financing sources	<u>166,192</u>	<u>193,081</u>	<u>193,926</u>	<u>845</u>
 Total revenues and other financing sources	<u>\$ 146,422,000</u>	<u>\$ 154,285,022</u>	<u>\$ 150,553,975</u>	<u>\$ (3,731,047)</u>

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
General Administration:				
Legislative Department: Board of Supervisors	\$ 414,824	\$ 414,843	\$ 361,206	\$ 53,637
Executive Department:				
County Administrator	688,395	694,395	653,344	41,051
Public Affairs	454,809	454,809	418,301	36,508
Video Services	403,069	405,406	324,598	80,808
County Attorney	622,623	622,623	620,621	2,002
Registrar	350,423	492,786	356,220	136,566
Electoral Board	183,653	183,653	127,427	56,226
Total General Administration	<u>3,117,796</u>	<u>3,268,515</u>	<u>2,861,717</u>	<u>406,798</u>
Judicial Services:				
Circuit Court	105,199	105,199	75,581	29,618
General District Court	29,015	29,015	25,481	3,534
Juvenile and Domestic Relations Court	24,345	24,345	21,272	3,073
Clerk of the Circuit Court	986,486	1,036,218	975,886	60,332
Colonial Group Home Commission	617,374	617,374	597,642	19,732
Magistrate	2,000	2,000	25	1,975
Commonwealth's Attorney	1,211,551	1,211,551	1,207,483	4,068
Victim/Witness	254,065	254,065	241,398	12,667
Domestic Violence	51,964	51,964	51,147	817
Total Judicial Services	<u>3,281,999</u>	<u>3,331,731</u>	<u>3,195,915</u>	<u>135,816</u>
Public Safety:				
Sheriff General Operations	2,204,886	2,300,904	2,433,925	(133,021)
Law Enforcement	6,217,058	6,194,947	5,564,720	630,227
Investigations	1,737,738	1,843,171	1,677,454	165,717
Civil Operations/Court Security	1,516,790	1,501,390	1,533,940	(32,550)
School Resource Officers	1,230,616	1,249,971	1,262,258	(12,287)
Adult Corrections	2,456,177	2,472,570	2,472,338	232
Juvenile Corrections	367,872	367,872	249,441	118,431
Fire and Life Safety Administration	677,662	677,662	687,356	(9,694)
Fire and Rescue Operations	12,474,768	15,155,320	12,579,271	2,576,049
Technical Services and Special Operations	523,167	572,912	524,793	48,119
Prevention and Community Safety	408,735	408,753	376,273	32,480
Animal Control	508,910	510,555	502,678	7,877
Emergency Management	231,686	231,686	254,626	(22,940)
Support Services	529,902	547,691	534,627	13,064
Emergency Communications/911	4,280,437	4,376,370	4,304,650	71,720
Radio Maintenance	222,000	323,500	270,232	53,268
Total Public Safety	<u>35,588,404</u>	<u>38,735,274</u>	<u>35,228,582</u>	<u>3,506,692</u>
Management Services:				
Finance Administration	349,704	361,278	318,245	43,033
Information Technology	2,298,142	2,524,332	2,494,208	30,124
Human Resources	1,023,763	1,183,763	846,690	337,073
Accounting and Financial Reporting	393,006	393,006	391,821	1,185
Budget	380,010	380,010	248,574	131,436
Fiscal Accounting Services	731,763	731,763	738,676	(6,913)
Commissioner of the Revenue	1,350,608	1,350,608	1,316,497	34,111
Treasurer	1,028,169	1,162,995	1,087,834	75,161
Real Estate Assessment	729,767	729,767	702,798	26,969
Central Purchasing	451,020	451,020	444,587	6,433
Central Insurance	137,611	137,611	140,825	(3,214)
Economic Development	139,910	139,910	139,910	-
Office of Economic Development	524,203	524,853	470,263	54,590
Total Management Services	<u>9,537,676</u>	<u>10,070,916</u>	<u>9,340,928</u>	<u>729,988</u>

(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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Education:				
County of York Public School Division - Local	55,737,094	58,655,092	55,545,797	3,109,295
Library Services	3,263,058	3,268,512	3,187,604	80,908
Cooperative Extension	64,615	65,506	37,473	28,033
Total Education	59,064,767	61,989,110	58,770,874	3,218,236
Human Services:				
Social Services - payments to Board members	7,050	12,050	5,679	6,371
Contributions	1,535,021	1,535,021	1,522,158	12,863
Total Human Services	1,542,071	1,547,071	1,527,837	19,234
Public Works:				
Administration	201,848	201,848	174,984	26,864
Engineering and Facility Maintenance	3,427,141	3,496,304	3,237,371	258,933
Grounds Maintenance and Construction	3,350,798	3,364,563	3,246,317	118,246
Stormwater	1,939,606	1,388,935	1,119,345	269,590
Mosquito Control	361,514	936,466	894,671	41,795
Total Public Works	9,280,907	9,388,116	8,672,688	715,428
Community Development:				
Building Safety	1,108,805	1,133,805	1,140,966	(7,161)
Board of Zoning/Subdivision Appeals	6,565	6,565	1,505	5,060
Development and Compliance	787,341	787,341	891,853	(104,512)
Planning	329,093	361,243	478,038	(116,795)
Planning Commission	31,032	31,032	14,047	16,985
Planning and Development Admin	302,892	302,892	7,802	295,090
Total Community Development	2,565,728	2,622,878	2,534,211	88,667
Community Services:				
Administration	328,160	328,160	327,943	217
Housing & Neighborhood Revitalization	582,063	1,937,763	615,267	1,322,496
Parks and Recreation	2,348,641	2,370,633	1,982,226	388,407
Freight Shed and Tourism events	-	9,457	13,986	(4,529)
Total Community Services	3,258,864	4,646,013	2,939,422	1,706,591
Non-departmental:				
Employee benefits	1,018,848	1,968,610	1,032,806	935,804
Contributions	415,503	445,403	415,608	29,795
Appropriated reserves	254,608	178,979	-	178,979
Emergencies - Coronavirus	-	150,069	105,565	44,504
Total Non-departmental	1,688,959	2,743,061	1,553,979	1,189,082
Total expenditures	128,927,171	138,342,685	126,626,153	11,716,532
Other Financing Uses:				
Transfers out	17,494,829	25,067,688	24,435,505	632,183
Total other financing uses	17,494,829	25,067,688	24,435,505	632,183
Total expenditures and other financing uses	<u>\$ 146,422,000</u>	<u>\$ 163,410,373</u>	<u>\$ 151,061,658</u>	<u>\$ 12,348,715</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. Per Section 58.1-3823 of the Code of Virginia, one-half of the revenues collected from the additional tax shall be deposited into the Historic Triangle Marketing Fund. The other half is retained by the County. 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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other local taxes	\$ 3,455,000	\$ 3,455,000	\$ 2,606,459	\$ (848,541)
Use of money and property	138,320	138,320	69,266	(69,054)
Total revenues	<u>3,593,320</u>	<u>3,593,320</u>	<u>2,675,725</u>	<u>(917,595)</u>
EXPENDITURES				
Current:				
Public safety	285,000	285,000	285,000	-
Management services	438,600	438,600	438,600	-
Public works	60,000	106,500	108,050	(1,550)
Community services	2,510,686	2,555,406	2,014,157	541,249
Debt service - principal retirement	38,432	38,432	38,432	-
Total expenditures	<u>3,332,718</u>	<u>3,423,938</u>	<u>2,884,239</u>	<u>539,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>260,602</u>	<u>169,382</u>	<u>(208,514)</u>	<u>(377,896)</u>
OTHER FINANCING USES				
Transfers out	<u>(729,794)</u>	<u>(638,574)</u>	<u>-</u>	<u>638,574</u>
Total other financing uses	<u>(729,794)</u>	<u>(638,574)</u>	<u>-</u>	<u>638,574</u>
Net change in fund balances	(469,192)	(469,192)	(208,514)	260,678
Fund balances, beginning of year	<u>(2,682,079)</u>	<u>(2,490,660)</u>	<u>469,192</u>	<u>2,959,852</u>
Fund balances, end of year	<u>\$ (3,151,271)</u>	<u>\$ (2,959,852)</u>	<u>\$ 260,678</u>	<u>\$ 3,220,530</u>

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

COUNTY OF YORK, VIRGINIA
Schedule of Changes in Employer's Net Pension Liability and Related Ratios
Years Ended June 30

	County						School Division Nonprofessional						School Division Optional					
	2020	2019	2018	2017	2016	2015	2020	2019	2018	2017	2016	2015	2020	2019	2018	2017	2016	2015
Total Pension Liability																		
Service cost	\$ 4,577,670	\$ 4,414,111	\$ 4,400,884	\$ 4,390,926	\$ 4,347,200	\$ 4,324,554	\$ 601,823	\$ 601,022	\$ 639,053	\$ 645,253	\$ 657,682	\$ 651,659	\$ 1,138	\$ 1,206	\$ 1,385	\$ 1,834	\$ 1,731	\$ 2,224
Interest	14,551,387	13,608,499	13,134,091	12,607,441	12,029,849	11,340,354	1,652,635	1,586,058	1,511,907	1,434,468	1,340,262	1,257,618	117,944	120,762	127,986	132,210	120,051	124,341
Difference between expected and actual	3,138,804	1,407,645	(867,346)	(1,790,361)	(1,334,258)	-	56,704	(180,060)	21,121	(113,364)	144,530	-	40,567	47,716	(2,386)	2,076	74,161	-
Benefit payments	(9,548,874)	(9,473,846)	(8,050,116)	(7,318,772)	(6,264,165)	(5,365,786)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(193,616)
Other	6,002,686	3,550,930	(1,128,389)	-	-	-	706,288	-	(186,884)	-	-	-	(4,898)	(11,814)	(36,292)	-	157,315	-
Net change in total pension liability	19,321,673	13,507,339	7,489,124	7,889,234	8,778,626	10,299,122	1,873,963	1,038,663	1,101,766	1,129,621	1,385,866	1,208,577	(51,581)	(31,934)	(106,909)	(58,309)	188,350	(67,051)
Total pension liability - beginning	212,651,389	199,144,050	191,654,926	183,765,692	174,987,066	164,687,944	24,180,813	23,142,150	22,040,384	20,910,763	19,524,897	18,316,320	1,786,943	1,818,877	1,925,786	1,984,095	1,795,745	1,862,796
Total pension liability - ending	\$231,973,062	\$212,651,389	\$199,144,050	\$191,654,926	\$183,765,692	\$174,987,066	\$ 26,054,776	\$ 24,180,813	\$ 23,142,150	\$ 22,040,384	\$ 20,910,763	\$ 19,524,897	\$ 1,735,362	\$ 1,786,943	\$ 1,818,877	\$ 1,925,786	\$ 1,984,095	\$ 1,795,745
Plan Fiduciary Net Position																		
Contributions - employer	\$ 4,260,368	\$ 4,166,554	\$ 3,593,323	\$ 4,373,897	\$ 4,288,412	\$ 4,332,603	\$ 326,377	\$ 354,063	\$ 361,828	\$ 487,737	\$ 474,730	\$ 540,694	\$ -	\$ -	\$ 20,000	\$ 10,000	\$ -	\$ 290,495
Contributions - employee	2,116,844	1,990,383	1,906,698	1,955,396	1,871,311	1,851,612	305,891	303,951	309,049	310,891	303,379	300,981	-	-	-	-	-	-
Net investment income	12,930,127	13,562,714	20,266,521	2,893,068	7,259,533	21,563,882	1,615,700	1,696,743	2,525,399	361,926	896,825	2,649,679	179,448	237,109	142,975	89,571	20,333	-
Benefit payments	(9,548,874)	(9,473,846)	(8,050,116)	(7,318,772)	(6,264,165)	(5,365,786)	(1,143,487)	(968,357)	(883,431)	(836,736)	(756,608)	(700,700)	(206,332)	(189,804)	(197,602)	(194,429)	(164,908)	(177,455)
Refunds of contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,106)
Administrative expenses	(128,063)	(117,688)	(117,234)	(102,044)	(98,165)	(114,394)	(16,095)	(14,629)	(14,499)	(12,543)	(12,064)	(14,022)	(19,034)	(19,484)	(19,782)	(21,276)	(21,515)	-
Other changes	(8,149)	(12,075)	(18,023)	(1,221)	(1,538)	1,136	(1,017)	(1,513)	(2,249)	(151)	(188)	139	-	-	-	-	-	-
Net change in plan fiduciary net position	9,622,253	10,116,042	17,581,169	1,800,324	7,055,388	22,269,053	1,087,369	1,370,258	2,296,097	311,124	906,074	2,776,771	(45,918)	27,821	(54,409)	(116,134)	(166,090)	90,934
Plan fiduciary net position - beginning	194,546,474	184,430,432	166,849,263	165,048,939	157,993,551	135,724,498	24,379,808	23,009,550	20,713,453	20,402,329	19,496,255	16,719,484	1,791,326	1,763,505	1,817,914	1,934,048	2,100,138	2,009,204
Plan fiduciary net position - ending	\$204,168,727	\$194,546,474	\$184,430,432	\$166,849,263	\$165,048,939	\$157,993,551	\$ 25,467,177	\$ 24,379,808	\$ 23,009,550	\$ 20,713,453	\$ 20,402,329	\$ 19,496,255	\$ 1,745,408	\$ 1,791,326	\$ 1,763,505	\$ 1,817,914	\$ 1,934,048	\$ 2,100,138
Net pension liability (asset) *	\$ 27,804,335	\$ 18,104,915	\$ 14,713,618	\$ 24,805,663	\$ 18,716,753	\$ 16,993,515	\$ 587,599	\$ (198,995)	\$ 132,600	\$ 1,326,931	\$ 508,434	\$ 28,642	\$ (10,046)	\$ (4,383)	\$ 55,372	\$ 107,872	\$ 50,047	\$ (304,393)
Plan fiduciary net position as a percentage of total pension liability	88.01%	91.49%	92.61%	87.06%	89.81%	90.29%	97.74%	100.82%	99.43%	93.98%	97.57%	99.85%	100.58%	100.25%	96.96%	94.40%	97.48%	116.95%
Covered payroll	\$ 43,554,938	\$ 41,074,204	\$ 39,079,963	\$ 38,259,805	\$ 37,197,611	\$ 37,009,571	\$ 6,466,346	\$ 6,347,608	\$ 6,373,699	\$ 6,361,525	\$ 6,167,447	\$ 6,035,633	\$ 315,384	\$ 393,083	\$ 416,038	\$ 490,949	\$ 540,694	\$ 605,577
Net pension liability as a percentage of covered payroll	63.84%	44.08%	37.65%	64.83%	50.32%	45.92%	9.09%	-3.13%	2.08%	20.86%	8.24%	0.47%	-3.19%	-1.12%	13.31%	21.97%	9.26%	-50.26%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net pension liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net Pension Liability
School Division's Professional Employees
Years Ended June 30

	(a)	(b)	(c)	(d)	(e)
	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the NPL as a % of its Covered Payroll b / c	Plan Fiduciary Net Position as a % of the Total Pension Liability
Date					
Professional Employees					
June 30, 2020	0.85177%	\$ 112,097,772	\$ 70,985,747	157.92%	73.51%
June 30, 2019	0.84051%	\$ 98,844,000	\$ 67,691,857	146.02%	74.81%
June 30, 2018	0.85148%	104,715,000	66,894,061	156.54%	72.92%
June 30, 2017	0.87024%	121,956,000	66,367,678	183.76%	68.28%
June 30, 2016	0.85504%	107,618,000	63,559,725	169.32%	70.68%
June 30, 2015	0.83118%	100,445,000	60,755,750	165.33%	70.88%

Schedule is intended to show information for 10 years. Since 2020 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

The amounts presented have a measurement date of the previous fiscal year end.

COUNTY OF YORK, VIRGINIA
Schedule of Employer Contributions - Pension
Years Ended June 30

	(a)	(b)	(c)	(d)	(e)
Date	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll (b) / (d)
County					
June 30, 2020	\$ 4,448,949	\$ 4,448,949	\$ -	\$ 45,217,918	9.84%
June 30, 2019	4,341,119	4,341,119	-	43,554,938	9.97%
June 30, 2018	4,170,856	4,170,856	-	41,074,204	10.15%
June 30, 2017	3,686,802	3,686,802	-	39,079,963	9.43%
June 30, 2016	4,480,621	4,480,621	-	38,259,805	11.71%
June 30, 2015	4,359,173	4,359,173	-	37,197,611	11.72%
June 30, 2014	6,183,660	6,183,660	-	37,009,571	16.71%
June 30, 2013	6,020,741	6,020,741	-	36,232,767	16.62%
June 30, 2012	4,887,296	4,887,296	-	34,397,352	14.21%
June 30, 2011	5,002,989	5,002,989	-	35,320,303	14.16%
School Division Nonprofessional					
June 30, 2020	\$ 324,157	\$ 324,157	\$ -	\$ 6,598,388	4.91%
June 30, 2019	327,734	327,734	-	6,466,346	5.07%
June 30, 2018	355,364	355,364	-	6,347,608	5.60%
June 30, 2017	363,194	363,194	-	6,373,699	5.70%
June 30, 2016	489,081	489,081	-	6,361,525	7.69%
June 30, 2015	475,903	475,903	-	6,167,447	7.72%
June 30, 2014	542,604	542,604	-	6,035,633	8.99%
June 30, 2013	519,830	519,830	-	5,782,294	8.99%
June 30, 2012	699,906	699,906	-	6,016,887	11.63%
June 30, 2011	717,579	717,579	-	6,164,768	11.64%
School Division Professional					
June 30, 2020	\$ 11,359,571	\$ 11,359,571	\$ -	\$ 74,340,993	15.28%
June 30, 2019	10,917,764	10,917,764	-	70,985,747	15.38%
June 30, 2018	10,867,762	10,867,762	-	67,691,857	16.05%
June 30, 2017	9,684,516	9,684,516	-	66,894,061	14.48%
June 30, 2016	9,271,511	9,271,511	-	66,367,678	13.97%
June 30, 2015	9,180,878	9,180,878	-	63,559,725	14.44%
June 30, 2014	7,081,843	7,081,843	-	60,755,750	11.66%
June 30, 2013	6,906,219	6,906,219	-	59,230,011	11.66%
June 30, 2012	6,876,567	6,876,567	-	60,693,441	11.33%
June 30, 2011	5,482,734	5,482,734	-	61,396,807	8.93%
School Division Optional					
June 30, 2020	\$ -	\$ -	\$ -	\$ 334,285	0.00%
June 30, 2019	-	-	-	315,384	0.00%
June 30, 2018	-	-	-	393,083	0.00%
June 30, 2017	20,000	20,000	-	416,038	4.81%
June 30, 2016	5,370	10,000	(4,630)	490,949	2.04%
June 30, 2015	-	-	-	540,694	0.00%
June 30, 2014	-	-	-	-	0.00%
June 30, 2013	-	-	-	-	0.00%
June 30, 2012	41,786	41,786	-	-	0.00%
June 30, 2011	45,923	45,923	-	-	0.00%

No changes have been made since GASB 68 has become effective.

COUNTY OF YORK, VIRGINIA

Schedule of Changes in Employer's Net OPEB Liability and Related Ratios
Year Ended June 30

	County				School Division			
	2020	2019	2018	2017	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 233,175	\$ 94,396	\$ 299,500	\$ 289,250	\$ 324,527	\$ 256,396	\$ 280,180	\$ 261,850
Interest	1,196,966	479,609	1,539,270	1,002,541	382,499	348,052	323,944	308,920
Liability gains or losses	1,558,131	-	6,981,442	-	-	131,855	-	-
Assumption changes or inputs	(1,192,982)	10,215,778	(15,941,922)	-	(25,368)	626,213	-	-
Benefit payments	(990,328)	(857,558)	(802,870)	(435,212)	(389,344)	(383,086)	(352,983)	(395,238)
Net change in total OPEB liability	804,962	9,932,225	(7,924,580)	856,579	292,314	979,430	251,141	175,532
Total OPEB liability - beginning	17,110,914	7,178,689	15,103,269	14,246,690	5,751,666	4,772,236	4,521,095	4,345,563
Total OPEB liability - ending	<u>\$ 17,915,876</u>	<u>\$ 17,110,914</u>	<u>\$ 7,178,689</u>	<u>\$ 15,103,269</u>	<u>\$ 6,043,980</u>	<u>\$ 5,751,666</u>	<u>\$ 4,772,236</u>	<u>\$ 4,521,095</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 1,070,691	\$ 930,691	\$ 1,183,144	\$ 812,312	\$ 389,344	\$ 593,608	\$ 563,505	\$ 589,228
Net investment income	294,017	423,140	776,228	911,857	232,409	325,272	602,829	700,174
Benefit payments	(990,328)	(857,558)	(802,870)	(435,212)	(389,344)	(383,086)	(352,983)	(395,238)
Administrative expenses	(11,270)	(10,499)	(9,596)	(6,740)	(8,907)	(8,187)	(7,558)	(5,292)
Net change in plan fiduciary net position	363,110	485,774	1,146,906	1,282,217	223,502	527,607	805,793	888,872
Plan fiduciary net position - beginning	9,689,438	9,203,664	8,056,758	6,774,541	7,602,647	7,075,040	6,269,247	5,380,376
Plan fiduciary net position - ending	<u>\$ 10,052,548</u>	<u>\$ 9,689,438</u>	<u>\$ 9,203,664</u>	<u>\$ 8,056,758</u>	<u>\$ 7,826,149</u>	<u>\$ 7,602,647</u>	<u>\$ 7,075,040</u>	<u>\$ 6,269,248</u>
Net OPEB liability (asset)	<u>\$ 7,863,328</u>	<u>\$ 7,421,476</u>	<u>\$ (2,024,975)</u>	<u>\$ 7,046,511</u>	<u>\$ (1,782,169)</u>	<u>\$ (1,850,981)</u>	<u>\$ (2,302,804)</u>	<u>\$ (1,748,153)</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>56.11%</u>	<u>56.63%</u>	<u>128.21%</u>	<u>53.34%</u>	<u>129.49%</u>	<u>132.18%</u>	<u>148.25%</u>	<u>138.67%</u>
Covered payroll	<u>\$ 44,992,730</u>	<u>\$ 39,807,161</u>	<u>\$ 39,807,161</u>	<u>\$ 37,197,611</u>	<u>\$ 72,562,703</u>	<u>\$ 72,562,703</u>	<u>\$ 73,417,704</u>	<u>\$ 73,417,704</u>
Net OPEB liability as a percentage of covered employee payroll	<u>17.48%</u>	<u>18.64%</u>	<u>-5.09%</u>	<u>18.94%</u>	<u>-2.46%</u>	<u>-2.55%</u>	<u>-3.14%</u>	<u>-2.38%</u>

Schedule is intended to show information for 10 years. Since 2020 is the fourth year for this presentation, only three additional years are available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Schedule of Employer Contributions
Other Postemployment Benefits - Health/Dental
Years Ended June 30

County					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 720,577	\$ 80,363	\$ 73,133	\$ 816,365	\$ 762,958
Contributions in relation to the actuarially determined contribution	<u>1,070,691</u>	<u>930,691</u>	<u>1,183,144</u>	<u>812,312</u>	<u>7,146,558</u>
Contribution deficiency (excess)	<u>\$ (350,114)</u>	<u>\$ (850,328)</u>	<u>\$ (1,110,011)</u>	<u>\$ 4,053</u>	<u>\$ (6,383,600)</u>
Covered payroll	<u>\$ 44,992,730</u>	<u>\$ 39,807,161</u>	<u>\$ 39,807,161</u>	<u>\$ 37,197,611</u>	<u>\$ 37,197,611</u>
Contribution as a % of covered employee payroll	<u>2.38%</u>	<u>2.34%</u>	<u>2.97%</u>	<u>2.18%</u>	<u>19.21%</u>
School Division					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 241,410	\$ 223,313	\$ 210,522	\$ 193,990	\$ 178,621
Contributions in relation to the actuarially determined contribution	<u>389,344</u>	<u>593,608</u>	<u>563,505</u>	<u>589,228</u>	<u>5,777,164</u>
Contribution deficiency (excess)	<u>\$ (147,934)</u>	<u>\$ (370,295)</u>	<u>\$ (352,983)</u>	<u>\$ (395,238)</u>	<u>\$ (5,598,543)</u>
Covered payroll	<u>\$ 72,562,703</u>	<u>\$ 72,562,703</u>	<u>\$ 73,417,704</u>	<u>\$ 73,417,704</u>	<u>\$ 73,417,704</u>
Contribution as a % of covered employee payroll	<u>0.54%</u>	<u>0.82%</u>	<u>0.77%</u>	<u>0.80%</u>	<u>7.87%</u>

COUNTY OF YORK, VIRGINIA
Schedule of Changes in Employer's Net HIC OPEB Liability and Related Ratios
Year Ended June 30

	County			School Division Nonprofessional
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 23,113	\$ 22,681	\$ 25,337	\$ 11,130
Interest	85,890	84,301	84,360	(540)
Assumption changes or inputs	32,340	-	(44,791)	9,367
Difference between expected and actual	22,769	(1,640)	-	321,805
Benefit payments	(78,442)	(86,835)	(44,700)	(15,426)
Net change in total OPEB liability	85,670	18,507	20,206	326,336
Total OPEB liability - beginning	1,266,218	1,247,711	1,227,505	-
Total OPEB liability - ending	<u>\$ 1,351,888</u>	<u>\$ 1,266,218</u>	<u>\$ 1,247,711</u>	<u>\$ 326,336</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 73,808	\$ 77,571	\$ 73,420	\$ 34,311
Net investment income	59,868	62,659	90,253	1,107
Benefit payments	(78,442)	(86,835)	(44,700)	(15,426)
Administrative expenses	(1,313)	(1,474)	(1,503)	(28)
Other changes	(71)	(4,438)	4,438	(1)
Net change in plan fiduciary net position	53,850	47,483	121,908	19,963
Plan fiduciary net position - beginning	932,252	884,769	762,861	-
Plan fiduciary net position - ending	<u>\$ 986,102</u>	<u>\$ 932,252</u>	<u>\$ 884,769</u>	<u>\$ 19,963</u>
Net OPEB liability	<u>\$ 365,786</u>	<u>\$ 333,966</u>	<u>\$ 362,942</u>	<u>\$ 306,373</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>72.94%</u>	<u>73.62%</u>	<u>70.91%</u>	<u>6.12%</u>
Covered payroll	<u>\$ 30,253,324</u>	<u>\$ 28,521,474</u>	<u>\$ 26,950,520</u>	<u>\$ 6,441,833</u>
Net OPEB liability as a percentage of covered payroll	<u>1.21%</u>	<u>1.17%</u>	<u>1.35%</u>	<u>4.76%</u>

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years are available. Since the York County School Division nonprofessional employees began participating in the program in 2020, only one year of data is available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer HIC OPEB Contributions
For the Years Ended June 30, 2011 through 2020

	(a)	(b)	(c)	(d)	(e)
Date	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll (b) / (d)
County					
June 30, 2020	\$ 53,656	\$ 53,656	-	\$ 31,562,625	0.17%
June 30, 2019	51,431	51,431	-	30,253,324	0.17%
June 30, 2018	54,191	54,191	-	28,521,474	0.19%
June 30, 2017	51,206	51,206	-	26,950,520	0.19%
June 30, 2016	50,313	50,313	-	26,480,681	0.19%
June 30, 2015	49,503	49,503	-	26,054,442	0.19%
June 30, 2014	41,680	41,680	-	26,049,790	0.16%
June 30, 2013	57,577	57,577	-	35,985,373	0.16%
June 30, 2012	52,474	52,474	-	34,982,680	0.15%
June 30, 2011	53,720	53,720	-	35,813,638	0.15%
School Division Professional					
June 30, 2020	\$ 892,376	\$ 892,376	\$ -	\$ 74,364,656	1.20%
June 30, 2019	852,109	852,109	-	71,009,117	1.20%
June 30, 2018	832,471	832,471	-	67,680,531	1.23%
June 30, 2017	743,350	743,350	-	66,968,466	1.11%
June 30, 2016	703,335	703,335	-	66,352,331	1.06%
June 30, 2015	673,859	673,859	-	63,571,618	1.06%
June 30, 2014	674,705	674,705	-	60,784,260	1.11%
June 30, 2013	657,477	657,477	-	59,232,163	1.11%
June 30, 2012	364,850	364,850	-	60,808,301	0.60%
June 30, 2011	368,935	368,935	-	61,489,088	0.60%
School Division Nonprofessional					
June 30, 2020	\$ 34,311	\$ 34,311	\$ -	\$ 6,473,737	0.53%

Schedule is intended to show information for 10 years. Since the York County School Division nonprofessional employees began participating in the program in 2020, only one year of data is available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Health Insurance Credit Program - Professional Employees
Year Ended June 30

School Division				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Employer's Proportion of the Net HIC OPEB Liability	0.84659%	0.83687%	0.84856%	
Employer's Proportionate Share of the Net HIC OPEB Liability	\$ 11,082,687	\$ 10,626,000	\$ 10,765,000	
Employer's Covered Payroll	\$ 71,009,117	\$ 67,680,531	\$ 66,968,466	
Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll	15.61%	15.70%	16.07%	
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	8.97%	8.08%	7.04%	

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program
Year Ended June 30

County			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net GLI OPEB Liability	0.22168%	0.21566%	0.21034%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$ 3,607,323	\$ 3,276,000	\$ 3,165,000
Employer's Covered Payroll	\$ 43,457,502	\$ 41,007,670	\$ 38,797,164
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program - Nonprofessional Employees
Years Ended June 30

School Division			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net GLI OPEB Liability	0.03328%	0.33990%	0.03505%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$ 541,554	\$ 516,000	\$ 527,000
Employer's Covered Payroll	\$ 6,524,499	\$ 6,464,042	\$ 6,465,629
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.30%	7.98%	8.15%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program - Professional Employees
Years Ended June 30

School Division			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net GLI OPEB Liability	0.36358%	0.35768%	0.36412%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$ 5,916,415	\$ 5,432,000	\$ 5,479,000
Employer's Covered Payroll	\$ 71,274,389	\$ 68,011,166	\$ 67,163,557
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer GLI OPEB Contributions
For the Years Ended June 30, 2011 through 2020

	(a)	(b)	(c)	(d)	(e)
<u>Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess) (a) - (b)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll (b) / (d)</u>
County					
June 30, 2020	\$ 233,351	\$ 233,351	-	\$ 44,875,227	0.52%
June 30, 2019	225,979	225,979	-	43,457,502	0.52%
June 30, 2018	213,240	213,240	-	41,007,670	0.52%
June 30, 2017	201,745	201,745	-	38,797,164	0.52%
June 30, 2016	182,606	182,606	-	38,042,921	0.48%
June 30, 2015	179,206	179,206	-	37,334,631	0.48%
June 30, 2014	178,047	178,047	-	37,093,209	0.48%
June 30, 2013	173,173	173,173	-	36,077,655	0.48%
June 30, 2012	98,058	98,058	-	35,020,634	0.28%
June 30, 2011	100,373	100,373	-	35,847,507	0.28%
School Division Nonprofessional					
June 30, 2020	\$ 34,895	\$ 34,895	\$ -	\$ 6,710,645	0.52%
June 30, 2019	33,927	33,927	-	6,524,499	0.52%
June 30, 2018	33,613	33,613	-	6,464,042	0.52%
June 30, 2017	33,621	33,621	-	6,465,629	0.52%
June 30, 2016	31,104	31,104	-	6,479,929	0.48%
June 30, 2015	29,858	29,858	-	6,220,361	0.48%
June 30, 2014	29,091	29,091	-	6,060,588	0.48%
June 30, 2013	28,253	28,253	-	5,885,972	0.48%
June 30, 2012	16,918	16,918	-	6,042,070	0.28%
June 30, 2011	17,495	17,495	-	6,248,301	0.28%
School Division Professional					
June 30, 2020	\$ 387,637	\$ 387,637	\$ -	\$ 74,545,554	0.52%
June 30, 2019	370,627	370,627	-	71,274,389	0.52%
June 30, 2018	353,658	353,658	-	68,011,166	0.52%
June 30, 2017	349,251	349,251	-	67,163,557	0.52%
June 30, 2016	319,402	319,402	-	66,542,088	0.48%
June 30, 2015	306,106	306,106	-	63,772,157	0.48%
June 30, 2014	292,259	292,259	-	60,887,315	0.48%
June 30, 2013	284,574	284,574	-	59,286,277	0.48%
June 30, 2012	170,304	170,304	-	60,822,776	0.28%
June 30, 2011	172,205	172,205	-	61,501,849	0.28%

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Virginia Local Disability Program - Nonprofessional Employees
Years Ended June 30

School Division			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net VLDP OPEB Liability	0.56622%	0.55393%	0.58111%
Employer's Proportionate Share of the Net VLDP OPEB Liability	\$ 11,471	\$ 4,000	\$ 3,000
Employer's Covered Payroll	\$ 1,749,657	\$ 1,344,986	\$ 1,067,079
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	0.66%	0.30%	0.28%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	49.21%	51.39%	38.40%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net OPEB Liability
Virginia Local Disability Program - Professional Employees
Years Ended June 30

School Division			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Employer's Proportion of the Net VLDP OPEB Liability	2.60420%	2.70217%	2.91011%
Employer's Proportionate Share of the Net VLDP OPEB Liability	\$ 15,140	\$ 21,000	\$ 17,000
Employer's Covered Payroll	\$ 12,487,933	\$ 10,075,546	\$ 8,212,334
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	0.12%	0.21%	0.21%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	74.07%	46.18%	31.96%

Schedule is intended to show information for 10 years. Since 2020 is the third year for this presentation, only two additional years of data are available. However, additional years will be included as they become available.

* Per GAAP, net OPEB liabilities are reported using the measurement date, which is one year prior to the reporting date.

COUNTY OF YORK, VIRGINIA
Schedule of Employer Virginia Local Disability Program (VLDP)
For the Years Ended June 30, 2014 through 2020

	(a)	(b)	(c)	(d)	(e)
Date	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll (b) / (d)
School Division Nonprofessional					
June 30, 2020	\$ 15,907	\$ 15,907	\$ -	\$ 2,209,330	0.72%
June 30, 2019	10,848	10,848	-	1,749,657	0.62%
June 30, 2018	8,070	8,070	-	1,344,986	0.60%
June 30, 2017	6,402	6,402	-	1,067,079	0.60%
June 30, 2016	4,505	4,505	-	750,816	0.60%
June 30, 2015	2,825	2,825	-	470,890	0.60%
June 30, 2014	461	461	-	76,841	0.60%
School Division Professional					
June 30, 2020	\$ 64,967	\$ 64,967	\$ -	\$ 15,845,658	0.41%
June 30, 2019	51,201	51,201	-	12,487,933	0.41%
June 30, 2018	31,234	31,234	-	10,075,546	0.31%
June 30, 2017	25,458	25,458	-	8,212,334	0.31%
June 30, 2016	18,227	18,227	-	6,285,203	0.29%
June 30, 2015	9,074	9,074	-	3,129,075	0.29%
June 30, 2014	336	336	-	115,993	0.29%

Schedule is intended to show information for 10 years. Since VLDP was implemented in January 2014, only seven years of data are available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Schedule of Investment Returns
Other Postemployment Benefits - Health/Dental
Years Ended June 30

	County			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	3.02%	4.60%	9.46%	12.93%

Schedule is intended to show information for 10 years. Since 2020 is the fourth year for this presentation, only four years of data are available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2020

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, 2020, 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.

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.

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through July 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2020

2. PENSION DATA (Continued)

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Largest 10 – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2020

3. OTHER POSTEMPLOYMENT BENEFITS GLI and HIC (OPEB) DATA

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through July 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

Non-Largest – General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

Largest 10 – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2020

3. OTHER POSTEMPLOYMENT BENEFITS HIC (OPEB) DATA (Continued)

Non-Largest – Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decrease rate from 7.00% to 6.75%

4. OTHER POSTEMPLOYMENT 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.

The County and School Division pre-fund benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed period. The following methods and assumptions were used to calculate the Actuarially Determined Contribution for the fiscal year ending June 30, 2020.

Actuarial cost method:	Projected Unit Credit
Amortization method:	Layered approach, with each new base amortized over a closed 30-year period as a level percentage of payroll
Asset valuation method:	Market value
Inflation:	2.5 percent
Payroll growth:	3.0 percent
Discount rate:	6.5 percent

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2020

4. OTHER POSTEMPLOYMENT BENEFITS (OPEB) DATA (Continued)

Medical cost trend:	Pre-65 is 3.20% for fiscal year 2020, 6.10% for fiscal 2021, 5.30% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074 Post-65 is 5.90% for fiscal year 2020, 3.90% for fiscal 2021, 5.00% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074
Dental cost trend:	No increase in dental costs for fiscal 2020, and then a 4.00% annual increase for each fiscal year thereafter

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Revenue Stabilization Fund – accounts for local funds equal to the excess of Federal Impact Aid receipts returned by the School Division at the close of any fiscal year. When applicable, expenditures reflect funds transferred to the School Division for school capital projects, which are typically repaid with future receipts.

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.

Grants and Donations Fund - accounts for various grant-funded programs which include non-recurring grants as well as grants that cross multiple years and non-permanent personnel grants.

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. This fund is a major governmental fund; however, it is shown here for budgetary comparison purposes.

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, 2020

		Special Revenue								Total Nonmajor Governmental Funds
		Revenue Stabilization	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	Grant and Donations	Debt Service County	Stormwater Capital Project	
ASSETS										
Cash and investments	\$	8,572,117	\$ -	\$ 5,646	\$ 26,818	\$ 166,878	\$ 689,212	\$ 1,000,000	\$ 3,720,612	\$ 14,181,283
Receivables, net		-	271,074	552,819	-	134,491	460,566	-	292,755	1,711,705
Prepaid expenditures		-	-	-	-	4,958	-	-	-	4,958
Total assets	\$	8,572,117	\$ 271,074	\$ 558,465	\$ 26,818	\$ 306,327	\$ 1,149,778	\$ 1,000,000	\$ 4,013,367	\$ 15,897,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	-	\$ 32,007	\$ 99,625	\$ 1,382	\$ -	\$ 8,641	\$ -	\$ 14,046	\$ 155,701
Salaries, taxes and benefits payable		-	38,659	43,580	-	-	-	-	-	82,239
Unearned revenue		-	-	-	-	-	-	-	239,571	239,571
Due to component unit - CDA		-	-	-	-	301,369	-	-	-	301,369
Total liabilities		-	70,666	143,205	1,382	301,369	8,641	-	253,617	778,880
Deferred inflows of resources:										
Unavailable revenues - property taxes, fees and grants		-	-	-	-	-	18,982	-	-	18,982
Prepaid taxes and grants received in advance		-	-	-	-	4,958	32,461	-	-	37,419
Total deferred inflows of resources		-	-	-	-	4,958	51,443	-	-	56,401
Fund balances:										
Restricted		-	5,724	-	25,436	-	1,005,557	-	-	1,036,717
Committed		8,572,117	-	-	-	-	-	-	3,759,750	12,331,867
Assigned		-	194,684	415,260	-	-	84,137	1,000,000	-	1,694,081
Total fund balances		8,572,117	200,408	415,260	25,436	-	1,089,694	1,000,000	3,759,750	15,062,665
Total liabilities, deferred inflows of resources and fund balances	\$	8,572,117	\$ 271,074	\$ 558,465	\$ 26,818	\$ 306,327	\$ 1,149,778	\$ 1,000,000	\$ 4,013,367	\$ 15,897,946

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue								
	Revenue Stabilization	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	Grants and Donations	Debt Service County	Stormwater Capital Project	Total Nonmajor Governmental Funds
REVENUES									
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 337,062	\$ -	\$ -	\$ -	\$ 337,062
Other local taxes	-	-	-	-	757,590	-	-	1,493,198	2,250,788
Intergovernmental:									
Federal	-	1,195,778	2,619,715	-	-	804,586	-	-	4,620,079
State	-	-	1,467,922	-	-	452,530	-	1,314,121	3,234,573
Use of money and property	55,554	3,628	-	177	592	7,098	1,870	27,718	96,637
Charges for services	-	4,000	490	7,412	-	-	-	2,700	14,602
Miscellaneous	-	5,776	-	-	-	43,092	-	150	49,018
Recovered costs	-	-	294,755	-	-	-	-	-	294,755
Total revenues	<u>55,554</u>	<u>1,209,182</u>	<u>4,382,882</u>	<u>7,589</u>	<u>1,095,244</u>	<u>1,307,306</u>	<u>1,870</u>	<u>2,837,887</u>	<u>10,897,514</u>
EXPENDITURES									
Current:									
Judicial services	-	-	-	3,666	-	-	-	-	3,666
Public Safety	-	-	-	-	-	708,439	-	-	708,439
Education	1,745,300	-	-	-	-	11,993	-	-	1,757,293
Human services	-	1,585,018	6,379,709	-	-	-	-	-	7,964,727
Community services	-	-	-	-	-	474,909	-	-	474,909
Nondepartmental	-	-	-	-	929,052	-	-	-	929,052
Capital outlay	-	-	-	-	-	-	-	4,137,890	4,137,890
Debt service:									
Principal retirement	-	-	-	-	-	-	2,523,463	-	2,523,463
Interest and fiscal charges	-	-	-	-	-	-	1,010,617	-	1,010,617
Debt issuance costs	-	-	-	-	-	-	2,500	-	2,500
Total expenditures	<u>1,745,300</u>	<u>1,585,018</u>	<u>6,379,709</u>	<u>3,666</u>	<u>929,052</u>	<u>1,195,341</u>	<u>3,536,580</u>	<u>4,137,890</u>	<u>19,512,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,689,746)</u>	<u>(375,836)</u>	<u>(1,996,827)</u>	<u>3,923</u>	<u>166,192</u>	<u>111,965</u>	<u>(3,534,710)</u>	<u>(1,300,003)</u>	<u>(8,615,042)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	2,409,651	300,000	2,053,737	-	-	17,000	4,481,831	600,000	9,862,219
Transfers out	-	-	-	-	(166,192)	-	-	-	(166,192)
Total other financing sources (uses), net	<u>2,409,651</u>	<u>300,000</u>	<u>2,053,737</u>	<u>-</u>	<u>(166,192)</u>	<u>17,000</u>	<u>4,481,831</u>	<u>600,000</u>	<u>9,696,027</u>
Net change in fund balances	719,905	(75,836)	56,910	3,923	-	128,965	947,121	(700,003)	1,080,985
Fund balances, beginning of year	<u>7,852,212</u>	<u>276,244</u>	<u>358,350</u>	<u>21,513</u>	<u>-</u>	<u>960,729</u>	<u>52,879</u>	<u>4,459,753</u>	<u>13,981,680</u>
Fund balances, end of year	<u>\$ 8,572,117</u>	<u>\$ 200,408</u>	<u>\$ 415,260</u>	<u>\$ 25,436</u>	<u>\$ -</u>	<u>\$ 1,089,694</u>	<u>\$ 1,000,000</u>	<u>\$ 3,759,750</u>	<u>\$ 15,062,665</u>

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2020

	Revenue Stabilization				Children and Family Services			
	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	\$ -	\$ -	\$ -	\$ -	\$ 1,124,582	\$ 1,124,582	\$ 1,195,778	\$ 71,196
State	-	-	-	-	-	-	-	-
Use of money and property	-	-	55,554	55,554	1,800	1,800	3,628	1,828
Charges for services	-	-	-	-	18,650	18,650	4,000	(14,650)
Miscellaneous	-	-	-	-	2,400	5,776	5,776	-
Recovered costs	-	-	-	-	-	-	-	-
Total revenues	-	-	55,554	55,554	1,147,432	1,150,808	1,209,182	58,374
EXPENDITURES								
Current:								
Education	780,000	1,745,300	1,745,300	-	-	-	-	-
Human services	-	-	-	-	1,602,526	1,605,902	1,585,018	20,884
Total expenditures	780,000	1,745,300	1,745,300	-	1,602,526	1,605,902	1,585,018	20,884
Excess (deficiency) of revenues over (under) expenditures	(780,000)	(1,745,300)	(1,689,746)	55,554	(455,094)	(455,094)	(375,836)	79,258
OTHER FINANCING SOURCES								
Transfers in	2,409,651	2,409,651	2,409,651	-	300,000	300,000	300,000	-
Total other financing sources	2,409,651	2,409,651	2,409,651	-	300,000	300,000	300,000	-
Net change in fund balances	1,629,651	664,351	719,905	55,554	(155,094)	(155,094)	(75,836)	79,258
Fund balances, beginning of year	(700,000)	(1,065,460)	7,852,212	8,917,672	(149,547)	(222,084)	276,244	498,328
Fund balances, end of year	\$ 929,651	\$ (401,109)	\$ 8,572,117	\$ 8,973,226	\$ (304,641)	\$ (377,178)	\$ 200,408	\$ 577,586

	Virginia Public Assistance				Law Library			
	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	\$ 2,610,807	\$ 2,610,807	\$ 2,619,715	\$ 8,908	\$ -	\$ -	\$ -	\$ -
State	1,789,216	1,789,216	1,467,922	(321,294)	-	-	-	-
Use of money and property	-	-	-	-	100	100	177	77
Charges for services	-	-	490	490	9,500	9,500	7,412	(2,088)
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	310,000	310,000	294,755	(15,245)	-	-	-	-
Total revenues	4,710,023	4,710,023	4,382,882	(327,141)	9,600	9,600	7,589	(2,011)
EXPENDITURES								
Current:								
Judicial services	-	-	-	-	7,500	7,500	3,666	3,834
Human services	7,292,257	7,292,257	6,379,709	912,548	-	-	-	-
Total expenditures	7,292,257	7,292,257	6,379,709	912,548	7,500	7,500	3,666	3,834
Excess (deficiency) of revenues over (under) expenditures	(2,582,234)	(2,582,234)	(1,996,827)	585,407	2,100	2,100	3,923	1,823
OTHER FINANCING SOURCES								
Transfers in	2,431,876	2,431,876	2,053,737	(378,139)	-	-	-	-
Total other financing sources	2,431,876	2,431,876	2,053,737	(378,139)	-	-	-	-
Net change in fund balances	(150,358)	(150,358)	56,910	207,268	2,100	2,100	3,923	1,823
Fund balances, beginning of year	(6,128)	(6,128)	358,350	364,478	6,325	6,325	21,513	15,188
Fund balances, end of year	\$ (156,486)	\$ (156,486)	\$ 415,260	\$ 571,746	\$ 8,425	\$ 8,425	\$ 25,436	\$ 17,011

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2020

	Community Development Authority Revenue Account				Grants and Donations			
	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	\$ 299,647	\$ 299,647	\$ 337,062	\$ 37,415	\$ -	\$ -	\$ -	\$ -
Other local taxes	575,600	575,600	757,590	181,990	-	-	-	-
Intergovernmental								
Federal	-	-	-	-	-	930,598	804,586	(126,012)
State	-	-	-	-	365,000	469,225	452,530	(16,695)
Use of money and property	-	-	592	592	-	-	7,098	7,098
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	35,508	43,092	7,584
Recovered costs	-	-	-	-	-	-	-	-
Total revenues	<u>875,247</u>	<u>875,247</u>	<u>1,095,244</u>	<u>219,997</u>	<u>365,000</u>	<u>1,435,331</u>	<u>1,307,306</u>	<u>(128,025)</u>
EXPENDITURES								
Current:								
Judicial services	-	-	-	-	53,727	57,209	-	57,209
Public Safety	-	-	-	-	1,138,913	1,682,168	708,439	973,729
Management services	-	-	-	-	10,509	12,599	-	12,599
Education	-	-	-	-	9,723	17,951	11,993	5,958
Human services	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	112,857	728,691	474,909	253,782
Nondepartmental	<u>709,055</u>	<u>709,055</u>	<u>929,052</u>	<u>(219,997)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>709,055</u>	<u>709,055</u>	<u>929,052</u>	<u>(219,997)</u>	<u>1,325,729</u>	<u>2,498,618</u>	<u>1,195,341</u>	<u>1,303,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,192</u>	<u>166,192</u>	<u>166,192</u>	<u>-</u>	<u>(960,729)</u>	<u>(1,063,287)</u>	<u>111,965</u>	<u>1,175,252</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	17,000	17,000	-
Transfers out	<u>(166,192)</u>	<u>(166,192)</u>	<u>(166,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses), net	<u>(166,192)</u>	<u>(166,192)</u>	<u>(166,192)</u>	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(960,729)	(1,046,287)	128,965	1,175,252
Fund balances, beginning of year	-	-	-	-	(235,313)	(10,548)	960,729	971,277
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,196,042)</u>	<u>\$ (1,056,835)</u>	<u>\$ 1,089,694</u>	<u>\$ 2,146,529</u>
Total								
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)				
REVENUES								
General property taxes	\$ 299,647	\$ 299,647	\$ 337,062	\$ 37,415				
Other local taxes	575,600	575,600	757,590	181,990				
Intergovernmental								
Federal	3,735,389	4,665,987	4,620,079	(45,908)				
State	2,154,216	2,258,441	1,920,452	(337,989)				
Use of money and property	1,900	1,900	67,049	65,149				
Charges for services	28,150	28,150	11,902	(16,248)				
Miscellaneous	2,400	41,284	48,868	7,584				
Recovered costs	<u>310,000</u>	<u>310,000</u>	<u>294,755</u>	<u>(15,245)</u>				
Total revenues	<u>7,107,302</u>	<u>8,181,009</u>	<u>8,057,757</u>	<u>(123,252)</u>				
EXPENDITURES								
Current:								
Judicial services	61,227	64,709	3,666	61,043				
Public Safety	1,138,913	1,682,168	708,439	973,729				
Management services	10,509	12,599	-	12,599				
Education	789,723	1,763,251	1,757,293	5,958				
Human services	8,894,783	8,898,159	7,964,727	933,432				
Community Services	112,857	728,691	474,909	253,782				
Nondepartmental	<u>709,055</u>	<u>709,055</u>	<u>929,052</u>	<u>(219,997)</u>				
Total expenditures	<u>11,717,067</u>	<u>13,858,632</u>	<u>11,838,086</u>	<u>2,020,546</u>				
Excess (deficiency) of revenues over (under) expenditures	<u>(4,609,765)</u>	<u>(5,677,623)</u>	<u>(3,780,329)</u>	<u>1,897,294</u>				
OTHER FINANCING SOURCES (USES)								
Transfers in	5,141,527	5,158,527	4,780,388	(378,139)				
Transfers out	<u>(166,192)</u>	<u>(166,192)</u>	<u>(166,192)</u>	<u>-</u>				
Total other financing sources (uses), net	<u>4,975,335</u>	<u>4,992,335</u>	<u>4,614,196</u>	<u>(378,139)</u>				
Net change in fund balances	365,570	(685,288)	833,867	1,519,155				
Fund balances, beginning of year	<u>(1,084,663)</u>	<u>(1,297,895)</u>	<u>9,469,048</u>	<u>10,766,943</u>				
Fund balances, end of year	<u>\$ (719,093)</u>	<u>\$ (1,983,183)</u>	<u>\$10,302,915</u>	<u>\$ 12,286,098</u>				

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Debt Service Funds
 For the Year Ended June 30, 2020

	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	\$ 56,182	\$ (3,290)
Intergovernmental - State	-	-	-	-	154,428	154,428	158,734	4,306
Use of money and property	-	-	1,870	1,870	-	-	-	-
Recovered costs	-	-	-	-	105,087	105,087	105,087	-
Total revenues	-	-	1,870	1,870	318,987	318,987	320,003	1,016
EXPENDITURES								
Education	-	-	-	-	8,725,300	8,725,300	8,000,000	725,300
Debt service:								
Principal retirement	2,523,463	3,487,624	2,523,463	964,161	4,260,000	4,260,000	4,260,000	-
Interest and fiscal charges	1,010,617	1,046,456	1,010,617	35,839	2,830,761	2,830,761	2,826,453	4,308
Costs of issuance	6,000	6,000	2,500	3,500	160,000	160,000	13,525	146,475
Total expenditures	3,540,080	4,540,080	3,536,580	1,003,500	15,976,061	15,976,061	15,099,978	876,083
Excess (deficiency) of revenues over (under) expenditures	(3,540,080)	(4,540,080)	(3,534,710)	1,005,370	(15,657,074)	(15,657,074)	(14,779,975)	877,099
OTHER FINANCING SOURCES (USES)								
Transfers in	3,540,080	4,540,080	4,481,831	(58,249)	6,931,774	6,931,774	6,735,979	(195,795)
Issuance of debt, net	-	-	-	-	8,725,300	8,725,300	8,000,000	(725,300)
Total other financing sources and uses, net	3,540,080	4,540,080	4,481,831	(58,249)	15,657,074	15,657,074	14,735,979	(921,095)
Net change in fund balances	-	-	947,121	947,121	-	-	(43,996)	(43,996)
Fund balances, beginning of year	-	-	52,879	52,879	-	-	164,783	164,783
Fund balances, end of year	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 120,787	\$ 120,787
	Total							
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)				
REVENUE								
Intergovernmental - Federal	\$ 59,472	\$ 59,472	\$ 56,182	\$ (3,290)				
Intergovernmental - State	154,428	154,428	158,734	4,306				
Use of money and property	-	-	1,870	1,870				
Recovered costs	105,087	105,087	105,087	-				
Total revenues	318,987	318,987	321,873	2,886				
EXPENDITURES								
Education	8,725,300	8,725,300	8,000,000	725,300				
Debt service:								
Principal retirement	6,783,463	7,747,624	6,783,463	964,161				
Interest and fiscal charges	3,841,378	3,877,217	3,837,070	40,147				
Refunding and other costs of issuance	166,000	166,000	16,025	149,975				
Total expenditures	19,516,141	20,516,141	18,636,558	1,879,583				
Excess (deficiency) of revenues over (under) expenditures	(19,197,154)	(20,197,154)	(18,314,685)	1,882,469				
OTHER FINANCING SOURCES (USES)								
Transfers in	10,471,854	11,471,854	11,217,810	(254,044)				
Issuance of debt	8,725,300	8,725,300	8,000,000	(725,300)				
Total other financing sources and uses, net	19,197,154	20,197,154	19,217,810	(979,344)				
Net change in fund balances	-	-	903,125	903,125				
Fund balances, beginning of year	-	-	217,662	217,662				
Fund balances, end of year	\$ -	\$ -	\$ 1,120,787	\$ 1,120,787				

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Capital Project Funds
 For the Year Ended June 30, 2020

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	1,528,364	1,528,364	1,314,121	(214,243)	-	-	-	-
Other local taxes	1,460,000	1,460,000	1,493,198	33,198	-	-	-	-
Use of money and property	5,000	5,000	27,718	22,718	-	6,354	11,081	4,727
Miscellaneous	-	-	150	150	-	-	-	-
Charges for services	28,000	28,000	2,700	(25,300)	-	-	-	-
Total revenues	<u>3,021,364</u>	<u>3,021,364</u>	<u>2,837,887</u>	<u>(183,477)</u>	<u>-</u>	<u>6,354</u>	<u>11,081</u>	<u>4,727</u>
EXPENDITURES								
Capital outlay	8,099,381	8,099,381	4,137,890	3,961,491	336,264	342,618	337,037	5,581
Total expenditures	<u>8,099,381</u>	<u>8,099,381</u>	<u>4,137,890</u>	<u>3,961,491</u>	<u>336,264</u>	<u>342,618</u>	<u>337,037</u>	<u>5,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,078,017)</u>	<u>(5,078,017)</u>	<u>(1,300,003)</u>	<u>3,778,014</u>	<u>(336,264)</u>	<u>(336,264)</u>	<u>(325,956)</u>	<u>10,308</u>
OTHER FINANCING SOURCES								
Transfers in	600,000	600,000	600,000	-	517,767	517,767	88,000	(429,767)
Total other financing sources	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>517,767</u>	<u>517,767</u>	<u>88,000</u>	<u>(429,767)</u>
Net change in fund balances	<u>(4,478,017)</u>	<u>(4,478,017)</u>	<u>(700,003)</u>	<u>3,778,014</u>	<u>181,503</u>	<u>181,503</u>	<u>(237,956)</u>	<u>(419,459)</u>
Fund balances (deficit), beginning of year	<u>(10,225,062)</u>	<u>(8,907,798)</u>	<u>4,459,753</u>	<u>13,367,551</u>	<u>(7,018,691)</u>	<u>(6,580,566)</u>	<u>(3,278,362)</u>	<u>3,302,204</u>
Fund balances (deficit), end of year	<u>\$ (14,703,079)</u>	<u>\$ (13,385,815)</u>	<u>\$ 3,759,750</u>	<u>\$ 17,145,565</u>	<u>\$ (6,837,188)</u>	<u>\$ (6,399,063)</u>	<u>\$ (3,516,318)</u>	<u>\$ 2,882,745</u>

	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	\$ 336,000	\$ 627,575	\$ 56,907	\$ (570,668)	\$ 336,000	\$ 627,575	\$ 56,907	\$ (570,668)
State	783,427	1,783,408	255,289	(1,528,119)	2,311,791	3,311,772	1,569,410	(1,742,362)
Other local taxes	-	-	-	-	1,460,000	1,460,000	1,493,198	33,198
Use of money and property	96,000	96,000	197,364	101,364	101,000	107,354	236,163	128,809
Charges for services	-	-	-	-	28,000	28,000	2,700	(25,300)
Miscellaneous	30,000	40,000	10,000	(30,000)	30,000	40,000	10,150	(29,850)
Recovered costs	45,000	45,000	48,682	3,682	45,000	45,000	48,682	3,682
Total revenues	<u>1,290,427</u>	<u>2,591,983</u>	<u>568,242</u>	<u>(2,023,741)</u>	<u>4,311,791</u>	<u>5,619,701</u>	<u>3,417,210</u>	<u>(2,202,491)</u>
EXPENDITURES								
Capital outlay	41,745,739	45,041,171	10,838,652	34,202,519	50,181,384	53,483,170	15,313,579	38,169,591
Debt service: costs of issuance	130,000	130,000	82,158	47,842	130,000	130,000	82,158	47,842
Total expenditures	<u>41,875,739</u>	<u>45,171,171</u>	<u>10,920,810</u>	<u>34,250,361</u>	<u>50,311,384</u>	<u>53,613,170</u>	<u>15,395,737</u>	<u>38,217,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,585,312)</u>	<u>(42,579,188)</u>	<u>(10,352,568)</u>	<u>32,226,620</u>	<u>(45,999,593)</u>	<u>(47,993,469)</u>	<u>(11,978,527)</u>	<u>36,014,942</u>
OTHER FINANCING SOURCES								
Transfers in	3,000,000	6,858,208	6,858,208	-	4,117,767	7,975,975	7,546,208	(429,767)
Issuance of debt	8,880,000	8,880,000	2,185,000	(6,695,000)	8,880,000	8,880,000	2,185,000	(6,695,000)
Premium on bonds issued	-	-	491,419	491,419	-	-	491,419	491,419
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources	<u>11,480,000</u>	<u>15,338,208</u>	<u>9,134,627</u>	<u>(6,203,581)</u>	<u>12,597,767</u>	<u>16,455,975</u>	<u>9,822,627</u>	<u>(6,633,348)</u>
Net change in fund balances	<u>(29,105,312)</u>	<u>(27,240,980)</u>	<u>(1,217,941)</u>	<u>26,023,039</u>	<u>(33,401,826)</u>	<u>(31,537,494)</u>	<u>(2,155,900)</u>	<u>29,381,594</u>
Fund balances (deficit), beginning of year	<u>(81,359,994)</u>	<u>(66,201,031)</u>	<u>25,350,668</u>	<u>91,551,699</u>	<u>(98,603,747)</u>	<u>(81,689,395)</u>	<u>26,532,059</u>	<u>108,221,454</u>
Fund balances (deficit), end of year	<u>\$ (110,465,306)</u>	<u>\$ (93,442,011)</u>	<u>\$ 24,132,727</u>	<u>\$ 117,574,738</u>	<u>\$ (132,005,573)</u>	<u>\$ (113,226,889)</u>	<u>\$ 24,376,159</u>	<u>\$ 137,603,048</u>

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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, 2020

	<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	\$ 231,627	\$ 312	\$ -	\$ 1,138,821	\$ 216,533	\$ -	\$ 1,000,351	\$ 2,587,644
Receivables, net	56	-	-	874,209	25,519	-	98,699	998,483
Due from component unit - EDA	13,295	-	-	-	-	-	-	13,295
Prepaid expenses	-	-	-	2,545	30,586	-	-	33,131
Total current assets	<u>244,978</u>	<u>312</u>	<u>-</u>	<u>2,015,575</u>	<u>272,638</u>	<u>-</u>	<u>1,099,050</u>	<u>3,632,553</u>
Noncurrent assets:								
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	413,902	-	251,854	-	3,445,402
Easements	-	-	-	-	10,945	-	-	10,945
Depreciable capital assets:								
Buildings	-	783,982	-	1,550,467	-	2,699,159	-	5,033,608
Building improvements	-	-	-	295,438	-	-	-	295,438
Infrastructure	-	2,254,362	767,391	163,209	281,553	19,956,345	-	23,422,860
Equipment	-	446,216	-	771,847	-	453,831	2,919,301	4,591,195
Vehicles	-	-	-	1,497,820	-	-	-	1,497,820
Less accumulated depreciation	-	(2,963,845)	(577,855)	(3,155,414)	(82,786)	(19,045,777)	(437,895)	(26,263,572)
Total noncurrent assets	<u>2,707,736</u>	<u>558,631</u>	<u>223,530</u>	<u>1,537,269</u>	<u>209,712</u>	<u>4,315,412</u>	<u>2,481,406</u>	<u>12,033,696</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB costs	14,781	-	-	192,617	-	-	7,687	215,085
Deferred outflows related to pension costs	6,959	-	-	187,460	-	-	14,578	208,997
Total deferred outflows of resources	<u>21,740</u>	<u>-</u>	<u>-</u>	<u>380,077</u>	<u>-</u>	<u>-</u>	<u>22,265</u>	<u>424,082</u>
Total assets	<u>\$ 2,974,454</u>	<u>\$ 558,943</u>	<u>\$ 223,530</u>	<u>\$ 3,932,921</u>	<u>\$ 482,350</u>	<u>\$ 4,315,412</u>	<u>\$ 3,602,721</u>	<u>\$ 16,090,331</u>
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 4,379	\$ -	\$ -	\$ 433,720	\$ -	\$ -	\$ 35,789	\$ 473,888
Deposits payable	-	-	-	12,000	-	-	-	12,000
Salaries, taxes and benefits payable	2,442	-	-	32,491	-	-	1,030	35,963
Unearned revenue	14	-	-	21,616	39,640	-	-	61,270
Compensated absences - current	-	-	-	1,200	-	-	-	1,200
Total current liabilities	<u>6,835</u>	<u>-</u>	<u>-</u>	<u>501,027</u>	<u>39,640</u>	<u>-</u>	<u>36,819</u>	<u>584,321</u>
Noncurrent liabilities:								
Compensated absences - net current	-	-	-	78,665	-	-	-	78,665
Net OPEB liability	10,291	-	-	166,886	-	-	7,248	184,425
Net pension liability	16,683	-	-	436,528	-	-	41,707	494,918
Advance from other fund	2,400,000	-	-	-	-	-	-	2,400,000
Total noncurrent liabilities	<u>2,426,974</u>	<u>-</u>	<u>-</u>	<u>682,079</u>	<u>-</u>	<u>-</u>	<u>48,955</u>	<u>3,158,008</u>
Total liabilities	<u>2,433,809</u>	<u>-</u>	<u>-</u>	<u>1,183,106</u>	<u>39,640</u>	<u>-</u>	<u>85,774</u>	<u>3,742,329</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB costs	11,927	-	-	150,659	-	-	5,927	168,513
Deferred inflows related to pension costs	1,202	-	-	31,467	-	-	3,006	35,675
Total deferred inflows of resources	<u>13,129</u>	<u>-</u>	<u>-</u>	<u>182,126</u>	<u>-</u>	<u>-</u>	<u>8,933</u>	<u>204,188</u>
NET POSITION								
Net investment in capital assets	2,707,736	558,631	223,530	1,537,269	209,712	4,315,412	2,481,406	12,033,696
Unrestricted	(2,180,220)	312	-	1,030,420	232,998	-	1,026,608	110,118
Total net position	<u>527,516</u>	<u>558,943</u>	<u>223,530</u>	<u>2,567,689</u>	<u>442,710</u>	<u>4,315,412</u>	<u>3,508,014</u>	<u>12,143,814</u>
Total liabilities and net position	<u>\$ 2,974,454</u>	<u>\$ 558,943</u>	<u>\$ 223,530</u>	<u>\$ 3,932,921</u>	<u>\$ 482,350</u>	<u>\$ 4,315,412</u>	<u>\$ 3,602,721</u>	<u>\$ 16,090,331</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, 2020

	<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	\$ 104,746	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ 2,909,049	\$ 3,157,795
Charges for services	33,160	-	-	5,703,097	317,101	-	-	6,053,358
Miscellaneous	-	-	-	10,528	-	-	-	10,528
Total operating revenues	<u>137,906</u>	<u>-</u>	<u>-</u>	<u>5,857,625</u>	<u>317,101</u>	<u>-</u>	<u>2,909,049</u>	<u>9,221,681</u>
Operating Expenses								
Personal services	83,058	-	-	1,030,516	-	-	79,978	1,193,552
Contractual services	70,882	-	-	4,359,952	18,925	-	3,804,194	8,253,953
Materials and supplies	4,355	-	-	188,643	302,331	-	32,858	528,187
Depreciation	-	31,734	15,741	163,025	5,586	370,659	291,930	878,675
Total operating expenses	<u>158,295</u>	<u>31,734</u>	<u>15,741</u>	<u>5,742,136</u>	<u>326,842</u>	<u>370,659</u>	<u>4,208,960</u>	<u>10,854,367</u>
Operating income (loss)	<u>(20,389)</u>	<u>(31,734)</u>	<u>(15,741)</u>	<u>115,489</u>	<u>(9,741)</u>	<u>(370,659)</u>	<u>(1,299,911)</u>	<u>(1,632,686)</u>
Nonoperating Revenues								
Grant income	-	-	-	10,182	-	-	-	10,182
Interest income	2,140	3	-	6,638	1,756	-	7,443	17,980
Total nonoperating revenues, net	<u>2,140</u>	<u>3</u>	<u>-</u>	<u>16,820</u>	<u>1,756</u>	<u>-</u>	<u>7,443</u>	<u>28,162</u>
Income before transfers	(18,249)	(31,731)	(15,741)	132,309	(7,985)	(370,659)	(1,292,468)	(1,604,524)
Transfers In	<u>-</u>	<u>10</u>	<u>-</u>	<u>7,558</u>	<u>-</u>	<u>-</u>	<u>1,091,099</u>	<u>1,098,667</u>
Change in net position	(18,249)	(31,721)	(15,741)	139,867	(7,985)	(370,659)	(201,369)	(505,857)
Total net position, beginning of year	<u>545,765</u>	<u>590,664</u>	<u>239,271</u>	<u>2,427,822</u>	<u>450,695</u>	<u>4,686,071</u>	<u>3,709,383</u>	<u>12,649,671</u>
Total net position, end of year	<u>\$ 527,516</u>	<u>\$ 558,943</u>	<u>\$ 223,530</u>	<u>\$ 2,567,689</u>	<u>\$ 442,710</u>	<u>\$ 4,315,412</u>	<u>\$ 3,508,014</u>	<u>\$ 12,143,814</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	<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	\$ 142,522	\$ -	\$ -	\$ 5,861,383	\$ 324,381	\$ -	\$ 4,023,530	\$ 10,351,816
Other receipts	-	-	-	10,528	-	-	-	10,528
Payments to suppliers for goods and services	(75,803)	-	-	(4,556,090)	(321,256)	-	(4,047,751)	(9,000,900)
Payments to employees for services	(63,617)	-	-	(1,040,968)	-	-	(73,970)	(1,178,555)
Payments for interfund activity	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	(46,898)	-	-	274,853	3,125	-	(98,191)	132,889
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grant income	-	-	-	10,182	-	-	-	10,182
Transfers in	-	10	-	-	-	-	1,091,099	1,091,109
Net cash provided by noncapital financing activities	-	10	-	10,182	-	-	1,091,099	1,101,291
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	2,140	3	-	6,638	1,756	-	7,443	17,980
Net cash provided by investing activities	2,140	3	-	6,638	1,756	-	7,443	17,980
Net increase (decrease) in cash and cash equivalents	(44,758)	13	-	291,673	4,881	-	1,000,351	1,252,160
Cash and cash equivalents, beginning of year	276,385	299	-	847,148	211,652	-	-	1,335,484
Cash and cash equivalents, end of year	<u>\$ 231,627</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ 1,138,821</u>	<u>\$ 216,533</u>	<u>\$ -</u>	<u>\$ 1,000,351</u>	<u>\$ 2,587,644</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:								
Cash and investments	\$ 231,627	\$ 312	\$ -	\$ 1,138,821	\$ 216,533	\$ -	\$ 1,000,351	\$ 2,587,644
Cash and cash equivalents, end of year	<u>\$ 231,627</u>	<u>\$ 312</u>	<u>\$ -</u>	<u>\$ 1,138,821</u>	<u>\$ 216,533</u>	<u>\$ -</u>	<u>\$ 1,000,351</u>	<u>\$ 2,587,644</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ (20,389)	\$ (31,734)	\$ (15,741)	\$ 115,489	\$ (9,741)	\$ (370,659)	\$ (1,299,911)	\$ (1,632,686)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	-	31,734	15,741	163,025	5,586	370,659	291,930	878,675
(Increase) decrease in:								
Receivables	1,187	-	-	14,791	4,629	-	1,114,481	1,135,088
Prepaid expenses	-	-	-	-	3,201	-	-	3,201
Due from/to component unit - EDA	4,032	-	-	-	-	-	-	4,032
Increase (decrease) in:								
Accounts payable	(566)	-	-	(7,495)	-	-	(210,699)	(218,760)
Salaries, taxes and benefits payable	1,078	-	-	(6,573)	-	-	1,030	(4,465)
Unearned revenues	(603)	-	-	(505)	(550)	-	-	(1,658)
Net OPEB liability and related outflows/inflows	7,437	-	-	(9,726)	-	-	(2,041)	(4,330)
Net pension liability and related outflows/inflows	10,926	-	-	18,372	-	-	7,019	36,317
Compensated absences	-	-	-	(12,525)	-	-	-	(12,525)
Advance from other fund	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	<u>\$ (46,898)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,853</u>	<u>\$ 3,125</u>	<u>\$ -</u>	<u>\$ (98,191)</u>	<u>\$ 132,889</u>
Noncash investing, capital, and financing activities:								
Transfer in of capital assets	\$ -	\$ -	\$ -	\$ 7,558	\$ -	\$ -	\$ -	\$ 7,558

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. An internal service fund may also be used to account for all or a portion of a government's risk financing activities.

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

Health and Dental Insurance Fund – accounts for the claims and related expenses for health and dental benefits of County employees and retirees.

Workers' Compensation Fund – accounts for the claims and related expenses for workers' compensation.

Information Technology Fund – accounts for the costs of computer hardware and software, computer technical support, software support, internet and telecommunications services to county departments.

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 3,034,663	\$ 5,707,505	\$ 901,197	\$ 580,580	\$ 10,223,945
Receivable, net	23,092	13,230	-	-	36,322
Prepaid expenses	-	377,000	-	-	377,000
Total current assets	<u>3,057,755</u>	<u>6,097,735</u>	<u>901,197</u>	<u>580,580</u>	<u>10,637,267</u>
Noncurrent assets:					
Nondepreciable capital assets:					
Construction in progress	17,660	-	-	-	17,660
Depreciable capital assets:					
Intangibles	101,512	-	-	-	101,512
Land improvements	262,573	-	-	-	262,573
Equipment	1,462,140	-	-	204,110	1,666,250
Vehicles	7,049,215	-	-	-	7,049,215
Less accumulated depreciation	(5,585,690)	-	-	(27,885)	(5,613,575)
Less accumulated amortization	(101,512)	-	-	-	(101,512)
Total noncurrent assets	<u>3,205,898</u>	<u>-</u>	<u>-</u>	<u>176,225</u>	<u>3,382,123</u>
Deferred outflows of resources					
Deferred outflows related to OPEB costs	254,463	-	1,246	-	255,709
Deferred outflows related to pension costs	198,566	-	15,777	-	214,343
Total deferred outflows of resources	<u>453,029</u>	<u>-</u>	<u>17,023</u>	<u>-</u>	<u>470,052</u>
Total assets	<u>\$ 6,716,682</u>	<u>\$ 6,097,735</u>	<u>\$ 918,220</u>	<u>\$ 756,805</u>	<u>\$ 14,489,442</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 174,137	\$ 7,395	\$ 55,049	\$ 123,946	\$ 360,527
Salaries, taxes and benefits payable	33,067	-	2,603	-	35,670
Compensated absences - current	5,000	-	-	-	5,000
Total current liabilities	<u>212,204</u>	<u>7,395</u>	<u>57,652</u>	<u>123,946</u>	<u>401,197</u>
Noncurrent liabilities:					
Compensated absences - net current	123,561	-	-	-	123,561
Claims payable	-	1,089,900	-	-	1,089,900
Net OPEB liability	206,490	-	5,243	-	211,733
Net pension liability	467,113	-	36,146	-	503,259
Total noncurrent liabilities	<u>797,164</u>	<u>1,089,900</u>	<u>41,389</u>	<u>-</u>	<u>1,928,453</u>
Total liabilities	<u>1,009,368</u>	<u>1,097,295</u>	<u>99,041</u>	<u>123,946</u>	<u>2,329,650</u>
Deferred inflows of resources					
Deferred inflows related to OPEB costs	201,066	-	369	-	201,435
Deferred inflows related to pension costs	33,672	-	2,605	-	36,277
	<u>234,738</u>	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>237,712</u>
NET POSITION					
Net investment in capital assets	3,205,898	-	-	176,226	3,382,124
Unrestricted	<u>2,266,678</u>	<u>5,000,440</u>	<u>816,205</u>	<u>456,633</u>	<u>8,539,956</u>
Total net position	<u>5,472,576</u>	<u>5,000,440</u>	<u>816,205</u>	<u>632,859</u>	<u>11,922,080</u>
Total liabilities and net position	<u>\$ 6,716,682</u>	<u>\$ 6,097,735</u>	<u>\$ 918,220</u>	<u>\$ 756,805</u>	<u>\$ 14,489,442</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, 2020

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
Operating Revenues					
Charges for services	\$ 3,845,492	\$ 13,394,453	\$ -	\$ 1,452,541	\$ 18,692,486
Miscellaneous	67,645	-	2,119	-	69,764
Total operating revenues	<u>3,913,137</u>	<u>13,394,453</u>	<u>2,119</u>	<u>1,452,541</u>	<u>18,762,250</u>
Operating Expenses					
Personal services	1,125,777	954,003	74,596	-	2,154,376
Contractual services	635,184	12,953,935	226,807	1,161,434	14,977,360
Materials and supplies	1,443,559	-	-	192,809	1,636,368
Depreciation	563,782	-	-	23,351	587,133
Total operating expenses	<u>3,768,302</u>	<u>13,907,938</u>	<u>301,403</u>	<u>1,377,594</u>	<u>19,355,237</u>
Operating income (loss)	<u>144,835</u>	<u>(513,485)</u>	<u>(299,284)</u>	<u>74,947</u>	<u>(592,987)</u>
Nonoperating Revenues (Expenses)					
Interest income	21,318	22,175	6,986	8,160	58,639
Gain on disposal of capital assets	14,378	-	-	-	14,378
Total nonoperating revenues, net	<u>35,696</u>	<u>22,175</u>	<u>6,986</u>	<u>8,160</u>	<u>73,017</u>
Income before transfers	180,531	(491,310)	(292,298)	83,107	(519,970)
Capital Contributions	33,090	-	-	-	33,090
Transfers In	-	-	100,000	100,000	200,000
Transfers Out	<u>(29,644)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,644)</u>
Change in net position	183,977	(491,310)	(192,298)	183,107	(316,524)
Total net position, beginning of year	<u>5,288,599</u>	<u>5,491,750</u>	<u>1,008,503</u>	<u>449,752</u>	<u>12,238,604</u>
Total net position, end of year	<u>\$ 5,472,576</u>	<u>\$ 5,000,440</u>	<u>\$ 816,205</u>	<u>\$ 632,859</u>	<u>\$ 11,922,080</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 3,865,338	\$ 13,390,869	\$ -	\$ 1,452,541	\$ 18,708,748
Other receipts	67,645	-	2,119	-	69,764
Payments to suppliers for goods and services	(2,160,252)	(13,266,051)	(191,726)	(1,238,940)	(16,856,969)
Payments to employees for services	(1,072,453)	(954,003)	(71,435)	-	(2,097,891)
Net cash provided by (used in) operating activities	<u>700,278</u>	<u>(829,185)</u>	<u>(261,042)</u>	<u>213,601</u>	<u>(176,348)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	100,000	100,000	200,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(695,826)	-	-	(139,897)	(835,723)
Net proceeds from the disposal of capital assets	61,830	-	-	-	61,830
Net cash used in capital and related financing activities	<u>(633,996)</u>	<u>-</u>	<u>-</u>	<u>(139,897)</u>	<u>(773,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	<u>21,318</u>	<u>22,175</u>	<u>6,986</u>	<u>8,160</u>	<u>58,639</u>
Net cash provided by investing activities	<u>21,318</u>	<u>22,175</u>	<u>6,986</u>	<u>8,160</u>	<u>58,639</u>
Net increase (decrease) in cash and cash equivalents	87,600	(807,010)	(154,056)	181,864	(691,602)
Cash and cash equivalents, beginning of year	2,947,063	6,514,515	1,055,253	398,716	10,915,547
Cash and cash equivalents, end of year	<u>\$ 3,034,663</u>	<u>\$ 5,707,505</u>	<u>\$ 901,197</u>	<u>\$ 580,580</u>	<u>\$ 10,223,945</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments	\$ 3,034,663	\$ 5,707,505	\$ 901,197	\$ 580,580	\$ 10,223,945
Cash and cash equivalents, end of year	<u>\$ 3,034,663</u>	<u>\$ 5,707,505</u>	<u>\$ 901,197</u>	<u>\$ 580,580</u>	<u>\$ 10,223,945</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 144,835	\$ (513,485)	\$ (299,284)	\$ 74,947	\$ (592,987)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	563,782	-	-	23,351	587,133
Decrease (increase) in:					
Receivables	19,846	(1,295)	-	-	18,551
Increase (decrease) in:					
Accounts payable	(81,509)	(254,916)	35,081	115,303	(186,041)
Salaries, taxes and benefits payable	(11,545)	-	381	-	(11,164)
Unearned revenue	-	(2,289)	-	-	(2,289)
Claims payable	-	(57,200)	-	-	(57,200)
Compensated absences	5,461	-	-	-	5,461
Net OPEB liability and related outflows/inflows	6,594	-	(260)	-	6,334
Net pension liability and related outflows/inflows	52,814	-	3,040	-	55,854
Net cash provided by (used in) operating activities	<u>\$ 700,278</u>	<u>\$ (829,185)</u>	<u>\$ (261,042)</u>	<u>\$ 213,601</u>	<u>\$ (176,348)</u>
Noncash investing, capital, and financing activities:					
Contributions of capital assets	\$ 33,090	\$ -	\$ -	\$ -	\$ 33,090
Transfer out of capital assets	<u>\$ (29,644)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,644)</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.

COUNTY OF YORK, VIRGINIA
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

	Colonial Behavioral Health	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
ASSETS						
Cash and investments	\$ 4,590,121	\$ 595,693	\$ 55,566	\$ (29,579)	\$ 12,166	\$ 5,223,967
Other receivables	665	-	-	65,864	-	66,529
Total assets	<u>\$ 4,590,786</u>	<u>\$ 595,693</u>	<u>\$ 55,566</u>	<u>\$ 36,285</u>	<u>\$ 12,166</u>	<u>\$ 5,290,496</u>
LIABILITIES						
Accounts payable	\$ 695,348	\$ 7,463	\$ -	\$ 3,033	\$ -	\$ 705,844
Salaries, taxes and benefits payable	228,248	45,747	-	-	-	273,995
Amounts held for others	3,667,190	542,483	55,566	33,252	12,166	4,310,657
Total liabilities	<u>\$ 4,590,786</u>	<u>\$ 595,693</u>	<u>\$ 55,566</u>	<u>\$ 36,285</u>	<u>\$ 12,166</u>	<u>\$ 5,290,496</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2020

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Behavioral Health				
ASSETS				
Cash and investments	\$ 3,493,262	\$ 22,752,256	\$ 21,655,397	\$ 4,590,121
Other receivables	68,330	6,643	74,308	665
Total assets	<u>\$ 3,561,592</u>	<u>\$ 22,758,899</u>	<u>\$ 21,729,705</u>	<u>\$ 4,590,786</u>
LIABILITIES				
Accounts payable	\$ 731,971	\$ 4,754,918	\$ 4,791,541	695,348
Salaries, taxes and benefits payable	223,820	280,334	275,906	228,248
Amounts held for others	<u>2,605,801</u>	<u>17,723,647</u>	<u>16,662,258</u>	<u>3,667,190</u>
Total liabilities	<u>\$ 3,561,592</u>	<u>\$ 22,758,899</u>	<u>\$ 21,729,705</u>	<u>\$ 4,590,786</u>
Colonial Group Home Commission				
ASSETS				
Cash and investments	\$ 386,794	\$ 2,032,816	\$ 1,823,917	\$ 595,693
Total assets	<u>\$ 386,794</u>	<u>\$ 2,032,816</u>	<u>\$ 1,823,917</u>	<u>\$ 595,693</u>
LIABILITIES				
Accounts payable	\$ 7,755	\$ 7,463	\$ 7,755	\$ 7,463
Salaries, taxes and benefits payable	60,510	45,747	60,510	45,747
Amounts held for others	<u>318,529</u>	<u>1,979,606</u>	<u>1,755,652</u>	<u>542,483</u>
Total liabilities	<u>\$ 386,794</u>	<u>\$ 2,032,816</u>	<u>\$ 1,823,917</u>	<u>\$ 595,693</u>
Special Welfare				
ASSETS				
Cash and investments	\$ 47,952	\$ 66,495	\$ 58,881	\$ 55,566
Total assets	<u>\$ 47,952</u>	<u>\$ 66,495</u>	<u>\$ 58,881</u>	<u>\$ 55,566</u>
LIABILITIES				
Deposits payable	\$ 6,097	\$ -	\$ 6,097	\$ -
Amounts held for others	<u>41,855</u>	<u>66,495</u>	<u>52,784</u>	<u>55,566</u>
Total liabilities	<u>\$ 47,952</u>	<u>\$ 66,495</u>	<u>\$ 58,881</u>	<u>\$ 55,566</u>
Regional Projects				
ASSETS				
Cash and investments	\$ (18,852)	\$ 818,997	\$ 829,724	\$ (29,579)
Other receivables	<u>93,681</u>	<u>65,864</u>	<u>93,681</u>	<u>65,864</u>
Total assets	<u>\$ 74,829</u>	<u>\$ 884,861</u>	<u>\$ 923,405</u>	<u>\$ 36,285</u>
LIABILITIES				
Accounts payable	\$ 68,193	\$ -	\$ 65,160	\$ 3,033
Amounts held for others	<u>6,636</u>	<u>884,861</u>	<u>858,245</u>	<u>33,252</u>
Total liabilities	<u>\$ 74,829</u>	<u>\$ 884,861</u>	<u>\$ 923,405</u>	<u>\$ 36,285</u>
Other Funds				
ASSETS				
Cash and investments	\$ 12,102	\$ 93	\$ 29	\$ 12,166
Total assets	<u>\$ 12,102</u>	<u>\$ 93</u>	<u>\$ 29</u>	<u>\$ 12,166</u>
LIABILITIES				
Accounts payable	\$ -	\$ 25	\$ 25	\$ -
Amounts held for others	<u>12,102</u>	<u>68</u>	<u>4</u>	<u>12,166</u>
Total liabilities	<u>\$ 12,102</u>	<u>\$ 93</u>	<u>\$ 29</u>	<u>\$ 12,166</u>
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 3,921,258	\$ 25,670,657	\$ 24,367,948	\$ 5,223,967
Other receivables	<u>162,011</u>	<u>72,507</u>	<u>167,989</u>	<u>66,529</u>
Total assets	<u>\$ 4,083,269</u>	<u>\$ 25,743,164</u>	<u>\$ 24,535,937</u>	<u>\$ 5,290,496</u>
LIABILITIES				
Accounts payable	\$ 807,919	\$ 4,762,406	\$ 4,864,481	\$ 705,844
Deposits payable	6,097	-	6,097	-
Salaries, taxes and benefits payable	284,330	326,081	336,416	273,995
Amounts held for others	<u>2,984,923</u>	<u>20,654,677</u>	<u>19,328,943</u>	<u>4,310,657</u>
Total liabilities	<u>\$ 4,083,269</u>	<u>\$ 25,743,164</u>	<u>\$ 24,535,937</u>	<u>\$ 5,290,496</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 and L-14)

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-15 and L-16)

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-17, L-18 and L-19)

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>2020</u>	<u>2019</u>	<u>2018 (2)</u>	<u>Restated 2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:										
Net investment in capital assets	\$ 63,819,651	\$ 61,388,220	\$ 54,032,029	\$ 59,070,221	\$ 57,048,477	\$ 55,705,954	\$ 55,437,501	\$ 57,401,484	\$ 57,208,246	\$ 58,572,877
Restricted	3,484,204	3,846,463	8,608,459	1,979,403	2,245,562	1,901,161	1,476,281	1,520,094	1,235,126	10,669
Unrestricted (deficit)	<u>(31,674,855)</u>	<u>(25,736,045)</u>	<u>(26,289,614)</u>	<u>(28,390,677)</u>	<u>(16,790,034)</u>	<u>(9,934,965)</u>	<u>21,674,899</u>	<u>13,599,525</u>	<u>8,878,056</u>	<u>10,664,551</u>
Total governmental activities net position	<u>\$ 35,629,000</u>	<u>\$ 39,498,638</u>	<u>\$ 36,350,874</u>	<u>\$ 32,658,947</u>	<u>\$ 42,504,005</u>	<u>\$ 47,672,150</u>	<u>\$ 78,588,681</u>	<u>\$ 72,521,103</u>	<u>\$ 67,321,428</u>	<u>\$ 69,248,097</u>
Business-type Activities:										
Net investment in capital assets	\$ 110,685,466	\$ 110,543,036	\$ 114,520,731	\$ 108,482,250	\$ 105,211,098	\$ 103,815,937	\$ 102,477,564	\$ 97,496,807	\$ 91,705,008	\$ 92,794,535
Restricted	-	122,713	117,043	105,906	141,802	177,154	177,139	174,935	182,087	403,421
Unrestricted	<u>10,859,105</u>	<u>9,390,118</u>	<u>6,112,669</u>	<u>7,905,567</u>	<u>8,314,320</u>	<u>6,630,921</u>	<u>5,817,374</u>	<u>7,734,278</u>	<u>12,061,259</u>	<u>10,366,477</u>
Total business-type activities net position	<u>\$ 121,544,571</u>	<u>\$ 120,055,867</u>	<u>\$ 120,750,443</u>	<u>\$ 116,493,723</u>	<u>\$ 113,667,220</u>	<u>\$ 110,624,012</u>	<u>\$ 108,472,077</u>	<u>\$ 105,406,020</u>	<u>\$ 103,948,354</u>	<u>\$ 103,564,433</u>
Primary Government:										
Net investment in capital assets	\$ 174,505,117	\$ 171,931,256	\$ 168,552,760	\$ 167,552,471	\$ 162,259,575	\$ 159,521,891	\$ 157,915,065	\$ 154,898,291	\$ 148,913,254	\$ 151,367,412
Restricted	3,484,204	3,969,176	8,725,502	2,085,309	2,387,364	2,078,315	1,653,420	1,695,029	1,417,213	414,090
Unrestricted (deficit)	<u>(20,815,750)</u>	<u>(16,345,927)</u>	<u>(20,176,945)</u>	<u>(20,485,110)</u>	<u>(8,475,714)</u>	<u>(3,304,044)</u>	<u>27,492,273</u>	<u>21,333,803</u>	<u>20,939,315</u>	<u>21,031,028</u>
Total Primary Government net position	<u>\$ 157,173,571</u>	<u>\$ 159,554,505</u>	<u>\$ 157,101,317</u>	<u>\$ 149,152,670</u>	<u>\$ 156,171,225</u>	<u>\$ 158,296,162</u>	<u>\$ 187,060,758</u>	<u>\$ 177,927,123</u>	<u>\$ 171,269,782</u>	<u>\$ 172,812,530</u>

(1) Implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date."

(2) Implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses (1)										
Governmental activities:										
General administration	\$ 4,468,101	\$ 4,195,707	\$ 5,589,064	\$ 5,713,262	\$ 5,281,219	\$ 3,408,038	\$ 8,717,434	\$ 3,469,315	\$ 3,852,265	\$ 4,756,990
Judicial services	3,721,294	3,102,522	2,739,760	3,104,169	2,925,400	3,256,745	3,190,077	2,974,509	2,983,284	3,114,416
Public safety	43,575,955	37,867,220	34,764,761	33,955,855	31,455,990	31,565,116	31,994,037	31,809,187	30,651,085	29,749,782
Environmental and development services	-	-	-	-	-	5,921,822	4,459,304	4,392,549	5,110,799	7,360,263
Management services	11,861,804	11,029,496	11,470,801	11,381,592	9,863,547	9,776,644	11,071,656	9,605,982	9,246,805	9,957,090
Finance and planning	-	-	-	-	-	-	-	-	-	-
Education	68,609,783	65,751,397	66,176,627	63,842,618	68,349,890	68,436,746	49,589,562	51,052,753	55,589,523	48,896,509
Human services	9,834,859	9,900,319	8,825,140	9,386,250	8,538,830	7,854,783	8,217,138	7,895,079	8,250,918	8,375,011
General services	-	-	-	-	-	6,884,634	6,707,865	6,400,928	7,185,728	7,159,338
Public works	14,572,672	11,607,674	8,543,538	9,486,304	9,918,224	-	-	-	-	-
Community development	3,012,762	4,551,850	-	-	-	-	-	-	-	-
Community services	5,682,266	7,201,508	7,011,085	7,044,559	6,449,836	6,449,967	6,263,573	6,333,119	6,667,688	5,934,513
Interest and fiscal charges on noncurrent debt	3,518,196	3,422,992	3,308,747	2,454,107	3,643,143	2,735,422	3,898,226	3,974,566	4,048,324	4,263,014
Total governmental activities	<u>168,857,692</u>	<u>158,630,685</u>	<u>148,429,523</u>	<u>146,368,716</u>	<u>146,456,079</u>	<u>146,289,917</u>	<u>134,108,872</u>	<u>127,907,987</u>	<u>133,586,419</u>	<u>129,566,926</u>
Business-type activities:										
Sewer utility	12,245,651	11,582,981	10,210,063	11,036,541	10,792,409	10,705,774	10,505,293	10,086,788	10,467,392	9,983,893
Water utility	326,842	4,036,161	1,751,336	443,414	332,253	339,656	349,496	1,002,427	346,275	362,073
Solid Waste	5,742,136	4,830,364	4,252,661	4,058,355	4,238,137	4,249,485	4,818,406	4,651,045	5,599,987	4,407,178
Yorktown Operations	158,295	72,335	77,918	92,628	85,983	77,434	74,718	86,893	112,258	117,368
Sanitary Districts	418,134	418,134	418,133	418,133	418,133	418,133	418,133	424,857	431,544	439,058
Regional Radio System	4,208,960	4,075,751	3,859,521	2,649,549	2,597,863	2,634,351	2,494,441	2,402,484	2,024,644	1,773,267
Total business-type activities	<u>23,100,018</u>	<u>25,015,726</u>	<u>20,569,632</u>	<u>18,698,820</u>	<u>18,464,778</u>	<u>18,424,833</u>	<u>18,660,487</u>	<u>18,666,494</u>	<u>18,982,100</u>	<u>17,082,837</u>
Total Primary Government	<u>\$ 191,957,710</u>	<u>\$ 183,646,411</u>	<u>\$ 168,999,155</u>	<u>\$ 165,067,536</u>	<u>\$ 164,920,857</u>	<u>\$ 164,714,750</u>	<u>\$ 152,769,359</u>	<u>\$ 146,574,481</u>	<u>\$ 152,568,519</u>	<u>\$ 146,649,763</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General administration	\$ 260,592	\$ 179,970	\$ 1,030,633	\$ 667,530	\$ 734,113	\$ 141,697	\$ 121,888	\$ 86,198	\$ 77,019	\$ 78,310
Judicial services	842,850	602,875	550,272	551,142	540,591	496,240	528,711	606,118	854,103	783,767
Public safety	3,726,192	3,949,345	3,490,235	3,490,578	3,361,432	3,146,553	3,212,578	2,252,219	3,408,661	3,238,055
Environmental and development services	-	-	-	-	-	816,746	741,235	654,373	403,657	412,451
Management services	536,482	614,300	515,776	495,514	470,186	-	-	-	-	-
Finance and planning	-	-	-	-	-	447,610	449,041	447,077	411,139	400,466
Education	37,231	51,304	52,037	57,119	431,785	311,851	213,633	161,115	59,587	521,282
Human services	322,784	335,960	327,270	323,279	320,155	277,393	270,403	295,254	289,378	362,963
General services	-	-	-	-	-	1,289,908	1,257,665	1,404,091	1,181,949	1,200,451
Public works	1,339,954	1,337,489	1,305,091	1,285,384	1,308,871	-	-	-	-	-
Community development	832,921	862,596	-	-	-	-	-	-	-	-
Community services	253,967	680,005	659,451	631,672	576,602	500,144	514,474	503,702	443,227	516,414
Operating grants and contributions	15,103,972	11,737,764	11,226,226	10,845,577	10,631,197	10,188,235	10,521,429	10,205,585	10,146,333	10,738,996
Capital grants and contributions	2,443,417	2,742,009	2,514,487	872,828	797,833	1,369,785	317,128	1,668,035	2,727,017	2,562,616
Total governmental activities	<u>25,700,362</u>	<u>23,093,617</u>	<u>21,671,478</u>	<u>19,220,623</u>	<u>19,172,765</u>	<u>18,986,162</u>	<u>18,148,185</u>	<u>18,283,767</u>	<u>20,002,070</u>	<u>20,815,771</u>
Business-type activities:										
Charges for services:										
Sewer Utility	11,215,726	11,678,458	11,194,581	10,660,740	10,788,652	11,144,763	9,924,081	8,928,385	7,938,010	7,209,582
Water Utility	317,101	320,586	273,009	336,448	323,387	349,594	383,138	357,728	333,534	351,955
Solid Waste	5,847,097	4,676,104	4,439,291	4,460,309	4,626,082	4,626,082	4,856,961	3,739,588	3,505,246	3,520,553
Yorktown Operations	137,906	158,467	182,898	146,991	186,905	164,106	166,197	88,725	87,353	97,919
Regional Radio System	2,909,049	2,965,402	2,928,359	1,726,723	1,643,514	1,901,788	1,602,377	1,501,755	1,259,130	1,035,880
Operating grants and contributions	292,221	293,054	291,507	290,552	291,307	289,674	295,108	300,180	1,342,550	149,502
Capital grants and contributions	1,144,164	1,501,760	1,719,060	1,121,944	299,948	925,950	1,371,580	1,139,604	1,063,452	2,595,686
Total business-type activities	<u>21,863,264</u>	<u>21,593,831</u>	<u>21,028,705</u>	<u>18,743,707</u>	<u>18,159,989</u>	<u>19,401,957</u>	<u>18,599,442</u>	<u>16,055,965</u>	<u>15,529,275</u>	<u>14,961,077</u>
Total Primary Government	<u>\$ 47,563,626</u>	<u>\$ 44,687,448</u>	<u>\$ 42,700,183</u>	<u>\$ 37,964,330</u>	<u>\$ 37,332,754</u>	<u>\$ 38,388,119</u>	<u>\$ 36,747,627</u>	<u>\$ 34,339,732</u>	<u>\$ 35,531,345</u>	<u>\$ 35,776,848</u>
Net (expense)/revenue										
Governmental activities	\$ (143,157,330)	\$ (135,537,068)	\$ (126,758,045)	\$ (127,148,093)	\$ (127,283,314)	\$ (127,303,755)	\$ (115,960,687)	\$ (109,624,220)	\$ (113,584,349)	\$ (108,751,155)
Business-type activities	(1,236,754)	(3,421,895)	459,073	44,887	(304,789)	977,124	(61,045)	(2,610,529)	(3,452,825)	(2,121,760)
Total Primary Government net expense	<u>\$ (144,394,084)</u>	<u>\$ (138,958,963)</u>	<u>\$ (126,298,972)</u>	<u>\$ (127,103,206)</u>	<u>\$ (127,588,103)</u>	<u>\$ (126,326,631)</u>	<u>\$ (116,021,732)</u>	<u>\$ (112,234,749)</u>	<u>\$ (117,037,174)</u>	<u>\$ (110,872,915)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 93,017,827	\$ 91,611,559	\$ 90,382,404	\$ 88,210,050	\$ 85,362,882	\$ 81,767,345	\$ 80,907,792	\$ 79,711,885	\$ 76,373,509	\$ 77,433,934
Local sales and use taxes	16,525,293	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325
Hotel and motel room taxes	3,793,734	5,241,150	5,142,868	5,071,633	4,994,074	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193
Restaurant food taxes	4,501,921	5,258,588	4,436,519	6,387,418	6,047,842	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721
Business license taxes	7,633,724	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095
Motor vehicle licenses	1,602,643	1,623,247	1,624,520	1,600,973	1,591,953	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710
Taxes on recordation and wills	1,777,073	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123
Other local taxes	1,744,306	1,893,226	1,921,574	1,935,553	1,938,974	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667
Personal property tax relief - Commonwealth of Virginia	8,741,680	8,741,680	8,760,374	8,741,680	8,741,680	8,665,120	8,741,680	8,525,325	8,485,927	8,496,159
Unrestricted investment earnings	859,654	1,386,131	650,388	248,076	305,043	149,037	216,877	85,087	174,000	234,060
Miscellaneous	162,593	210,254	115,481	43,452	358,177	79,766	1,256,436	232,168	414,057	813,341
Gain (loss) on sale of capital assets	14,378	-	35,569	-	188,537	(118,576)	22,306	25,631	28,907	33,007
Transfers	(1,087,134)	(1,135,786)	(1,635,528)	(3,694,516)	(3,425,018)	(3,346,849)	(3,262,639)	(3,826,920)	(3,739,725)	(3,562,226)
Total governmental activities	<u>139,287,692</u>	<u>138,684,832</u>	<u>130,449,972</u>	<u>126,854,560</u>	<u>123,916,205</u>	<u>118,533,124</u>	<u>118,784,281</u>	<u>114,823,895</u>	<u>111,657,680</u>	<u>112,721,109</u>
Business-type activities:										
Restaurant food taxes	1,493,198	1,446,798	2,036,878	-	-	-	-	-	-	-
Unrestricted investment earnings	133,285	134,586	93,526	63,619	46,907	12,167	37,303	54,762	66,982	68,299
Miscellaneous	11,841	8,469	19,493	35,417	32,179	17,684	43,003	82,881	30,039	21,822
Gain on sale of capital assets	-	1,680	12,222	-	7,000	573	-	103,632	-	-
Transfers	1,087,134	1,135,786	1,635,528	3,694,516	3,425,018	3,346,849	3,262,639	3,826,920	3,739,725	3,562,226
Total business-type activities	<u>2,725,458</u>	<u>2,727,319</u>	<u>3,797,647</u>	<u>3,793,552</u>	<u>3,511,104</u>	<u>3,377,273</u>	<u>3,342,945</u>	<u>4,068,195</u>	<u>3,836,746</u>	<u>3,652,347</u>
Total Primary Government	<u>\$ 142,013,150</u>	<u>\$ 141,412,151</u>	<u>\$ 134,247,619</u>	<u>\$ 130,648,112</u>	<u>\$ 127,427,309</u>	<u>\$ 121,910,397</u>	<u>\$ 122,127,226</u>	<u>\$ 118,892,090</u>	<u>\$ 115,494,426</u>	<u>\$ 116,373,456</u>
Change in Net Position										
Governmental activities	\$ (3,869,638)	\$ 3,147,764	\$ 3,691,927	\$ (293,533)	\$ (3,367,109)	\$ (8,770,631)	\$ 2,823,594	\$ 5,199,675	\$ (1,926,669)	\$ 3,969,954
Business-type activities	1,488,704	(694,576)	4,256,720	3,838,439	4,354,397	3,281,900	1,457,666	383,921	1,530,587	1,530,587
Total Primary Government	<u>\$ (2,380,934)</u>	<u>\$ 2,453,188</u>	<u>\$ 7,948,647</u>	<u>\$ 3,544,906</u>	<u>\$ (160,794)</u>	<u>\$ (4,416,234)</u>	<u>\$ 6,105,494</u>	<u>\$ 6,657,341</u>	<u>\$ (1,542,748)</u>	<u>\$ 5,500,541</u>

(1) Expenditure categories were reclassified in FY2016. "Finance and planning" became "Management services" and Environmental and development services" and "General services" were combined into "Public works" except for building regulations and development and compliance expenditures were moved from "Environmental and development services" to "General government." In FY2019, planning and planning commission was moved from "Management services" to "Community development." Also in FY2019, building regulations and development services were moved from "General administration" to "Community development."

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

	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Property tax	\$ 93,017,827	\$ 91,611,559	\$ 90,382,404	\$ 88,210,050	\$ 85,362,882	\$ 81,767,345	\$ 80,907,792	\$ 79,711,885	\$ 76,373,509	\$ 77,433,934
Local sales and use tax	16,525,293	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325
Hotel and motel room taxes	3,793,734	5,241,150	5,142,868	5,071,633	4,994,074	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193
Restaurant food taxes	4,501,921	5,258,588	4,436,519	6,387,418	6,047,842	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721
Business license taxes	7,633,724	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095
Motor vehicle licenses	1,602,643	1,623,247	1,624,520	1,600,973	1,591,953	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710
Taxes on recordation and wills	1,777,073	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123
Other local taxes	1,744,306	1,893,226	1,921,574	1,935,553	1,938,974	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667
Total	<u>\$ 130,596,521</u>	<u>\$ 129,482,553</u>	<u>\$ 122,523,688</u>	<u>\$ 121,515,868</u>	<u>\$ 117,747,786</u>	<u>\$ 113,104,626</u>	<u>\$ 111,809,621</u>	<u>\$ 109,782,604</u>	<u>\$ 106,294,514</u>	<u>\$ 106,706,768</u>

(1) Beginning in fiscal year 2019, local sales and use tax includes the historic triangle sales tax as established by Senate Bill 942.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Nonspendable	\$ 6,452,931	\$ 6,518,691	\$ 7,191,310	\$ 7,787,380	\$ 8,750,971	\$ 9,743,740	\$ 9,808,279	\$ 10,518,258	\$ 10,578,620	\$ 11,106,155
Restricted	13,872	11,645	948,861	1,069,702	1,106,571	991,058	940,152	843,439	781,934	858,361
Committed	1,109,003	3,327,357	11,567,875	12,479,603	12,027,362	13,315,169	12,664,460	12,520,518	12,380,970	12,446,451
Assigned	7,560,552	5,786,348	9,880,308	11,296,640	11,275,325	13,262,008	18,505,878	14,064,015	18,997,964	8,319,357
Unassigned	<u>17,570,640</u>	<u>17,570,640</u>	<u>17,040,240</u>	<u>17,026,740</u>	<u>16,270,680</u>	<u>16,126,447</u>	<u>19,747,802</u>	<u>15,612,469</u>	<u>15,547,246</u>	<u>21,491,918</u>
Total General Fund	<u>\$ 32,706,998</u>	<u>\$ 33,214,681</u>	<u>\$ 46,628,594</u>	<u>\$ 49,660,065</u>	<u>\$ 49,430,909</u>	<u>\$ 53,438,422</u>	<u>\$ 61,666,571</u>	<u>\$ 53,558,699</u>	<u>\$ 58,286,734</u>	<u>\$ 54,222,242</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 107,390	\$ -	\$ -	\$ -	\$ -	\$ 138,671	\$ 210,976	\$ 8,194,857
Restricted	3,434,488	3,834,818	7,659,598	909,701	1,138,991	910,103	536,129	676,655	432,829	1,504,544
Committed	16,582,668	16,071,516	7,521,642	5,396,429	6,213,357	4,052,604	5,653,220	9,937,427	851,246	1,101,066
Assigned	19,559,701	20,059,989	13,384,755	14,777,136	12,844,980	11,745,879	11,931,032	12,203,643	15,058,975	14,165,574
Unassigned	<u>(3,516,318)</u>	<u>(3,278,362)</u>	<u>(3,947,179)</u>	<u>(4,736,725)</u>	<u>(5,638,008)</u>	<u>(6,637,510)</u>	<u>(6,716,787)</u>	<u>(7,285,908)</u>	<u>(7,308,883)</u>	<u>(15,666,704)</u>
Total all other governmental funds	<u>\$ 36,060,539</u>	<u>\$ 36,687,961</u>	<u>\$ 24,726,206</u>	<u>\$ 16,346,541</u>	<u>\$ 14,559,320</u>	<u>\$ 10,071,076</u>	<u>\$ 11,403,594</u>	<u>\$ 15,670,488</u>	<u>\$ 9,245,143</u>	<u>\$ 9,299,337</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues										
General property taxes	\$ 91,924,860	\$ 91,174,219	\$ 90,544,105	\$ 88,434,572	\$ 85,368,220	\$ 81,977,556	\$ 81,125,127	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162
Other local taxes	37,544,954	37,842,737	32,189,944	33,181,367	32,343,857	31,318,061	30,891,414	30,012,365	29,997,922	29,073,893
Intergovernmental	26,052,098	22,896,708	20,513,452	20,157,138	19,884,521	19,612,174	19,413,247	20,114,231	20,720,210	19,700,968
Permits, fees and licenses	999,687	1,104,298	1,037,354	680,369	779,390	882,569	818,221	659,658	468,190	471,535
Fines and forfeitures	380,930	433,857	345,783	332,090	308,039	277,108	298,754	335,974	387,560	359,937
Use of money and property	1,165,293	1,748,352	1,006,387	604,377	912,391	523,982	547,159	393,980	438,442	643,250
Charges for services	3,827,605	4,507,835	4,100,646	3,985,157	3,841,821	3,659,811	3,802,981	3,821,047	3,772,679	3,561,630
Miscellaneous	731,463	561,346	2,300,983	428,328	566,588	360,608	1,013,034	251,048	779,129	811,833
Recovered costs	2,205,724	2,152,453	2,133,591	2,074,403	2,547,682	2,343,291	2,732,928	2,527,853	2,378,769	2,608,989
Total revenues	<u>164,832,614</u>	<u>162,421,805</u>	<u>154,172,245</u>	<u>149,877,801</u>	<u>146,552,509</u>	<u>140,955,160</u>	<u>140,642,865</u>	<u>138,188,070</u>	<u>137,115,593</u>	<u>133,748,197</u>
Expenditures (2)										
General administration	2,861,717	2,860,531	4,571,362	4,266,942	4,125,373	2,117,469	2,203,303	2,056,291	2,011,421	1,915,207
Judicial services	3,199,581	3,008,038	2,909,235	2,753,613	2,607,584	2,788,807	2,741,134	2,576,351	2,630,531	2,831,373
Public safety	36,222,021	34,948,693	33,363,370	35,979,369	30,245,518	29,524,373	29,096,722	28,296,119	27,595,816	30,126,085
Environmental and development services	-	-	-	-	-	3,420,823	3,668,780	3,512,884	3,441,640	3,492,773
Finance and planning	-	-	-	-	-	8,687,984	9,613,082	8,305,316	7,822,399	9,058,412
Management services	9,779,528	9,619,413	10,798,169	10,180,894	8,863,808	-	-	-	-	-
Education	68,528,167	65,763,188	66,371,103	63,460,252	68,240,885	65,747,918	49,386,779	50,780,591	55,271,680	48,805,929
Human services	9,492,564	9,892,383	9,698,743	9,166,051	8,611,086	7,958,815	7,839,768	7,663,060	7,875,456	8,221,433
Public works	8,780,738	8,677,408	8,431,491	8,541,683	8,623,135	-	-	-	-	-
General services	-	-	-	-	-	6,640,288	6,323,547	6,086,730	6,747,125	6,822,173
Community development	2,534,211	4,030,153	-	-	-	-	-	-	-	-
Community services	5,428,488	5,818,632	5,769,126	5,572,438	5,151,517	5,089,962	4,796,824	4,758,072	5,271,976	4,138,036
Non-departmental	2,483,031	2,537,255	2,713,097	2,495,321	1,693,556	1,925,791	1,615,921	2,267,011	2,278,091	1,429,528
Capital outlay	15,313,579	11,083,627	6,128,438	4,635,455	5,988,334	6,955,577	7,784,015	4,646,213	4,091,765	8,968,847
Debt service:										
Principal	6,821,895	7,091,646	8,649,276	7,143,707	5,425,023	6,882,404	7,182,911	6,550,894	6,901,861	6,560,684
Interest and fiscal charges	3,837,070	3,841,150	3,611,114	3,363,409	3,507,961	3,336,339	3,652,774	3,959,671	4,078,062	4,283,166
Other costs of debt issuance	98,183	45,918	153,611	63,044	180,516	25,822	188,219	-	41,814	24,257
Total expenditures	<u>175,380,773</u>	<u>169,218,035</u>	<u>163,168,135</u>	<u>157,622,178</u>	<u>153,264,296</u>	<u>151,102,372</u>	<u>136,093,779</u>	<u>131,459,203</u>	<u>136,059,637</u>	<u>136,677,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,548,159)</u>	<u>(6,796,230)</u>	<u>(8,995,890)</u>	<u>(7,744,377)</u>	<u>(6,711,787)</u>	<u>(10,147,212)</u>	<u>4,549,086</u>	<u>6,728,867</u>	<u>1,055,956</u>	<u>(2,929,706)</u>
Other Financing Sources (Uses)										
Insurance recovery	27,734	54,673	19,705	13,163	78,234	19,749	21,459	23,596	37,594	5,363
Bonds issued	10,185,000	7,765,000	15,405,000	11,135,000	21,950,000	21,125,000	9,865,000	-	6,925,000	1,120,000
Premium on bonds issued	491,419	879,737	1,178,493	606,063	3,312,073	974,672	827,791	-	1,047,456	-
Capital leases	-	-	-	4,736,044	-	-	300,376	-	-	3,035,627
Sale of capital and other assets	-	-	-	-	-	-	-	-	11,000	482,720
Transfers In	23,710,598	25,975,972	26,722,915	19,253,176	20,304,143	17,065,038	13,989,217	19,188,067	14,018,812	16,211,735
Deposits for refunding	-	-	-	(3,035,000)	(12,598,700)	(12,595,000)	(10,500,116)	-	-	-
Transfers Out	(25,001,697)	(27,839,661)	(28,982,029)	(22,947,692)	(24,082,571)	(22,139,715)	(18,879,173)	(24,243,220)	(19,085,520)	(20,667,938)
Total other financing sources (uses), net	<u>9,413,054</u>	<u>6,835,721</u>	<u>14,344,084</u>	<u>9,760,754</u>	<u>8,963,179</u>	<u>4,449,744</u>	<u>(4,375,446)</u>	<u>(5,031,557)</u>	<u>2,954,342</u>	<u>187,507</u>
Net change in fund balances	<u>\$ (1,135,105)</u>	<u>\$ 39,491</u>	<u>\$ 5,348,194</u>	<u>\$ 2,016,377</u>	<u>\$ 2,251,392</u>	<u>\$ (5,697,468)</u>	<u>\$ 173,640</u>	<u>\$ 1,697,310</u>	<u>\$ 4,010,298</u>	<u>\$ (2,742,199)</u>
Debt service as a percentage of noncapital expenditures (1)	<u>6.35%</u>	<u>6.81%</u>	<u>7.75%</u>	<u>7.05%</u>	<u>6.01%</u>	<u>6.95%</u>	<u>8.11%</u>	<u>8.27%</u>	<u>8.22%</u>	<u>8.3%</u>

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

(2) Expenditure categories were reclassified in FY2016. "Finance and planning" became "Management services" and "Environmental and development services" and "General services" were combined into "Public works" except for building regulations and development and compliance expenditures were moved from "Environmental and development services" to "General government." In FY2019, planning and planning commission was moved from "Management services" to "Community development." Also in FY2019, building regulations and development services were moved from "General administration" to "Community development."

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Property tax	\$ 91,924,860	\$ 91,174,219	\$ 90,544,105	\$ 88,434,572	\$ 85,368,220	\$ 81,977,556	\$ 81,125,127	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162
Local sales and use tax	16,525,293	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325
Hotel and motel room taxes	3,757,890	5,241,150	5,171,984	5,058,976	4,977,615	4,643,484	4,323,868	4,302,250	4,278,426	4,264,686
Restaurant food taxes	4,497,970	5,272,635	4,488,226	6,332,930	6,060,974	5,814,040	5,631,472	5,563,010	5,381,266	5,260,568
Business license taxes	7,633,724	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095
Communications sales tax	1,090,046	1,115,481	1,202,410	1,241,212	1,272,490	1,311,310	1,322,868	1,345,767	1,342,206	1,370,049
Motor vehicle licenses	1,648,997	1,621,817	1,627,449	1,582,337	1,590,308	1,574,559	1,586,865	1,525,026	1,514,549	1,485,763
Franchise taxes	4,713	4,403	4,295	3,808	2,876	1,267	1,247	1,028	735	502
Taxes on recordation and wills	1,777,073	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123
Other local taxes	609,248	732,468	679,777	651,863	627,533	581,802	593,893	586,487	595,901	640,782
Total	<u>\$ 129,469,814</u>	<u>\$ 129,016,956</u>	<u>\$ 122,734,049</u>	<u>\$ 121,615,939</u>	<u>\$ 117,712,077</u>	<u>\$ 113,295,617</u>	<u>\$ 112,016,541</u>	<u>\$ 110,084,279</u>	<u>\$ 108,170,614</u>	<u>\$ 105,590,055</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>		
2020	\$ 7,977,730,200	\$ 1,536,027,800	\$ 621,368,315	\$ 3,218,000	\$ 323,164,444	\$ 39,455	\$ -	\$ 10,461,548,214	\$ 0.9854
2019	7,747,444,900	1,465,593,000	612,318,755	3,302,000	453,482,644	50,142	-	10,282,191,441	0.9859
2018	7,686,020,670	1,417,754,500	595,105,775	3,294,500	459,070,808	55,504	-	10,161,301,757	0.9827
2017	7,588,190,700	1,516,028,900	582,157,745	3,568,200	459,191,601	82,826	-	10,149,219,972	0.9789
2016	7,425,810,400	1,574,952,300	593,894,890	3,512,600	442,369,715	104,756	-	10,040,644,661	0.9437
2015	7,307,361,300	1,491,507,600	561,880,260	3,939,500	430,748,916	127,592	-	9,795,565,168	0.9379
2014	7,243,259,500	1,491,310,000	552,552,935	3,780,000	425,978,786	148,514	-	9,717,029,735	0.9363
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

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. Calendar year 2017 included a change to the boat tax in that all boats are taxed at \$.000000001/\$100; previously boats less than 5 tons were taxed in the same class as personal property.

COUNTY OF YORK, VIRGINIA

Property Tax Rates Last Ten Fiscal Years

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1) (4)	Mobile Home (1) (3)	Boats > 5 Tons (1) (5)	Total Direct Tax Rate
2020	\$ 0.795	\$ 4.00	\$ 0.7950	\$ 0.000000001	\$ 0.9854
2019	0.795	4.00	0.7950	0.000000001	0.9859
2018	0.795	4.00	0.7950	0.000000001	0.9827
2017	0.7515/0.795	4.00	0.7515/0.795	1.00/0.000000001	0.9789
2016	0.7515	4.00	0.7515	1.00	0.9437
2015	0.7515	4.00	0.7515	1.00	0.9379
2014	0.7515	4.00	0.7515	1.00	0.9363
2013	0.7415/0.7515	4.00	0.7415/0.7515	1.00	0.9304
2012	0.6575/0.7415	4.00	0.6575/0.7415	1.00	0.9172
2011	0.6575	4.00	0.6575	1.00	0.8232

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

(2) The amount designated for school operating is \$0.605 per \$100 of valuation for fiscal year 2020.

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

(4) The tax rate per \$100 of assessed valuation for Disabled American Veterans has been \$1.00 since 2008.

(5) Effective for calendar year 2017, all boats are taxed at \$.000000001/\$100. The boat tax rate has been effectively eliminated on all classes of boats.

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

COUNTY OF YORK, VIRGINIA
Principal Property Taxpayers
Calendar Year 2019 and Nine Years Prior*

<u>Taxpayer</u>	<u>Description</u>	<u>2019 Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2010 Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Virginia Power Company	Generating plant	\$ 349,608,827	1	3.38%	\$ 379,602,613	1	3.78%
Lawyers Title/Fairfield Resorts/Wyndham	Timeshare condominiums	180,538,900	2	1.75%	187,579,815	3	1.87%
City of Newport News	Water system	134,899,500	3	1.31%	75,864,300	5	0.75%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	98,463,400	4	0.95%	84,425,890	4	0.84%
Kings Creek Plantation	Timeshare condominiums	83,642,000	5	0.81%	73,321,625	6	0.73%
BP/Western Refining/Plains Marketing	Former Refinery	67,000,000	6	0.65%	193,263,805	2	1.92%
Premier Properties-Marquis	Retail sales	-		0.00%	35,324,200	9	0.35%
Moyork LLC (Commonwealth Apartments)	Apartment complex	45,131,500	7	0.44%			
Busch Entertainment/Water Country USA	Water Park	37,024,000	8	0.36%	49,390,485	7	0.49%
Walmart	Retail sales	36,756,800	9	0.36%	38,875,975	8	0.39%
852 LLC (Belmont Apartments)	Apartment complex	33,543,900	10	0.32%			
Phillip Morris	Manufacturer	-		0.00%	<u>18,157,300</u>	10	<u>0.18%</u>
Total		<u>\$ 1,066,608,827</u>		<u>10.33%</u>	<u>\$1,135,806,008</u>		<u>11.30%</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</u>	<u>Current Tax Collections</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>
2020	\$ 92,019,828	\$ 88,843,578	96.55%	\$ -	\$ 88,843,578	96.55%
2019	90,196,473	87,055,100	96.52%	2,372,478	89,427,578	99.15%
2018	89,691,238	87,216,407	97.24%	1,837,923	89,054,330	99.29%
2017	87,536,065	84,909,975	97.00%	2,108,779	87,018,754	99.41%
2016	84,110,482	81,503,407	96.90%	2,058,579	83,561,986	99.35%
2015	80,716,523	77,929,910	96.55%	2,533,872	80,463,782	99.69%
2014	79,831,923	77,513,973	97.10%	1,955,129	79,469,102	99.55%
2013	78,390,079	75,580,443	96.42%	2,376,997	77,957,440	99.45%
2012	77,167,308	75,120,925	97.35%	1,561,246	76,682,171	99.37%
2011	78,309,524	74,202,547	94.76%	1,638,286	75,840,833	96.85%

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

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Literary Loans	Capital Leases	Lease Revenue Bonds	Note Payable	General Obligation Bonds	Revenue Bonds	Capital Leases			
2020	\$ 77,733,259	\$ -	\$ 1,515,179	\$ 25,756,218	\$ -	\$ -	\$ 19,604,905	\$ -	\$ 124,609,561	N/A	\$ 1,791
2019	74,271,325	-	1,997,074	25,446,020	-	-	19,963,073	-	121,677,492	N/A	1,753
2018	69,812,399	-	3,423,720	28,136,579	-	-	20,616,187	-	121,988,885	2.58%	1,775
2017	66,330,054	-	5,722,996	21,308,937	-	-	21,254,301	-	114,616,288	2.54%	1,664
2016	61,906,639	-	2,420,659	23,247,569	-	-	21,169,120	-	108,743,987	2.47%	1,586
2015	53,270,668	-	2,860,682	23,544,723	-	-	21,696,428	325,301	101,697,802	2.34%	1,464
2014	49,619,991	-	3,113,086	24,847,309	-	-	22,207,989	638,542	100,426,917	2.38%	1,490
2013	54,961,398	-	2,862,880	26,059,652	372,740	-	22,141,530	940,170	107,338,370	2.67%	1,603
2012	59,822,805	-	2,917,121	27,499,214	719,393	-	22,570,884	1,230,616	114,760,033	2.88%	1,728
2011	56,564,037	100,000	3,316,594	29,052,785	1,041,781	-	22,984,594	1,705,295	114,765,086	2.96%	1,740

N/A - This information is not available.

(1) Bonds are shown at net of related premiums and/or discounts and deferred amounts on refundings for 2011 - 2013. Beginning in FY2014, bonds are shown at net of related premiums and/or discounts.

(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>
2020	\$ 77,733,259	\$ -	\$ 77,733,259	0.74%	\$ 1,117
2019	74,271,325	-	74,271,325	0.72%	1,070
2018	69,812,399	-	69,812,399	0.69%	1,016
2017	66,330,054	-	66,330,054	0.65%	963
2016	61,906,639	-	61,906,639	0.62%	903
2015	53,270,668	-	53,270,668	0.54%	767
2014	49,619,991	-	49,619,991	0.51%	736
2013	54,961,398	-	54,961,398	0.57%	821
2012	59,822,805	-	59,822,805	0.63%	901
2011	56,564,037	-	56,564,037	0.57%	857

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

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

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)
2020	69,594	N/A	N/A	N/A	13.20	12,914	7.60%
2019	69,407	N/A	N/A	N/A	13.20	12,756	2.70%
2018	68,725	\$ 4,731,142	\$ 59,113	39.20	13.20	12,610	2.80%
2017	68,890	4,519,462	56,549	39.00	13.20	12,584	3.50%
2016	68,585	4,398,149	55,146	38.80	13.20	12,522	3.90%
2015	69,466	4,339,310	54,349	38.80	13.20	12,519	4.30%
2014	67,396	4,216,349	53,660	39.30	13.20	12,333	5.00%
2013	66,955	4,014,347	51,387	39.40	13.20	12,226	5.40%
2012	66,428	3,983,237	51,080	39.40	13.20	12,410	5.80%
2011	65,973	3,875,164	49,776	39.40	13.20	12,477	6.10%

N/A - This information is not available.

Source:

- (1) Weldon Cooper Center for Public Service; 2020 estimate derived from previous years' data.
- (2) Bureau of Economic Analysis combined amount for York County/Poquoson.
- (3) Median Age from U.S. Census Bureau
- (4) Educational Attainment derived from data published by the U.S. Census Bureau.
- (5) County School Division.
- (6) Virginia Employment Commission; 2020 estimate per County Planning Division.

COUNTY OF YORK, VIRGINIA

Principal Employers
Current and Nine Years Prior

<u>Employer</u>	<u>2020</u>			<u>2011</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	3,856	1	16.94%	2,998	1	13.44%
York County School Division	1,845	2	8.10%	1,808	2	8.11%
U.S. Coast Guard Station	1,126	3	4.95%	1,399	3	6.27%
Sentara Williamsburg Regional Medical Center	813	4	3.57%	671	7	3.01%
York County Government	763	5	3.35%	732	6	3.28%
Walmart	495	6	2.17%	962	4	4.31%
Water Country (1)			0.00%	954	5	4.28%
Kroger	365	7	1.60%			
Great Wolf Lodge of Williamsburg, LLC	303	8	1.33%	505	8	2.26%
YMCA	287	9	1.26%			
Snow Companies	169	10	0.74%			
Wyndham Vacation Ownership				281	9	1.26%
Kings Creek Plantation				199	10	0.89%
Total	<u>10,022</u>		<u>44.01%</u>	<u>10,509</u>		<u>47.11%</u>

Source: County Office of Economic Development.

Source: York County School Division Comprehensive Annual Financial Report.

(1) In FY2020, Water Country was temporarily closed as a result of the COVID-19 pandemic.

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

Function (1)	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General government	23.00	24.00	46.00	44.00	46.00	20.00	19.00	18.00	20.00	20.00
Judicial services	32.00	32.00	32.00	31.00	31.50	32.50	32.50	32.50	32.75	32.75
Public safety	323.00	323.00	313.50	307.00	302.00	300.00	300.00	300.00	300.00	299.50
Environmental and development services	-	-	-	-	-	54.50	54.50	54.25	55.00	54.00
Management services	99.50	97.50	97.50	95.75	95.25	-	-	-	-	-
Finance and planning	-	-	-	-	-	92.25	91.25	91.25	89.25	89.25
Education (Library)	32.50	32.50	32.50	32.00	33.00	33.00	33.00	33.00	33.50	33.50
Public works	174.00	176.00	177.00	173.00	171.00	-	-	-	-	-
General services	-	-	-	-	-	72.00	72.00	71.00	80.00	81.00
Community development	26.00	26.00	-	-	-	-	-	-	-	-
Community services	53.20	51.40	51.40	50.20	50.20	50.20	50.20	50.20	54.20	54.20
Sewer (Public Works)	-	-	-	-	-	56.00	57.00	56.00	56.50	55.50
Solid Waste (Public Works)	-	-	-	-	-	12.00	12.00	12.00	12.00	12.00
	<u>763.20</u>	<u>762.40</u>	<u>749.90</u>	<u>732.95</u>	<u>728.95</u>	<u>722.45</u>	<u>721.45</u>	<u>718.20</u>	<u>733.20</u>	<u>731.70</u>

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

(1) Functional categories were reclassified in FY2016. "Finance and planning" became "Management services" and Environmental and development services" and "General services" were combined into "Public works" except for building regulations and development and compliance were reclassified from "Environmental and development services" to "General government." In FY2019, "Community Development" was created and includes building, development, and planning services.

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

Function	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government										
Elections - Registered voters	46,553	45,274	45,757	45,134	44,361	43,007	44,840	45,165	45,540	44,814
Building Permits Issued	4,077	4,774	4,380	3,570	3,648	4,175	4,822	4,043	3,663	3,751
Building Permit Value	\$ 91,385,798	\$ 171,001,866	\$ 153,764,229	\$ 64,886,424	\$ 68,300,485	\$ 91,568,396	\$ 78,778,858	\$ 74,340,412	\$ 55,959,121	\$ 50,093,788
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	3,127	4,674	4,137	3,307	3,361	2,886	2,501	1,651	1,773	1,903
Land records filed	22,157	21,242	24,273	25,576	22,857	22,821	23,023	26,117	21,061	21,059
Sheriff										
Physical arrests	1,414	1,851	1,768	1,596	1,685	1,547	1,673	1,655	1,768	2,197
Parking violations	100	112	62	72	106	83	103	71	92	130
Traffic violations	3,900	5,095	3,965	3,565	3,768	2,675	2,126	2,476	3,489	3,395
Fire and Life Safety										
Number of calls	10,942	11,558	11,464	10,919	9,969	9,707	9,550	9,289	9,070	8,842
Fire dispatches	4,411	4,971	4,992	4,743	4,117	4,076	4,007	3,567	3,504	3,552
Rescue dispatches	6,531	6,587	6,472	6,176	5,852	5,631	5,543	5,722	5,566	5,290
Education										
Library book circulation	451,753	557,764	509,704	514,824	527,047	534,923	524,847	529,718	562,212	576,134
Library registered patrons	43,149	52,592	48,530	44,022	64,436	63,248	69,860	65,057	70,684	72,915
School Division cost per pupil	\$ 11,096	\$ 10,847	\$ 10,662	\$ 10,204	\$ 10,081	\$ 10,177	\$ 9,584	\$ 9,743	\$ 9,424	\$ 9,292
Community services										
Recreation program participation	110,683	151,048	160,280	131,205	105,032	121,587	100,542	108,590	101,650	119,314
Sewer										
New connections	250	316	273	109	170	401	277	339	366	158
Solid Waste										
Refuse collections (tons)	100,164	95,735	83,094	68,714	83,000	83,996	78,352	82,774	91,699	95,671
Recyclables collected (tons)	28,190	35,686	27,997	27,814	32,005	37,651	28,702	23,970	18,139	17,302

Source: Various County departments

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Sheriff										
Patrol units	59	56	55	56	51	55	61	57	59	54
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	27	27	27	27	26	26	26	26	26	26
Community services										
Park acreage	786	786	786	786	786	786	786	786	786	786
Parks	11	11	11	11	11	11	11	11	11	11
Tennis courts	36	36	36	36	36	36	36	36	36	36
Basketball courts	38	38	38	38	38	38	38	38	38	38
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	73	73	73	73	73	73	73	73
Kayak launches	1	1	-	-	-	-	-	-	-	-
Education										
School facilities	19	19	19	19	19	19	19	19	19	19
Sewer										
Sanitary sewer (miles)	393	390	389	384	381	377	367	362	350	294

Source: Various County departments.

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**Report of Independent Auditor 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 20, 2020.

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") as a basis for designing 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 grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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* or the *Specifications for Audits of Counties, Cities, and Towns*.

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 blue ink that reads "Cheryl Behrman CPA". The signature is written in a cursive style.

Virginia Beach, Virginia
November 20, 2020

**Report of Independent Auditor on Compliance for Each Major
Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance**

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 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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, 2020.

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 the Uniform Guidance, 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'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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Virginia Beach, Virginia
November 20, 2020

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COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Granting Agency/Recipient State Agency/Grant Program/Grant Number</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Agriculture:		
Direct payments: Child and Adult Care Food Program	10.558	\$ 110,482
Pass-through payments:		
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-010)	10.561	817,388
Department of Education:		
School Breakfast Program (197-179-01)	10.553	425,841
Department of Agriculture:		
National School Lunch Program (Donated Foods)	10.555	323,964
Department of Education:		
National School Lunch Program (197-179-01)	10.555	<u>1,182,230</u>
Subtotal Donated Foods and National School Lunch Program	10.555	<u>1,506,194</u>
Total Child Nutrition Cluster		1,932,035
Department of Agriculture:		
Schools and Roads - Grants to States	10.665	<u>27,187</u>
Total Forest Service Schools and Roads Cluster		27,187
Department of Defense:		
Direct payments:		
Naval Junior ROTC Program	12.UNK	120,768
National Defense Authorization Act	12.UNK	924,152
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	665,254
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	389,985
Virginia Housing Development Authority:		
Section 8 Housing Choice Vouchers	14.871	<u>113,102</u>
Total Housing Voucher Cluster		113,102
Department of the Interior:		
Pass-through payments:		
Virginia Department of Health:		
Clean Vessel Act	15.616	12,989
Sportfishing and Boating Safety Act	15.622	19,582
Department of Justice:		
Direct payments:		
State Criminal Alien Assistance Program	16.606	16,393
Bulletproof Vest Partnership Program	16.607	5,523
Equitable Sharing Program	16.922	8,647
Pass-through payments:		
Department of Criminal Justice Services:		
Crime Victim Assistance (140-390-01)	16.575	108,369
Violence Against Women Formula Grants (140-390-01)	16.588	27,929
Department of Transportation:		
Pass-through payments: Department of Transportation:		
Highway Planning and Construction	20.205	<u>56,907</u>
Total Highway Planning and Construction Cluster		56,907
Pass-through payments: Department of Motor Vehicles:		
State and Community Highway Safety (530-605-07)	20.600	<u>33,671</u>
Total Highway Safety Cluster		33,671
Department of the Treasury:		
Pass-through payments: Coronavirus Relief Fund	21.019	2,894,471
Federal Communications Commission:		
Direct payments: Universal Service Fund - Schools and Libraries (E-rate)	32.004	10,542
Department of Education:		
Direct payments:		
Impact Aid	84.041	10,709,632
Pass-through payments:		
Department of Education (197-179-01):		
Title I Grants to Local Educational Agencies	84.010	665,600

(continued)

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Granting Agency/Recipient State Agency/Grant Program/Grant Number</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Education:		
Special Education and Rehabilitative Services:		
Special Education Grants to States	84.027	2,218,310
Special Education Preschool Grants	84.173	<u>45,527</u>
Total Special Education Cluster (IDEA)		2,263,837
Department of Education:		
Pass-through payments:		
Department of Education (197-179-01):		
School Safety National Activities	84.184	52,446
Vocational and Adult Education:		
Career and Technical Education - Basic Grants to States	84.048	110,604
English Language Acquisition State Grants	84.365	50,547
Supporting Effective Instruction State Grants	84.367	152,745
Department of Health and Human Services:		
Direct payments:		
Administration for Children, Youth and Families: Head Start	93.600	1,113,012
Provider Relief Fund	93.498	62,109
Pass-through payments:		
Department of Social Services:		
MaryLee Allen Promoting Safe and Stable Families Program (765-460-10; 765-469-02)	93.556	27,265
Temporary Assistance for Needy Families (765-452-12; 765-452-01; 765-460-10)	93.558	324,595
Refugee and Entrant Assistance State/Replacement Designee Administered Programs (765-460-10; 765-491-02)	93.566	373
Low-Income Home Energy Assistance (765-460-10)	93.568	52,055
Child Care and Development Block Grant (765-452-15)	93.575	(1,061)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (765-452-14; 765-452-15; 765-460-10)	93.596	<u>62,461</u>
Total Child Care and Development Fund Cluster (93.575, 93.596)		61,400
Chafee Education and Training Vouchers Program (ETV) (765-469-02)	93.599	1,470
Stephanie Tubbs Jones Child Welfare Services Program (765-460-10)	93.645	445
Foster Care - Title IV-E (765-460-03; 765-460-10; 765-469-01; 765-469-02)	93.658	284,800
Adoption Assistance (765-460-03; 765-460-10; 765-469-03)	93.659	106,619
Social Services Block Grant (765-460-10; 765-468-02; 765-469-02; 765-469-03)	93.667	279,634
John H. Chafee Foster Care Program for Successful Transition to Adulthood (765-460-10; 765-469-02)	93.674	2,354
Children's Health Insurance Program (765-460-10)	93.767	13,310
Medical Assistance Program (765-460-03; 765-460-10)	93.778	839,635
Department of Medical Assistance Services: Medical Assistance Program	93.778	<u>191,657</u>
Total Medicaid Cluster		1,031,292
Department of Homeland Security:		
Direct payments:		
Assistance to Firefighters Grant	97.044	43,637
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	<u>257,433</u>
Pass-through payments:		
Department of Homeland Security:		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	105,565
Emergency Management Performance Grants (127-775-01)	97.042	50,335
Homeland Security Grant Program (127-775-01)	97.067	<u>320,689</u>
Total		\$ 26,439,179

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2020

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards of the County. The County's reporting entity is defined in Note 1 to the basic financial statements. All amounts 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 no federal awards to a subrecipient during the year ended June 30, 2020.

4. UNIFORM GRANT GUIDANCE

The Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, which is effective for new grants, issued after December 26, 2014, included changes to how indirect costs are awarded. In an effort to relieve administrative burden, the Office of Management and Budget (OMB) specified that non-federal entities that have never received a negotiated indirect cost rate may elect to charge a de minimis cost rate of 10 percent of modified total direct costs, which may be used indefinitely. The County elected not to apply the de minimis rate for fiscal year 2020.

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued on the financial statements:	Unmodified
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:	Unmodified
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 200.516(a) of the Uniform Guidance?	No

Identification of major federal programs:

<u>Name of Program</u>	<u>CFDA #</u>
Department of Health and Human Services:	
Medical Assistance Program - Medicaid Cluster	93.778
Department of Education:	
Special Education Cluster (IDEA)	84.027 and 84.173
Department of the Treasury:	
Coronavirus Relief Fund	21.019

Dollar threshold to distinguish between Types A and B Programs:	\$793,175
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The County of York was qualified as a low risk auditee in? Accordance with Section 200.520 of the Uniform Guidance?	Yes
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B. Findings - Financial Statement Audit	None
C. Findings and Questioned Costs – Major Federal Awards	None
D. Findings and Questioned Costs – State Compliance	None
E. Resolution of Prior Year's Findings	Not applicable

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