Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

York County
VIRGINIA
America's Future Since 1781

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2010

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

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Chief, Division of Budget and Financial Reporting

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Deborah A. Goodwin
Lisa N. Swartz

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COUNTY OF YORK, VIRGINIA
Comprehensive Annual Financial Report
June 30, 2010

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COUNTY ADMINISTRATOR
James O. McReynolds

BOARD OF SUPERVISORS
Walter C. Zaremba
District 1
Sheila S. Noll
District 2
Donald E. Wiggins
District 3
George S. Hrichak
District 4
Thomas G. Shepperd, Jr.
District 5

November 12, 2010

The Board of Supervisors
County of York, Virginia

Dear Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report of the County of York for the fiscal year ended June 30, 2010, as required by the Code of Virginia. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP), the standards of financial reporting prescribed by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, and the Auditor of Public Accounts of the Commonwealth of Virginia. The independent certified public accounting firm of Cherry, Bekaert, & Holland, L.L.P., has audited the financial statements, and their opinions are contained within this report.

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

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

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

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A Hampton Roads Community

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

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

PROFILE OF THE GOVERNMENT

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

Established in 1634, the County has played a role in the development of this nation in that it was the location of the culminating battle of the Revolutionary War and the subsequent surrender of Lord Cornwallis and his British army on October 19, 1781.

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

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

The annual budget serves as the foundation for the County's financial planning and control. All departments and agencies of the County are required to submit requests for appropriation to the County Administrator during November and December of each year. The County Administrator uses these requests as a starting point for developing a proposed budget for presentation to the Board of Supervisors for review in February. The Board of Supervisors is required to hold public hearings on the proposed budget and to adopt a final budget by no later than May 1. The budget is prepared by fund and function (e.g. public safety). The County Administrator may make transfers of appropriations within a function.

Transfers between functions require the prior approval of the Board of Supervisors. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

For the general fund and the tourism fund, a major governmental 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 in the other supplementary information subsection of this report, which starts on page H-2.

ECONOMIC CONDITION AND OUTLOOK

During the year ended June 30, 2010, York County felt the impact of the national and state economic recession. Local revenue was lower than budgeted. Although the housing market in York County has not experienced the significant downturn that other parts of the country have seen, real estate taxes were down when compared to budget. Sales prices have fallen slightly; but more significantly, houses are staying on the market much longer, and there have been fewer sales than in prior years. Fewer new car purchases resulted in a significant decline in personal property taxes. York County relies heavily on the tourist and travel industry, and the recession has resulted in a decline in transient occupancy taxes, meals taxes, and local sales taxes, compared to previous years. Through careful monitoring of revenues and expenditures, adjustments in County spending were implemented, including holding vacant positions open and delaying capital projects, to ensure the County would end the fiscal year in sound financial condition.

At $125.1 million, the fiscal year 2011 General Fund adopted budget is .1% lower than the fiscal year 2010 budget. Savings achieved in fiscal year 2010 continue with an on-going hiring freeze, delay of certain capital expenditures and other major purchases, and a freeze on the County pay plan. The 2011 budget does not include any staff lay-offs and nor does it propose to use undesignated fund balance. We believe that the conservative fiscal policy of the Board of Supervisors and County management will enable the continued provision of the same high level of government service that has come to be expected of York County. Further, these conservative policies will enable York County to emerge from the recession in a strong financial position.

MAJOR INITIATIVES

During the formulation of the fiscal year 2011 budget, the Board of Supervisors directed that the governmental emphasis be focused on maintaining a high level of support for the operation and construction of the schools, public safety, and continued maintenance and extension of municipal water, sewer and stormwater systems. Accordingly, this direction was translated into a number of specific projects to which major portions of the available resources were allocated.

Operations

The Comprehensive Plan, titled *Charting the Course to 2025*, provides a long-range plan for the physical development of the County. The current plan was adopted in 2005 after an extensive review process involving citizens and civic and business groups, the Planning Commission, and the Board of Supervisors. State law requires that a locality's comprehensive plan be reviewed every five years.

The goals and initiatives discussed in the current plan include encouraging quality commercial growth, supporting of the County's School division, purchasing conservation easements and environmentally sensitive lands, developing new recreational facilities, beautifying major entrances and commercial corridors including placing existing overhead utilities underground, construction of bicycle and pedestrian improvements leveraged with local funding, continued modernization and improvement of the County's emergency response and management capabilities, and upgrading the technology available to County students and citizens.

Economic Development

A sustained economic development program coupled with fiscally conservative management has allowed York County to maintain a positive commercial environment, despite the widespread economic malaise. By capitalizing on existing industry growth and new investment from federal contractors, the County had a relatively good fiscal year. The Office of Economic Development in partnership with the Economic Development Authority (EDA) took advantage of the economic slow down by focusing on business retention/expansion and preparing product for the inevitable economic recovery.

Two new significant federal contractors, Bionetics and SDV Solutions joined the County's business community in fiscal year 2010. Bionetics, a diversified engineering and applied science company with annual sales in excess of $50 million, has completed construction of a 30,000 sq. ft. headquarters building. In addition to housing Bionetics, this new two story, LEED certified, brick facility will have some available space for lease. SDV Solutions, recently recognized by INC magazine as one of the fastest growing private companies in America, has occupied 12,500 sq. ft. in the former Delta–T building. These two companies represent the fastest growing sector in York County's business base, federal contractors.

Spain Commercial is currently constructing a 36,000 sq. ft. flex building in the York River Commerce Park that will be partially available for lease by additional federal contractors. The widening of Ft. Eustis Blvd. to four lanes makes this location very attractive to defense contractors serving Ft. Eustis. Additionally, through a joint infrastructure agreement, this project will provide utilities and access to an adjacent 5 acre lot owned by the Economic Development Authority.

The newest light industrial announcement is SB Cox's purchase of 10 acres of County/EDA property to build a 30,000 sq. ft. construction and demolition debris recycling facility. This project will provide a needed service for local contractors and extend infrastructure to 11 acres owned by the EDA that will be marketed for additional light industrial development.

One positive outcome of the current economy is that it has allowed us to focus on business retention and expansion. Two of our standing grant programs, E-Commerce and tuition assistance for the NxLevel Program, have been more active than ever. Additionally, we have begun focusing on regional partnerships to expand our programs for small businesses. A great example of this is the Small Town and Merchant Program that we are co-sponsoring with James City County and the City of Williamsburg. The STAMP program utilizes resources provided by the Virginia Small Business Development Center to provide workshops and hands-on initiatives to address the specific needs of retail and restaurant businesses.

AIG's proactive stance regarding the acquisition and marketing of the former Ukrops space bodes well for that retail development.

We are continuing to work with the owners of The Marquis and Williamsburg Marketcenter to stabilize and hopefully reenergize these two significant retail developments. We have a continuing dialogue with the owners and are working cooperatively to assist them during these difficult times. We are exploring all of the areas under our control including zoning modifications that could help sustain these developments. In the near term, new interstate signage for Marquis Center Parkway should have a positive impact.

Capital Improvements Program

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

During 2010, the County completed the expansion of the consolidated E911 center, to accommodate the merger with the City of Williamsburg. Continued projects include transportation revenue sharing projects with the Virginia Department of Transportation (VDOT), satellite fire station bay additions, and improvements to the Waste Management Center.

Continued projects within the Yorktown Capital Improvements Program include Utility Undergrounding, to improve aesthetics by placing existing overhead utilities underground in other highly visible areas in Historic Yorktown; and Streets, Walkways, and Drainage, to improve drainage, enhance existing or add new walkways, improve street surfaces, enhance pedestrian lighting and improve signage.

The Stormwater Maintenance Program continues to address ongoing drainage maintenance within County easements. The Stormwater Capital Improvements Program includes the Brandywine subdivision, Moore's Creek, Cook Road/Falcon Road, Edgehill, Tabb Lakes, Victory Industrial Park, Greensprings, Terrebonne, the County Operations Center, Claxton Creek, Wormley Creek Headwaters, Marlbank Cove Ravine, Dare Elementary, Coventry Boulevard, and CSX Railroad Pipe.

Major planned water construction projects include Burts Road, Burcher Road, East Rochambeau and the Lightfoot Newport News Waterworks Water Extension. Major sewer construction projects that are in progress or that are in the County's Capital Improvements Program include Falcon/ Loblolly, Darby-Firby, Queen's Lake, York Point, Wolftrap, Acree Acres, East Rochambeau, Waterview, Hornsbyville, Old Wormley Creek, Oak/Dogwood, Moore's Creek, National Lane, Jethro Lane, Kentucky Farms, Sinclair, Schneck Estates, and Big Bethel.

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

Regional and Joint Cooperation

Regional Jail

Along with James City County and the Cities of Williamsburg and Poquoson, the County is a member of the Virginia Peninsula Regional Jail Authority. The Authority was created in 1993 for the purpose of constructing and operating a single jail for the participating localities.

The project was developed to relieve the severely overcrowded conditions at existing facilities in the County and other jurisdictions.

Juvenile Jail Facility

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

Other Projects

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

FINANCIAL INFORMATION

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

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

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

POLICIES

Several policy decisions had a significant impact on financial operations in 2010. First, the County implemented a medic transport recovery program. The program obtains a partial financial reimbursement for the costs of providing medically necessary ambulance transportation from Medicare, Medicaid and private insurance companies. The program began in February 2010 and was a new revenue source for the County.

Another policy decision that was made, as a result of declining revenues, was the postponement of major capital projects (excluding sewer projects, whereby the revenue source is user fees). Only minimal maintenance projects were approved, whereby further delay of such would have been cost-prohibitive.

The other policy decision that began in fiscal year 2009 and continues through the date of this report is also related to the economic situation. A 90-day hiring freeze continues for positions that became vacant, to generate personnel savings. Savings generated from the hiring freeze were a significant factor in reducing expenditures to the level of the reduced revenue, without using fund balance. It is anticipated that the freeze will continue through the remainder of fiscal year 2011, to assist with balancing the budget.

INDEPENDENT AUDIT

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

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of York, Virginia, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the 24th 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.

York County Board of Supervisors
November 12, 2010

DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers' Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the County of York, Virginia, for its annual budget for the fiscal year beginning July 1, 2009. In order to receive this award, a governmental entity must publish a budget document that meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Department of Financial and Management Services, especially the Division of Budget and Financial Reporting, the Office of the Treasurer, the School Division, and the York/Poquoson Department of Social Services. I would like to express my appreciation to all of the members of these staffs who assisted and contributed to its preparation.

I would also like to thank the members of the Board of Supervisors who, both individually and collectively, provided the guidance and support essential to the conduct of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

James O. McReynolds, CPA
County Administrator

*Director of Financial and Management Services position was vacant as of the date of this letter.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of York Virginia

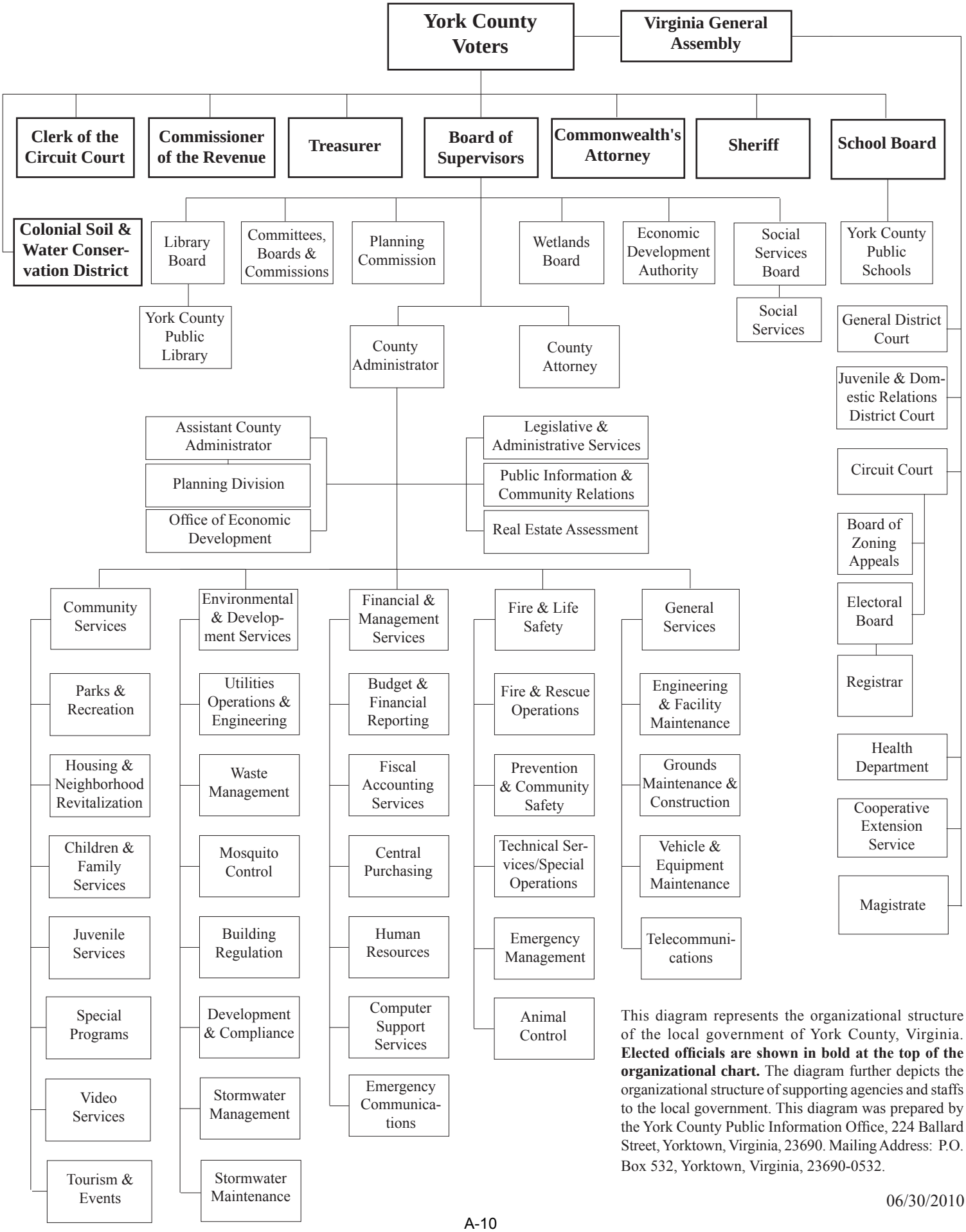
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Organizational Diagram of York County Government



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

06/30/2010

COUNTY OF YORK, VIRGINIA

Principal Officials

For the Fiscal Year Ended June 30, 2010

Board of Supervisors

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

Constitutional Officers

Clerk of the Circuit Court	Lynn S. Mendibur
Commissioner of the Revenue	Ann H. Thomas
County Treasurer	Deborah B. Robinson
Commonwealth's Attorney	Eileen M. Addison
Sheriff	J. D. Diggs

County Officials

County Administrator	James O. McReynolds
County Attorney	James E. Barnett
Assistant County Administrator	J. Mark Carter
Director of Financial and Management Services	Marycarol C. White
Director of Community Services	Anne B. Smith
Director of Environmental and Development Services	John Hudgins
Director of General Services	Robert L. Peters
Fire Chief	Stephen P. Kopczynski

School Board

Mark A. Medford, Chair
Robert W. George, D.D.S., Vice-Chair
Barbara S. Haywood
Linda S. Meadows
R. Page Minter

School Officials

Superintendent of Schools	Dr. Eric S. Williams
Chief Academic Officer	Dr. Lucia V. Sebastian
Chief Financial Officer	Dennis R. Jarrett, CPA, CPFO
Chief Operations Officer	Dr. Carl L. James
Director of Accountability & Instructional Services	Dr. Bondy S. Gibson
Director of Elementary Instruction	Amy C. Colley
Director of Human Resources	Noreen B. Becci
Director of Information Technology	Douglas E. Meade
Director of School Administration	Dr. Catherine L. Jones
Director of Secondary Instruction	Dr. Stephanie L. Guy

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CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of York's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis at C-1 through C-13, the budgetary comparison schedules for the general fund and tourism special revenue fund, and other schedules at G-2 through G-10 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 12, 2010 on our consideration of the County of York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of York's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The combining and individual nonmajor fund statements and schedules, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
November 12, 2010

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, 2010. Please read it in conjunction with the transmittal letter on pages A-1 through A-8 at the front of this report and the County's basic financial statements, which begin on page D-1.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2010 (FY2010)

- The assets of the County, on a government-wide basis excluding component units, exceeded its liabilities as of June 30, 2010 by $167,311,989 (net assets). 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 Assets and the related debt is reported on the County's Statement of Net Assets. This presentation of showing $60,058,071 in school debt without the related assets contributed to unrestricted net assets of $13,438,621.

- The County's total net assets increased by $116,500. The total net assets for governmental activities decreased by $805,426, which was primarily due to lower property, sales, meals and lodging tax revenues, driven by the economy. Business-type activities increased by $921,926, which is attributable to capital contributions for sewer infrastructure.

- As of June 30, 2010, the County's governmental funds reported combined ending fund balances of $66,263,778, a decrease of $708,189 from the prior year. Unreserved, undesignated fund balance totaled $13,092,721 and is available for spending at the County's discretion.

- As of June 30, 2010 unreserved and undesignated fund balance for the General Fund was $15,547,246, or 15.0% of total General Fund expenditures.

- The County's noncurrent liabilities at June 30, 2010 were $108,931,543, which is a decrease of $1,645,419 from the prior year. The key factors in this decrease were principal repayments on existing debt, offset by the issuance of $4,180,000 general obligation bonds for the replacement of the HVAC system at Dare Elementary School, fascia replacement at Tabb High School, and classroom additions at Mount Vernon Elementary School.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements - The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to a private-sector business. One of the most frequently asked questions about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets 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 assets and the changes in them. One can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net assets 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 Assets and the Statement of Activities, the County is divided into three kinds of activities:

- Governmental activities - Most of the County's basic services are reported here, including general government, judicial services, public safety, environmental and development services, finance and planning, education, human services, general services, and community services. Property taxes, other local taxes, and state and federal grants finance most of these activities.

- Business-type activities - The County charges a fee to customers to help cover the majority of the costs of services it provides. The County's water and sewer utilities, solid waste, Yorktown operations, the two Sanitary Districts, and Regional Radio System operations are reported here.

- Component units - The County includes three separate legal entities in its report - the York County School Division, the Economic Development Authority of York County and the Marquis Community Development Authority. Although legally separate, the County is financially accountable for the component units and provides operating and capital funding.

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

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

The County has three kinds of funds:

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-1 through F-34 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Statement of Net Assets - As of June 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Current and other assets	$ 99,104,469	$ 99,403,136	$ 10,821,520	$ 9,407,890	$ 109,925,989	$ 108,811,026
Capital assets	89,921,316	91,598,589	105,045,503	103,805,178	194,966,819	195,403,767
Total assets	$ 189,025,785	$ 191,001,725	$ 115,867,023	$ 113,213,068	$ 304,892,808	$ 304,214,793
Current and other liabilities	$ 25,265,054	$ 25,475,913	$ 3,384,222	$ 966,429	$ 28,649,276	$ 26,442,342
Long-term liabilities	98,482,588	99,442,243	10,448,955	11,134,719	108,931,543	110,576,962
Total liabilities	123,747,642	124,918,156	13,833,177	12,101,148	137,580,819	137,019,304
Net assets:						
Invested in capital assets, net of related debt	58,434,789	60,961,846	95,113,023	93,173,971	153,547,812	154,135,817
Restricted net assets	10,723	1,713,484	314,833	314,693	325,556	2,028,177
Unrestricted net assets	6,832,631	3,408,239	6,605,990	7,623,256	13,438,621	11,031,495
Total net assets	65,278,143	66,083,569	102,033,846	101,111,920	167,311,989	167,195,489
Total liabilities and net assets	$ 189,025,785	$ 191,001,725	$ 115,867,023	$ 113,213,068	$ 304,892,808	$ 304,214,793

Current and other assets increased by $1,114,963 from the prior year. Most of the increase was attributable to cash that has been set aside for pay-as-you-go capital projects. Capital assets decreased by $436,948 from the prior year. This is primarily related to the assets being fully depreciated.

The County's net assets totaled $167,311,989, an increase of $116,500. This net result is comprised of a decrease of net assets in governmental activities of $805,426, and an increase of $921,926 in business-type activities. The decrease in governmental activities was primarily due to lower property, sales, meals and lodging tax revenues, driven by the economy. The increase for business-type activities was primarily attributable to capital contributions for sewer infrastructure.

Approximately .2% of net assets 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 assets reflected its investment in capital assets, less any related debt used to acquire those assets that were still outstanding. These assets are used to provide services to citizens and consequently are not available for future spending. Unrestricted net assets represents that part that can be used to finance day-to-day operations. At June 30, 2010, the County reported unrestricted net assets of $13,438,621.

Under Virginia law, School Divisions hold title to all school property, except when the governing bodies of the local government and school division agree that title may vest in the locality. Since Virginia school divisions do not have taxing authority, local governments incur financial obligations for school property. In June 2003, the York County Board of Supervisors passed a resolution electing not to acquire tenancy in common of school property in the implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The County borrows funds to finance the acquisition, construction, and improvement of school property and the School Division holds title to this property. With the County opting out of Senate Bill 276, the asset values are reported on the School Division's Statement of Net Assets and the related debt or liability are reported on the County's Statement of Net Assets. This presentation of showing $60,058,071 in school debt without the asset resulted in unrestricted net assets for governmental activities of $6,832,631.

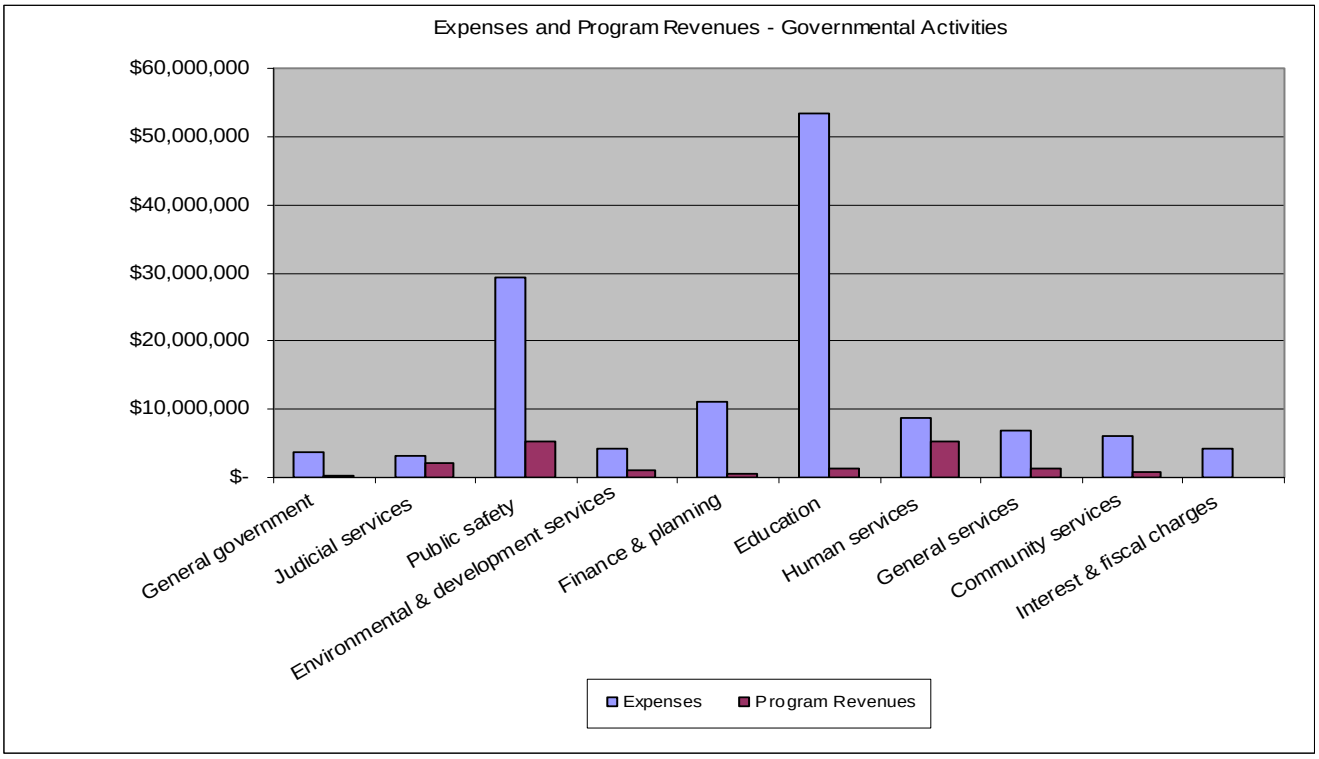
Summary of Changes in Net Assets - Years Ended June 30, 2010 and 2009

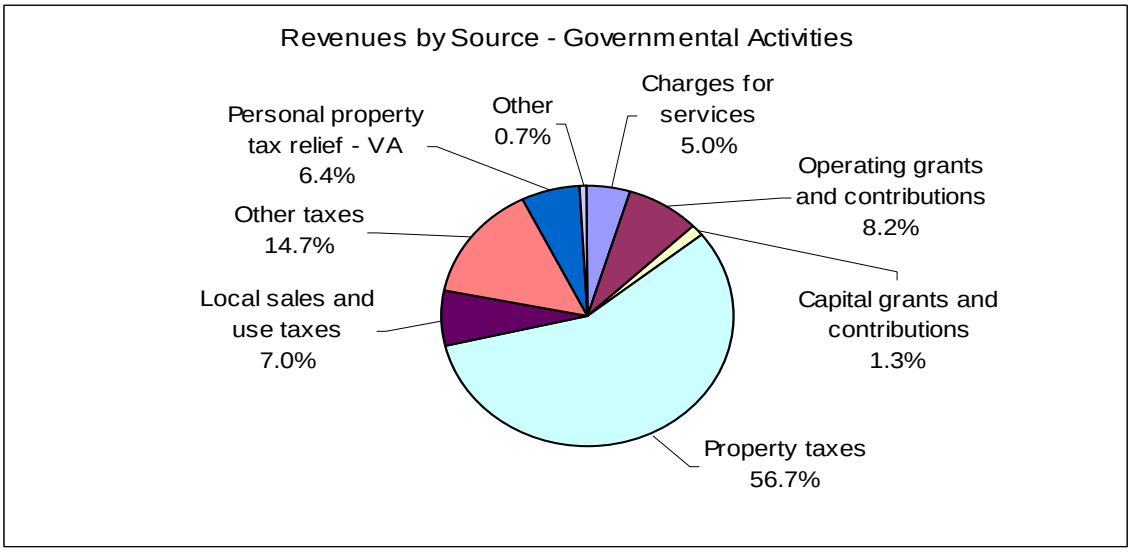
	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Revenues:						
Program revenues:						
Charges for services	$ 6,650,339	$ 5,721,352	$ 11,736,342	$ 11,992,298	$ 18,386,681	$ 17,713,650
Operating grants and contributions	10,900,393	10,796,179	10,070	-	10,910,463	10,796,179
Capital grants and contributions	1,683,547	1,092,566	1,027,138	1,742,277	2,710,685	2,834,843
General revenues:						
Property taxes	75,669,094	79,616,260	-	-	75,669,094	79,616,260
Other taxes	28,974,489	29,731,225	-	-	28,974,489	29,731,225
Personal property tax relief from Commonwealth of Virginia, net						
Local Aid to Commonwealth	8,550,746	8,547,502	-	-	8,550,746	8,547,502
Unrestricted investment earnings	256,284	1,070,698	125,061	289,168	381,345	1,359,866
Miscellaneous	683,799	1,037,292	62,956	142,591	746,755	1,179,883
Gain on sale of capital assets	-	-	917	-	917	-
Total revenues	133,368,691	137,613,074	12,962,484	14,166,334	146,331,175	151,779,408
Expenses:						
Governmental activities:						
General government	3,281,995	3,729,163	-	-	3,281,995	3,729,163
Judicial services	3,050,588	3,217,220	-	-	3,050,588	3,217,220
Public safety	29,913,451	29,469,455	-	-	29,913,451	29,469,455
Environmental and development services	4,588,243	4,293,152	-	-	4,588,243	4,293,152
Finance and planning	10,347,260	11,074,824	-	-	10,347,260	11,074,824
Education	52,749,950	53,460,125	-	-	52,749,950	53,460,125
Human services	8,888,070	8,751,468	-	-	8,888,070	8,751,468
General services	7,219,383	6,944,857	-	-	7,219,383	6,944,857
Community services	5,828,214	6,021,699	-	-	5,828,214	6,021,699
Interest and fiscal charges on noncurrent debt	4,393,098	4,144,723	-	-	4,393,098	4,144,723
Business-type activities:						
Sewer Utility	-	-	8,949,964	9,011,555	8,949,964	9,011,555
Water Utility	-	-	596,782	7,100,039	596,782	7,100,039
Solid Waste	-	-	4,305,967	4,228,895	4,305,967	4,228,895
Yorktown Operations	-	-	122,537	137,837	122,537	137,837
Sanitary Districts	-	-	455,094	534,583	455,094	534,583
Regional Radio System	-	-	1,524,079	58,246	1,524,079	58,246
Total expenses	130,260,252	131,106,686	15,954,423	21,071,155	146,214,675	152,177,841
Change in net assets, before transfers	3,108,439	6,506,388	(2,991,939)	(6,904,821)	116,500	(398,433)
Transfers	(3,913,865)	(3,330,542)	3,913,865	3,330,542	-	-
Change in net assets	(805,426)	3,175,846	921,926	(3,574,279)	116,500	(398,433)
Net assets, beginning	66,083,569	62,907,723	101,111,920	104,686,199	167,195,489	167,593,922
Net assets, ending	$ 65,278,143	$ 66,083,569	$ 102,033,846	$ 101,111,920	$ 167,311,989	$ 167,195,489

Governmental Activities - For the fiscal year ended June 30, 2010, revenues from governmental activities totaled $133,368,691. Real estate tax revenue, the County's largest revenue source, was $60,737,363. The County's assessed real property tax base for calendar year 2010 was $9,327,730,838. Property taxes decreased by $3,947,166 due to lower real estate assessments and personal property taxes. The County reported current year collections of $19,438,850 in personal property taxes, the County's second largest revenue source. Of that amount, $8,741,406 was from the Commonwealth of Virginia as an entitlement grant under the provisions of the Personal Property Tax Relief Act (PPTRA), offset by $190,660 of local aid returned to the Commonwealth.

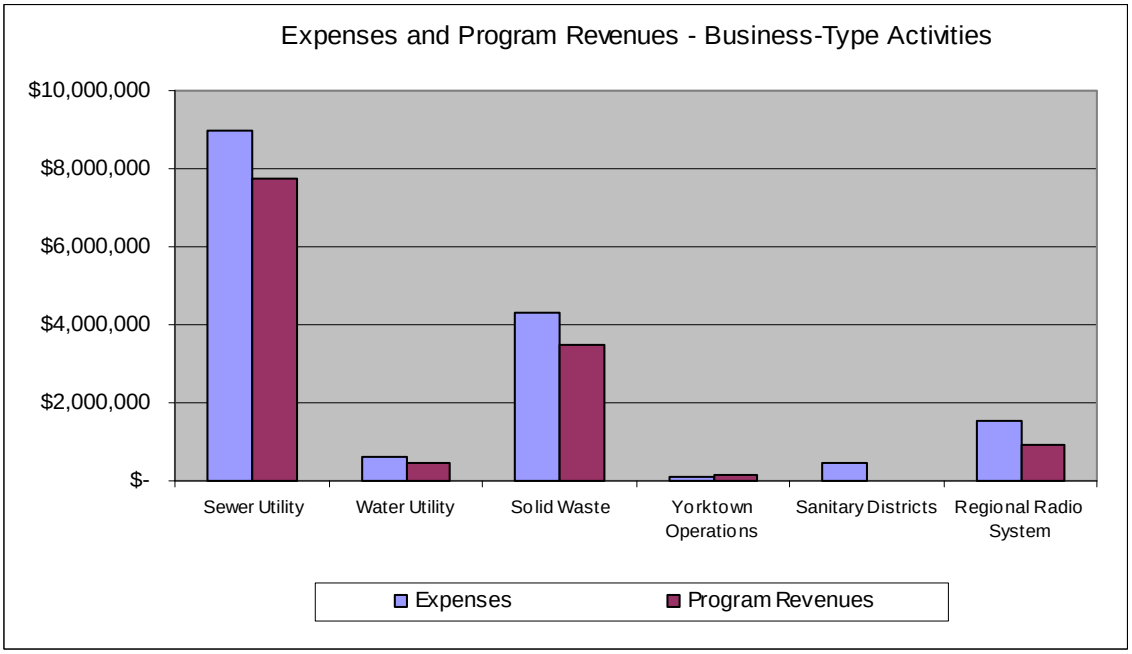
Other taxes decreased by $756,736 from the prior year as a result of decreases in local sales and use taxes, hotel and motel room taxes, restaurant food taxes, and motor vehicle licenses. Most of the overall increase of $590,981 in capital grants and contributions related to one-time funding received for Public Safety efforts including grants for E911 technology, medic units, exhaust systems, automatic external defibrillators and generators.

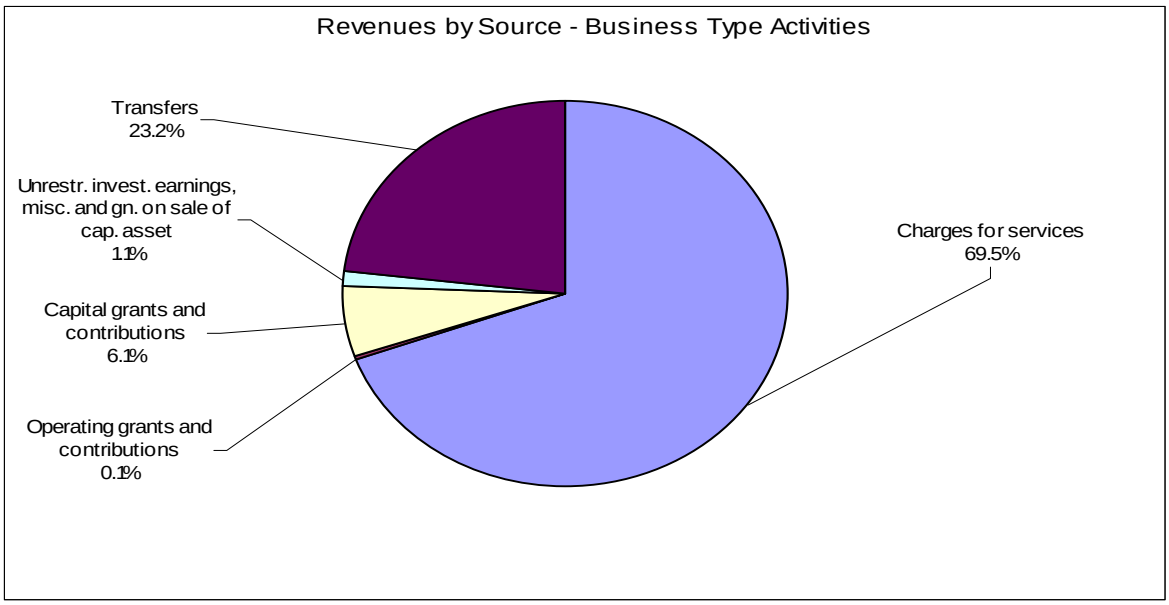
For the fiscal year ended June 30, 2010, expenses for governmental activities totaled $130,260,252, including the following payments to the component unit - School Division: $44,744,897 for operations, $4,201,101 of bond proceeds for capital projects and $1,172,000 of cash for capital projects. The County paid $33,660 to the component unit - Economic Development Authority for operations and $527,628 to the component unit - Community Development Authority in incremental taxes.





Business-Type Activities - Business-type activities increased the County's net assets by $921,926 for the fiscal year ended June 30, 2010. This increase is primarily attributable to capital contributions. Transfers include $1,000,000 to support the operations of the County's curbside recycling program in the Solid Waste Fund and $2,018,422 to support capital projects in the Water and Sewer Utility Funds.



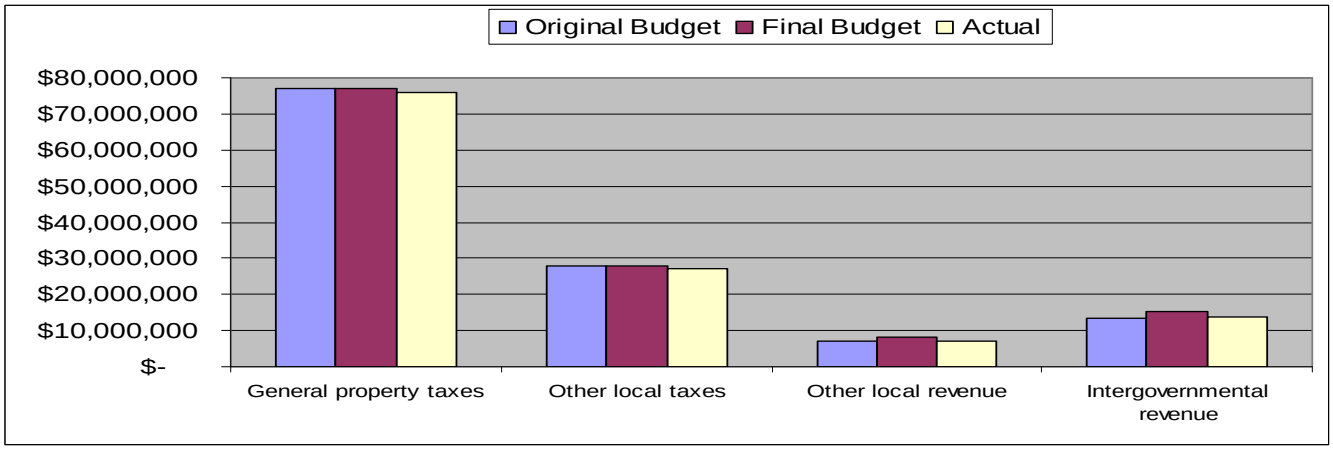


GENERAL FUND

As of June 30, 2010, the County's governmental funds reported combined ending fund balances of $66,263,778, a decrease of $708,189 from the prior year. Unreserved, undesignated fund balance totaled $13,092,721 and is available for spending at the County's discretion. The remainder of fund balance has been reserved for outstanding purchase orders ($4,133,862), prepaid expenditures ($93,821) and advances made to other funds ($19,795,158); and designated for self-insurance purposes ($1,754,741) and to pay for subsequent year's expenditures ($27,393,475). The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance was $15,547,246, while total fund balance was $51,460,816. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 15% of total General Fund expenditures while total fund balance represents 49.5% of the same amount.

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

General Fund Revenue - Comparison of Budget to Actual



The total General Fund actual revenues were $3,925,635 (3.07%) under the final budget. Significant variances include the following:

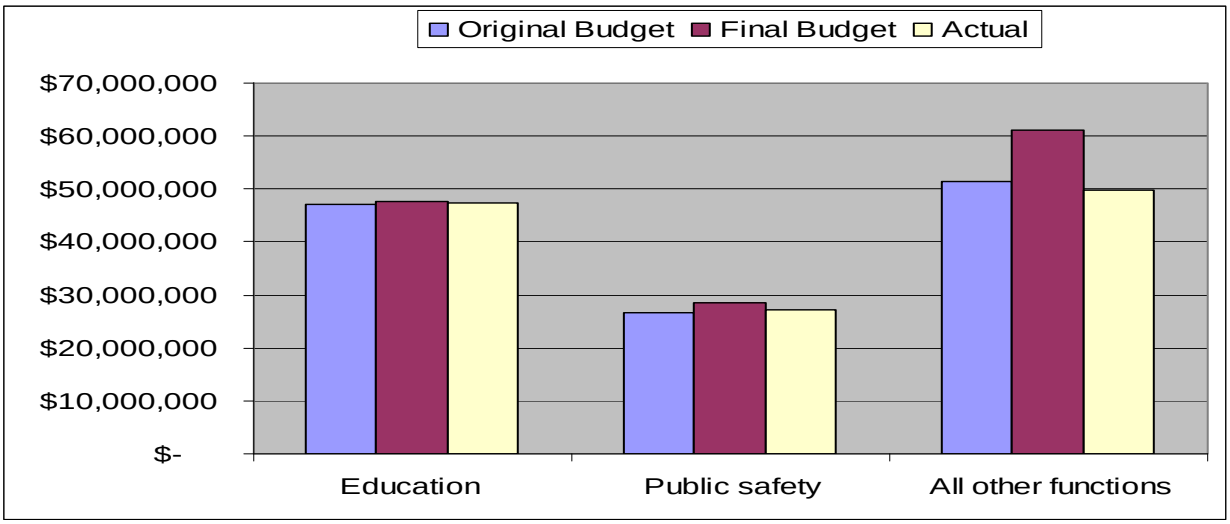
- General property taxes were less than the final budget by $1,130,706 (1.5%), which primarily reflected the net effect of increases in public service corporation real property taxes and machinery and tools taxes that was more than offset by decreases in real property and personal property taxes.

- Other local taxes showed a decline of $666,372 (2.4%). This was primarily from local sales and business license taxes and communications sales taxes, driven by the economic downturn.

- In other local revenue, charges for services were down from budget by $1,359,231 (33.2%), primarily due to the delay in implementing the medic transport recovery fee program and slower than projected concessions sales at the York County Sports Complex; use of money and property was down from budget by $560,092 (54.3%), due to lower rates of return on investments; and permits, fees and regulatory licenses was down by $16,436 (2.7%), primarily due to a significant decline in inspections as a result of the economic downturn. The original budget was amended by $505,470 to include the payment from the City of Williamsburg for the merger of its E911 Center with the County's.

- Actual revenues from the federal government fell short of budget by ($1,006,833), or 56.2%, due to a major reimbursement-based Community Development Block Grant (CDBG), whereby minimal expenditures had been incurred at year-end. This original budget was amended to include this grant, after receiving notification of the award. The original budget was also amended to include a large Victim-Witness grant, after being notified of its award. Revenues from the state government showed a decline of $178,950 (1.4%) from budget, due to a mid-year reduction in support from the State Compensation Board and $190,660 repaid to the State as mandated.

General Fund Expenditures - Comparison of Budget to Actual



The total General Fund actual expenditures were $12,886,554 (9.4%) under the final budget. A portion of the variance is attributable to outstanding encumbrances at June 30, 2010 of $326,583 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 unspent reserves for the Library for furniture and AV replacements as well as savings from vacant positions.

- Public Safety: the department was under budget due to grants and donations that had not been fully expended at year-end. In addition, personnel savings were realized as a result of turnover and a 90 day hiring freeze. The original budget was amended to appropriate funds from the City of Williamsburg for the merger of its E911 Center with the County's. Various other amendments to the original budget resulted from donations, the award of grants and the implementation of the medic transport recovery program.

- All Other Functions:
    - General Government: The Electoral Board was under budget because there were no significant withdrawals from the voting machine replacement reserve during the year.

    - Judicial Services: The Clerk of the Court, Commonwealth's Attorney and Circuit Court were under budget as a result of turnover and a 90 day hiring freeze. These offices also realized savings due to grants not fully expended at year-end. The original budget was amended to appropriate a substantial Victim-Witness grant, after being notified of its award.

    - Environmental and Development Services: the department was under budget due to vacancies, a 90 day hiring freeze and not spending monies set aside for demolition of structures.

    - Finance and Planning: the department was under budget due to vacancies and a 90 day hiring freeze; Computer Support Services and Central Administrative Services were under budget due to network and software enhancements yet to occur; Economic Development was below budget because there were no economic development incentives granted.

    - Human Services: the contribution to the Peninsula Health District was lower than anticipated.

    - General Services: Engineering and Facility Maintenance was under budget due to turnover; Facility and Utility Charges was below budget due to lower electric and heating charges; Grounds Maintenance and Construction was under budget due to the postponement of roadway corridor projects.

    - Community Services: Housing - Rehabilitation realized savings due to grants not fully expended at year-end; Parks and Recreation was under budget due to spending less on concessions at the York County Sports Complex, vacancies and grants and donations not fully expended at year-end. The budget was amended to appropriate funds from a CDBG award received in the Housing - Rehabilitation division.

    - Non-departmental: the budget underage reflects lower than anticipated payments for compensated absences due to employee terminations and unspent funding set aside for potential contributions for other post- employment benefits.

    - Capital Outlay: capital outlay was under budget due to the timing of projects.

    - Transfers Out: savings resulted from the maintenance contract on the emergency regional radio system.

GOVERNMENTAL FUNDS

The County maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Tourism, Yorktown Capital Improvements and County Capital Funds, all of which are considered to be major funds. The Tourism Fund accounts for transactions related to the lodging tax restricted by the State for tourism activities. The Yorktown Capital Improvements and County Capital Funds, account for the major capital improvements.

For fiscal year ended June 30, 2010, the Tourism Fund made payments to reduce the advance from other funds. The funding source was prior year fund balance and as a result, the ending fund balance was reduced by $38,112. The Yorktown Capital Improvements Fund had an increase in fund balance of $179,083, mainly due to transfers in, and a year-end deficit of $7,905,748. The County Capital Fund had a decrease in fund balance of $952,481, which resulted from using fund balance for pay-as-you go projects.

PROPRIETARY FUNDS

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

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

The Sewer Utility Fund earned $6,878,901 through charges for services. The Vehicle Maintenance Fund (internal service fund) collects its revenues through charges for services imposed on the various County departments to which fleet vehicles are assigned. The expenses relate directly to the maintenance and depreciation of the County's fleet of vehicles. The Other Post-Employment Benefits Fund (OPEB), also an internal service fund, allows for subsidy payments for County retirees towards health insurance coverage in a plan sponsored by the County.

The enterprise funds in the aggregate had an increase in net assets during the fiscal period of $921,926, and the internal service funds reported an increase in net assets of $530,012. The net assets for the enterprise funds and internal service funds were $102,033,846 and $5,278,672, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010, the County's investment in capital assets for its governmental and business-type activities amounts to $194,966,819 (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 decrease in governmental activities is attributable to depreciation expense and disposals being greater than additions to assets.

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

The increase in capital assets for business-type activities is driven by developers donating sewer systems to the County, the completion of the Seaford and York Point pump station and continuation of the Queens Lake Sewer project, captured in construction in progress.

Governmental Funds - Capital Assets, Net of Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Land	$ 9,267,219	$ 9,508,052	$ 3,740,200	$ 3,740,200	$ 13,007,419	$ 13,248,252
Easements	274,054	-	-	-	274,054	-
Construction in progress	552,637	569,722	9,436,782	8,067,698	9,989,419	8,637,420
Land improvements	16,158,416	17,404,756	31,877	33,736	16,190,293	17,438,492
Buildings and improvements	34,079,441	33,392,462	9,518,053	8,101,843	43,597,494	41,494,305
Infrastructure	11,680,549	12,165,378	79,211,752	80,499,313	90,892,301	92,664,691
Equipment	9,662,861	10,609,128	2,324,226	2,539,067	11,987,087	13,148,195
Vehicles	8,235,491	7,949,091	734,024	823,321	8,969,515	8,772,412
Computer software	10,648	-	48,589	-	59,237	-
Total	$ 89,921,316	$ 91,598,589	$ 105,045,503	$ 103,805,178	$ 194,966,819	$ 195,403,767

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 2010, $156,981 was transferred to the Yorktown Capital Improvements Fund from the Tourism Fund to pay down an advance. This fund had a ($7,905,748) deficit at June 30, 2010, that is due to advances from the Tourism Fund.

County Capital Fund

For fiscal year 2010, $2,044,149 was transferred to the County Capital Fund from other funds. Of this amount, $1,973,760 was from the General Fund for pay-as-you-go projects, and $64,523 was from the Tourism Fund for an expenditure reimbursement. Capital project expenditures of $3,445,532 included, as major projects, the purchase of fire apparatus, the expansion to the 911 Center and renovations to the post office building, utilized by Computer Support Services.

Additional information on the County's capital assets can be found in note 5 beginning on page F-14 of this report.

Long-Term Debt

At the end of the fiscal year, the County had total bonded debt and literary loans of $98,774,663. Capital leases, the School Division's note payable to the Virginia Retirement System, compensated absences and net OPEB obligation are not included in these figures.

	Governmental Activities		Business-type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Bonds payable	$ 90,650,418	$ 91,716,395	$ 7,924,245	$ 8,194,645	$ 98,574,663	$ 99,911,040
Literary loans	200,000	300,000	-	-	200,000	300,000
Total	$ 90,850,418	$ 92,016,395	$ 7,924,245	$ 8,194,645	$ 98,774,663	$ 100,211,040

On December 3, 2009, the County issued $4,180,000 general obligation bonds with an average interest rate of 3.55% through the Virginia Public School Authority. The net proceeds from the bonds were used for the replacement of the HVAC system at Dare Elementary School, fascia replacement at Tabb High School, and classroom additions at Mount Vernon Elementary School. The accounting for this transaction was recorded in the Education Debt Service Fund.

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 2010, the County paid debt service of $4,443,836 and $2,947,136 for education related principal and interest and fiscal charges, respectively, through the Education Debt Service Fund.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

The County's staff and Board of Supervisors considered many factors when developing the fiscal year 2011 budget. The fiscal year 2011 approved budget for the General Fund is $125,059,660, a 0.1% decrease from the fiscal year 2010 budget. Local revenue, which includes property tax, was expected to decrease from fiscal year 2010 by 0.1%. Fiscal year 2011 is a general reassessment year. The overall taxable base for real property, residential and commercial has declined about 1.4% from calendar year 2009 however, anticipated permit activity accounts for a small projected growth in real property taxes. Occupational licenses and interest income are other driving forces in the revenue reduction. State and federal revenues comprise about 10.6% of the total. State revenues are expected to be down by $192,914 or 1.5% and Federal revenues are projected to increase by $22,500 or 30.9% due to an adjustment to the budget based on higher trends for the Civil Defense salary program.

Approximately $6.0 million in internal budget cuts were made to balance the budget and provide the Board of Supervisors with a budget that contained no tax rate increases, maintaining a real property tax rate of $0.6575 per $100 of assessed value for calendar tax year 2010.

The fiscal year 2011 budget provides no compensation adjustments; provides an increase in funding for the School Division; maintains County service levels; contains no lay-offs, furloughs or other compensation reductions; delays County General Fund capital projects for one year; delays capital maintenance projects for at least one year; and removes funding for capital maintenance projects from the General Fund with critical maintenance projects funded from the County Capital Fund.

REQUESTS FOR INFORMATION

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

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COUNTY OF YORK, VIRGINIA
Statement of Net Assets
June 30, 2010

	Primary Government			Discretely Presented Component Units		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**School Division**	**Economic Development Authority**	**Community Development Authority**
Cash and investments	$ 79,653,748	$ 9,135,181	$ 88,788,929	$ 12,927,686	$ 399,874	$ 2,272
Restricted cash	31,209	2,380,529	2,411,738	3,682,691	57,638	9,739,848
Receivables, net	16,036,848	1,888,562	17,925,410	3,014,417	1,687,159	2,414
Due from component unit - EDA	-	58,574	58,574	-	-	-
Due from primary government	-	-	-	14,442,026	-	144,985
Prepaid expenses	95,014	7,304	102,318	62,615	24	-
Other assets	-	-	-	-	1,825,832	-
Advances to other funds	2,800,000	(2,800,000)	-	-	-	-
Deferred charges	579,533	246,273	825,806	-	-	439,588
Less accumulated amortization	(91,883)	(94,903)	(186,786)	-	-	(108,206)
Capital assets:						
Nondepreciable/nonamortizable	10,093,910	13,176,982	23,270,892	5,553,730	-	21,636,219
Depreciable/amortizable	116,678,475	133,477,779	250,156,254	185,218,859	-	9,000
Less accumulated depreciation/amortization	(36,851,069)	(41,609,258)	(78,460,327)	(58,038,477)	-	(3,000)
Total assets	$ 189,025,785	$ 115,867,023	$ 304,892,808	$ 166,863,547	$ 3,970,527	$ 31,863,120
LIABILITIES						
Accounts payable	$ 2,322,492	$ 867,059	$ 3,189,551	$ 1,855,161	$ 9,455	$ 40,089
Retainage payable	6,976	134,457	141,433	16,159	-	-
Deposits payable	1,274,471	158,895	1,433,366	-	17,638	-
Salaries, taxes and benefits payable	2,568,809	299,993	2,868,802	15,289,337	-	-
Unearned revenue	2,865,805	2,098,067	4,963,872	77,235	56,583	-
Internal balances	207,302	(207,302)	-	-	-	-
Due to component unit - School Division	14,442,026	-	14,442,026	-	-	-
Due to primary government	-	-	-	-	58,574	-
Accrued interest payable	1,577,173	33,053	1,610,226	-	342,041	599,229
Noncurrent liabilities:						
Due within one year	6,745,840	768,803	7,514,643	1,660,000	27,079	1,180,000
Due in more than one year	91,736,748	9,680,152	101,416,900	3,394,409	1,155,534	31,308,429
Total liabilities	123,747,642	13,833,177	137,580,819	22,292,301	1,666,904	33,127,747
NET ASSETS						
Invested in capital assets, net of related debt	58,434,789	95,113,023	153,547,812	132,734,112	-	(3,976,689)
Restricted for:						
Debt service	-	314,833	314,833	3,682,691	-	2,875,013
Grants and donations	10,723	-	10,723	-	-	-
Unrestricted	6,832,631	6,605,990	13,438,621	8,154,443	2,303,623	(162,951)
Total net assets	65,278,143	102,033,846	167,311,989	144,571,246	2,303,623	(1,264,627)
Total liabilities and net assets	$ 189,025,785	$ 115,867,023	$ 304,892,808	$ 166,863,547	$ 3,970,527	$ 31,863,120

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, 2010

		Program Revenues			Net (Expenses) Revenue and Changes in Net Assets					
					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**	**Community Development Authority**
Primary government:										
Governmental activities:										
General government	$ 3,281,995	$ 112,626	$ 53,251	$ -	$ (3,116,118)	$ -	$ (3,116,118)	$ -	$ -	$ -
Judicial services	3,050,588	939,549	1,164,009	-	(947,030)	-	(947,030)	-	-	-
Public safety	29,913,451	1,773,303	3,309,677	1,513,410	(23,317,061)	-	(23,317,061)	-	-	-
Environmental and development services	4,588,243	529,167	1,750	-	(4,057,326)	-	(4,057,326)	-	-	-
Finance and planning	10,347,260	244,008	361,388	52,209	(9,689,655)	-	(9,689,655)	-	-	-
Education	52,749,950	944,383	588,466	112,052	(51,105,049)	-	(51,105,049)	-	-	-
Human services	8,888,070	371,921	5,173,357	-	(3,342,792)	-	(3,342,792)	-	-	-
General services	7,219,383	1,238,374	2,000	-	(5,979,009)	-	(5,979,009)	-	-	-
Community services	5,828,214	497,008	246,495	5,876	(5,078,835)	-	(5,078,835)	-	-	-
Interest and fiscal charges on noncurrent debt	4,393,098	-	-	-	(4,393,098)	-	(4,393,098)	-	-	-
Total governmental activities	130,260,252	6,650,339	10,900,393	1,683,547	(111,025,973)	-	(111,025,973)	-	-	-
Business-type activities:										
Sewer Utility	8,949,964	6,878,901	-	865,183	-	(1,205,880)	(1,205,880)	-	-	-
Water Utility	596,782	360,297	-	123,618	-	(112,867)	(112,867)	-	-	-
Solid Waste	4,305,967	3,452,153	10,070	-	-	(843,744)	(843,744)	-	-	-
Yorktown Operations	122,537	141,836	-	-	-	19,299	19,299	-	-	-
Sanitary Districts	455,094	-	-	-	-	(455,094)	(455,094)	-	-	-
Regional Radio System	1,524,079	903,155	-	38,337	-	(582,587)	(582,587)	-	-	-
Total business-type activities	15,954,423	11,736,342	10,070	1,027,138	-	(3,180,873)	(3,180,873)	-	-	-
Total primary government	$ 146,214,675	$ 18,386,681	$ 10,910,463	$ 2,710,685	(111,025,973)	(3,180,873)	(114,206,846)	-	-	-
Component units:										
School Division	$ 130,662,144	$ 3,152,981	$ 67,519,302	$ -	-	-	-	(59,989,861)	-	-
Economic Development Authority	430,833	442,846	-	-	-	-	-	-	12,013	-
Community Development Authority	2,067,471	-	-	32,432	-	-	-	-	-	(2,035,039)
Total component units	$ 133,160,448	$ 3,595,827	$ 67,519,302	$ 32,432	-	-	-	(59,989,861)	12,013	(2,035,039)
General revenues:										
Taxes:										
Property taxes					75,669,094	-	75,669,094	-	-	-
Local sales and use taxes					9,322,221	-	9,322,221	-	-	-
Hotel and motel room taxes					4,072,547	-	4,072,547	-	-	-
Restaurant food taxes					5,034,793	-	5,034,793	-	-	-
Business license taxes					5,470,052	-	5,470,052	-	-	-
Motor vehicle licenses					1,419,591	-	1,419,591	-	-	-
Taxes on recordation and wills					1,643,995	-	1,643,995	-	-	-
Other local taxes					2,011,290	-	2,011,290	-	-	-
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,550,746	-	8,550,746	-	-	-
Payment from primary government					-	-	-	50,117,998	33,660	527,678
Unrestricted shared intergovernmental revenues					-	-	-	11,291,540	-	-
Unrestricted investment earnings					256,284	125,061	381,345	158,700	24,207	-
Miscellaneous					683,799	62,956	746,755	331,005	11,700	-
Gain on sale of capital assets					-	917	917	49,005	-	-
Transfers					(3,913,865)	3,913,865	-	-	-	-
Total general revenues and transfers					110,220,547	4,102,799	114,323,346	61,948,248	69,567	527,678
Change in net assets					(805,426)	921,926	116,500	1,958,387	81,580	(1,507,361)
Net assets, beginning					66,083,569	101,111,920	167,195,489	142,612,859	2,222,043	242,734
Net assets, ending					$ 65,278,143	$ 102,033,846	$ 167,311,989	$ 144,571,246	$ 2,303,623	$ (1,264,627)

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

COUNTY OF YORK, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2010

			Capital Project			
ASSETS	**General**	**Tourism Special Revenue**	**Yorktown Capital Improvements**	**County Capital**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
Cash and investments	$ 53,310,994	$ 215,893	$ 315,271	$ 18,554,991	$ 3,249,661	$ 75,646,810
Restricted cash	31,209	-	-	-	-	31,209
Receivables, net	11,935,180	139,301	1,524,807	1,519,325	842,422	15,961,035
Due from other funds	172,423	-	-	38,500	655,651	866,574
Prepaid expenditures	87,824	-	-	-	5,997	93,821
Advances to other funds	11,195,158	8,600,000	-	-	-	19,795,158
Total assets	$ 76,732,788	$ 8,955,194	$ 1,840,078	$ 20,112,816	$ 4,753,731	$ 112,394,607
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,396,859	$ 237,035	$ -	$ 156,898	$ 362,226	$ 2,153,018
Retainage payable	2,494	-	-	2,355	2,127	6,976
Deposits payable	1,262,689	-	-	11,782	-	1,274,471
Salaries, taxes and benefits payable	2,221,441	2,693	-	-	260,110	2,484,244
Deferred revenue	5,045,010	21,456	1,145,826	1,489,938	171,253	7,873,483
Due to other funds	901,453	-	-	-	-	901,453
Due to component unit - School Division	14,442,026	-	-	-	-	14,442,026
Advances from other funds	-	8,395,158	8,600,000	-	-	16,995,158
Total liabilities	25,271,972	8,656,342	9,745,826	1,660,973	795,716	46,130,829
Fund balances (deficit):						
Reserved for:						
Encumbrances	326,583	29,148	-	1,036,538	2,741,593	4,133,862
Prepaid expenditures	87,824	-	-	-	5,997	93,821
Advances	11,195,158	8,600,000	-	-	-	19,795,158
Unreserved:						
Designated for self insurance	1,754,741	-	-	-	-	1,754,741
Designated for subsequent year's expenditures:	-					
General fund	22,549,264	-	-	-	-	22,549,264
Special revenue funds	-	(8,330,296)	-	-	24,368	(8,305,928)
Capital project funds	-	-	-	13,150,139	-	13,150,139
Undesignated, reported in:						
General fund	15,547,246	-	-	-	-	15,547,246
Special revenue funds	-	-	-	-	1,619,803	1,619,803
Capital project funds	-	-	(7,905,748)	4,265,166	(433,746)	(4,074,328)
Total fund balance (deficit)	51,460,816	298,852	(7,905,748)	18,451,843	3,958,015	66,263,778
Total liabilities and fund balance	$ 76,732,788	$ 8,955,194	$ 1,840,078	$ 20,112,816	$ 4,753,731	$ 112,394,607

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 Assets

June 30, 2010

Fund balances - Total governmental funds		$ 66,263,778
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds.		86,949,774
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		5,007,678
Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.		
Bond issuance costs	579,533	
Less accumulated amortization	(91,883)	487,650
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.		
Assets		
Current assets	4,083,944	
Capital assets	6,242,616	
Less accumulated depreciation/amortization	(3,271,074)	
	7,055,486	
Liabilities	(1,776,814)	5,278,672
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable	$ (1,577,173)	
General obligation bonds, net	(59,858,071)	
Literary loans	(200,000)	
Capital leases	(694,180)	
Lease revenue bonds, net	(30,792,347)	
Note payable	(1,341,604)	
Compensated absences	(4,246,034)	(98,709,409)
Total net assets - Statement of Net Assets		$ 65,278,143

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, 2010

			Capital Project			
REVENUES	**General**	**Tourism Special Revenue**	**Yorktown Capital Improvements**	**County Capital**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
General property taxes	$ 75,742,894	$ -	$ -	$ -	$ 107,797	$ 75,850,691
Other local taxes	27,257,570	1,046,633	-	-	693,203	28,997,406
Intergovernmental:						
Federal	786,252	-	-	130,370	3,351,506	4,268,128
State	13,118,303	-	-	723,755	1,841,968	15,684,026
Local	-	-	-	227,050	-	227,050
Permits, fees, and licenses	598,252	-	-	-	-	598,252
Fines and forfeitures	371,169	-	-	-	-	371,169
Use of money and property	471,939	5,398	24,302	77,329	44,936	623,904
Charges for services	2,733,758	-	-	-	25,759	2,759,517
Miscellaneous	515,286	-	-	940	65,601	581,827
Recovered costs	2,144,868	-	-	282,343	733,692	3,160,903
Total revenues	123,740,291	1,052,031	24,302	1,441,787	6,864,462	133,122,873
EXPENDITURES						
Current:						
General government	1,911,202	-	-	-	-	1,911,202
Judicial services	2,753,454	-	-	-	6,888	2,760,342
Public safety	27,326,021	-	-	-	-	27,326,021
Environmental and development services	3,580,740	-	-	-	-	3,580,740
Finance and planning	8,284,479	1,195,103	-	-	-	9,479,582
Education	47,250,454	-	-	1,172,000	4,201,101	52,623,555
Human services	1,472,937	-	-	-	7,361,048	8,833,985
General services	7,012,414	-	-	-	-	7,012,414
Community services	3,223,010	289,713	-	-	-	3,512,723
Non-departmental	782,925	602,980	-	-	527,678	1,913,583
Capital outlay	280,183	-	5,000	3,445,532	883,068	4,613,783
Debt service:						
Principal retirement	28,548	28,747	-	-	5,757,195	5,814,490
Interest and fiscal charges	4,485	-	-	-	4,397,686	4,402,171
Other costs of debt issuance	-	-	-	-	52,621	52,621
Total expenditures	103,910,852	2,116,543	5,000	4,617,532	23,187,285	133,837,212
Excess (deficiency) of revenues over (under) expenditures	19,829,439	(1,064,512)	19,302	(3,175,745)	(16,322,823)	(714,339)
OTHER FINANCING SOURCES (USES)						
Insurance recovery	24,394	-	2,800	179,115	150	206,459
Transfers in	275,625	1,806,254	156,981	2,044,149	12,865,911	17,148,920
Issuance of debt	-	-	-	-	4,180,000	4,180,000
Premium on issuance of debt	-	-	-	-	66,222	66,222
Sale of capital and other assets	12,723	-	-	-	-	12,723
Transfers out	(20,546,829)	(779,854)	-	-	(281,491)	(21,608,174)
Total other financing sources and uses	(20,234,087)	1,026,400	159,781	2,223,264	16,830,792	6,150
Net change in fund balance	(404,648)	(38,112)	179,083	(952,481)	507,969	(708,189)
Fund balance (deficit), beginning of year	51,865,464	336,964	(8,084,831)	19,404,324	3,450,046	66,971,967
Fund balance (deficit), end of year	$ 51,460,816	$ 298,852	$ (7,905,748)	$ 18,451,843	$ 3,958,015	$ 66,263,778

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, 2010

Net change in fund balances - total governmental funds		$ (708,189)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the loss on disposal of capital assets in the current period.		
Capital outlay expenditures	$ 3,007,610	
Contributed capital assets	24,735	
Depreciation and amortization expenses	(5,071,371)	
Loss on disposal of capital assets	(79,538)	(2,118,564)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenue decreased by this amount in the current year.		(135,789)
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 assets. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.		
Issuance of debt	(4,180,000)	
Premium on debt	(66,222)	
Costs of debt issuance	52,621	
Principal repayments	5,814,490	
Amortization of premium on issuance of noncurrent debt	107,444	
Amortization of discount on issuance of noncurrent debt	(10,245)	
Amortization of debt issuance costs	(27,865)	1,690,223
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest payable	47,183	
Compensated absences	(110,302)	(63,119)
The vehicle maintenance internal service fund is used by management to charge the costs of fleet management to individual funds. The net income of this internal service fund is reported with governmental activities.		530,012
Change in net assets of governmental activities		$ (805,426)

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

COUNTY OF YORK, VIRGINIA
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	$ 5,831,287	$ 3,303,894	$ 9,135,181	$ 4,006,938
Restricted cash	140,300	2,240,229	2,380,529	-
Receivable, net	1,276,253	612,309	1,888,562	75,813
Due from other funds	103,651	103,651	207,302	-
Due from component unit - EDA	-	58,574	58,574	-
Prepaid expenses	5,389	1,915	7,304	1,193
Total current assets	7,356,880	6,320,572	13,677,452	4,083,944
Noncurrent assets:				
Deferred charges	169,628	76,645	246,273	-
Less accumulated amortization	(36,138)	(58,765)	(94,903)	-
Nondepreciable capital assets:				
Land	277,848	3,462,352	3,740,200	-
Construction in progress	9,307,134	129,648	9,436,782	135,585
Depreciable capital assets:				
Land improvements	37,155	-	37,155	221,446
Buildings and improvements	13,658,939	5,329,046	18,987,985	-
Infrastructure	84,649,253	23,326,930	107,976,183	-
Equipment	3,967,419	927,813	4,895,232	770,352
Vehicles	861,976	666,921	1,528,897	5,115,233
Computer software	52,327	-	52,327	-
Less accumulated depreciation	(21,314,341)	(20,291,179)	(41,605,520)	(3,271,074)
Less accumulated amortization	(3,738)	-	(3,738)	-
Total noncurrent assets	91,627,462	13,569,411	105,196,873	2,971,542
Total assets	$ 98,984,342	$ 19,889,983	$ 118,874,325	$ 7,055,486
LIABILITIES				
Current liabilities:				
Accounts payable	$ 596,063	$ 270,996	$ 867,059	$ 169,474
Retainage payable	134,457	-	134,457	-
Deposits payable	158,895	-	158,895	-
Salaries, taxes and benefits payable	223,477	76,516	299,993	84,565
Unearned revenue	84,660	2,013,407	2,098,067	-
Due to other funds	-	-	-	172,423
Accrued interest payable	30,561	2,492	33,053	-
Revenue bonds - current	312,103	-	312,103	-
Capital leases - current	269,310	185,000	454,310	-
Compensated absences - current	1,510	880	2,390	2,285
Total current liabilities	1,811,036	2,549,291	4,360,327	428,747
Noncurrent liabilities:				
Premium on refunding bonds	108,101	-	108,101	-
Less accumulated amortization	(23,500)	-	(23,500)	-
Revenue bonds - net current	7,527,541	-	7,527,541	-
Capital leases - net current	1,510,295	195,000	1,705,295	-
Compensated absences - net current	333,663	29,052	362,715	68,358
Net OPEB obligation	-	-	-	1,279,709
Advance from other fund	-	2,800,000	2,800,000	-
Total noncurrent liabilities	9,456,100	3,024,052	12,480,152	1,348,067
Total liabilities	11,267,136	5,573,343	16,840,479	1,776,814
NET ASSETS				
Invested in capital assets, net of related debt	81,923,612	13,189,411	95,113,023	2,971,542
Restricted for debt service	87,987	226,846	314,833	-
Unrestricted	5,705,607	900,383	6,605,990	2,307,130
Total net assets	87,717,206	14,316,640	102,033,846	5,278,672
Total liabilities and net assets	$ 98,984,342	$ 19,889,983	$ 118,874,325	$ 7,055,486

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 Assets

Proprietary Funds

For the Year Ended June 30, 2010

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Use of property	$ -	$ 985,744	$ 985,744	$ -
Charges for services	6,878,901	3,871,697	10,750,598	3,699,150
Miscellaneous	45,682	12,574	58,256	48,076
Total operating revenues	6,924,583	4,870,015	11,794,598	3,747,226
Operating Expenses				
Personal services	3,168,811	793,634	3,962,445	1,538,755
Contractual services	871,112	4,917,129	5,788,241	366,805
Materials and supplies	1,650,028	524,823	2,174,851	1,837,404
Depreciation	2,769,907	585,999	3,355,906	591,683
Amortization	46,892	7,665	54,557	-
Total operating expenses	8,506,750	6,829,250	15,336,000	4,334,647
Operating loss	(1,582,167)	(1,959,235)	(3,541,402)	(587,421)
Nonoperating Revenues (Expenses)				
Grant income	25,000	48,407	73,407	-
Interest income	76,370	48,691	125,061	32,151
Interest and fiscal charges	(443,214)	(21,920)	(465,134)	-
Amortization of debt premium	4,700	-	4,700	-
Loss on disposal of capital assets	-	(232)	(232)	(14,268)
Donated property	-	(152,140)	(152,140)	-
Total nonoperating revenues (expenses)	(337,144)	(77,194)	(414,338)	17,883
Loss before contributions and transfers	(1,919,311)	(2,036,429)	(3,955,740)	(569,538)
Capital Contributions	862,153	314,023	1,176,176	357,020
Transfers In	1,010,128	2,707,523	3,717,651	742,530
Transfers Out	(7,627)	(8,534)	(16,161)	-
Change in net assets	(54,657)	976,583	921,926	530,012
Total net assets, beginning of year	87,771,863	13,340,057	101,111,920	4,748,660
Total net assets, end of year	$ 87,717,206	$ 14,316,640	$ 102,033,846	$ 5,278,672

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, 2010

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 6,727,397	$ 4,863,296	$ 11,590,693	$ 3,690,273
Receipts from interfund activity	70,517	-	70,517	169,752
Other receipts	45,682	12,574	58,256	48,076
Payments to suppliers for goods and services	(1,997,796)	(5,487,835)	(7,485,631)	(2,178,812)
Payments to employees for services	(3,162,612)	(807,279)	(3,969,891)	(949,196)
Payments for interfund activity	-	(139,157)	(139,157)	-
Net cash provided by (used in) operating activities	1,683,188	(1,558,401)	124,787	780,093
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	-	10,070	10,070	-
Transfers in	-	1,698,302	1,698,302	742,530
Net cash provided by noncapital financing activities	-	1,708,372	1,708,372	742,530
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	1,010,128	1,009,221	2,019,349	-
Transfers out	(7,627)	(8,534)	(16,161)	-
Capital grant	25,000	2,051,720	2,076,720	-
Acquisition and construction of capital assets	(3,527,670)	(58,517)	(3,586,187)	(769,230)
Net proceeds from the disposal of capital assets	-	10,022	10,022	79,008
Principal paid on capital debt	(560,846)	(180,000)	(740,846)	-
Interest paid on capital debt	(444,012)	(23,100)	(467,112)	-
Costs incurred for future debt issuance	(4,000)	-	(4,000)	-
Net cash provided by (used in) capital and related financing activities	(3,509,027)	2,800,812	(708,215)	(690,222)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	76,370	48,691	125,061	35,163
Net cash provided by investing activities	76,370	48,691	125,061	35,163
Net increase (decrease) in cash and cash equivalents	(1,749,469)	2,999,474	1,250,005	867,564
Cash and cash equivalents, beginning of year	7,721,056	2,544,649	10,265,705	3,139,374
Cash and cash equivalents, end of year	$ 5,971,587	$ 5,544,123	$ 11,515,710	$ 4,006,938
Reconciliation of cash and cash equivalents to the Statement of Net Assets:				
Cash and investments	$ 5,831,287	$ 3,303,894	$ 9,135,181	$ 4,006,938
Restricted cash	140,300	2,240,229	2,380,529	-
Cash and cash equivalents, end of year	$ 5,971,587	$ 5,544,123	$ 11,515,710	$ 4,006,938
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (1,582,167)	$ (1,959,235)	$ (3,541,402)	$ (587,421)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	2,769,907	585,999	3,355,906	591,683
Amortization	46,892	7,665	54,557	-
Decrease (increase) in:				
Receivables	(151,504)	(15,266)	(166,770)	(10,711)
Due from other funds	77,522	(84,218)	(6,696)	260
Due from component unit - EDA	-	21,122	21,122	-
Prepaid expenses	15,429	5,595	21,024	3,609
Increase (decrease) in:				
Accounts payable	408,139	2,609	410,748	25,397
Retainage payable	119,000	(48,492)	70,508	-
Deposits payable	(3,795)	-	(3,795)	-
Salaries, taxes and benefits payable	(36,693)	(15,739)	(52,432)	(7,726)
Unearned revenue	-	(1)	(1)	-
Due to other funds	(7,005)	(4,939)	(11,944)	169,492
Compensated absences	27,463	(3,501)	23,962	(12,152)
Net OPEB obligation	-	-	-	607,662
Advance from other fund	-	(50,000)	(50,000)	-
Net cash provided by (used in) operating activities	$ 1,683,188	$ (1,558,401)	$ 124,787	$ 780,093
Noncash investing, capital, and financing activities:				
Contributions of capital assets	$ 862,153	$ 314,023	$ 1,176,176	$ 357,020
Donated property	$ -	$ (152,140)	$ (152,140)	$ -

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

COUNTY OF YORK, VIRGINIA
Statement of Assets and Liabilities
Agency Funds
June 30, 2010

	Agency Funds
ASSETS	
Cash and investments	$ 4,218,949
Other receivables	130,233
Total assets	$ 4,349,182
LIABILITIES	
Accounts payable	$ 486,924
Salaries, taxes and benefits payable	474,079
Amounts held for others	3,388,179
Total liabilities	$ 4,349,182

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

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.

The Reporting Entity

The County's financial reporting entity is defined and its financial statements are presented in accordance with GASB Statement No.14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. This Statement 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. 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."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County's three discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. All of the component units have a June 30 year-end. A description of the discretely presented component units follows:

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

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

The **Marquis Community Development Authority (CDA)** was created pursuant to the Virginia Water and Waste Authorities Act (the "Act"), beginning with 15.2-5100 *et. seq*. of the Code of Virginia, 1950, by an ordinance adopted by York County's Board of Supervisors on December 19, 2006. The Marquis Development Authority District (the "District") consists of a land area of approximately 222.85 acres in York County, Virginia just outside of the City of Williamsburg, Virginia. The Act provides that the Authority may issue bonds to finance infrastructure improvements located within or benefiting the District and the Board of Supervisors, at the request of the Authority, may levy and collect special assessments within the District and appropriate such sums to the Authority for use in paying the administrative expenses and debt service requirement in connection with any such bonds. On November 28, 2007, the Authority issued $32,860,000 Revenue Bonds, Series 2007. The principal of and the interest on the 2007 bonds do not constitute a pledge of the faith and credit of York County and therefore the faith and credit of York County have not been pledged to the payment of the principal of or interest on the 2007 bonds. The issuance of the 2007 bonds does not directly, indirectly or contingently obligate York County to levy any taxes or to make any appropriation for their payment except from the revenues and receipts pledged therefore. Pursuant to the Act, York County is expressly precluded from paying the principal of or interest on the 2007 bonds except from the special assessments and the incremental tax revenues. A separate board appointed by the Board of Supervisors governs the CDA. Separate audited financial statements are available from Sharon B. Day, Marquis Community Development Authority at 120 Alexander Hamilton Boulevard, Yorktown, Virginia 23690.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Joint Venture Government Organizations

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

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

The **Virginia Peninsula Regional Jail Authority (Jail Authority)** was created pursuant to Article 3.1, Chapter 3, Title 53.1 of the *Code of Virginia* to finance, acquire, construct, equip, maintain and operate a regional jail. A separate seven-member board of which the County Sheriff serves as a member and the County appoints one representative governs the Jail Authority. The Jail Authority is fiscally independent of the County because substantially all of its income is generated from payments by the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs, a portion of salaries and benefits of certain regional jail employees and a charge for prisoners housed at the jail. Separate audited financial statements are available from the Jail Authority, c/o the County of James City at P.O. Box 8784, Williamsburg, Virginia 23187-8784.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 assets and the statement of activities report information on all of the nonfiduciary activities of the County and its component units.

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

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

Measurement Focus, Basis of Accounting, Financial Statement Presentation

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

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. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are 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. The primary revenues susceptible to accrual include property taxes, sales taxes and 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 financial resources to be used for acquisition or construction in the historical Yorktown area.

Capital Projects - County Capital Fund: accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by proprietary funds).

The County reports the following nonmajor governmental funds:

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

Debt Service Funds: The County and Education Funds are used to account for the receipt and payment of bonds and loans issued for the acquisition, construction and maintenance of County equipment and facilities and educational equipment and facilities.

Stormwater Capital Projects Fund: accounts for financial resources to be used for 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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 that are provided to County departments on a cost reimbursement basis. The Other Post-Employment Benefits Fund accounts for subsidy payments for eligible retirees of the County towards health insurance coverage in a plan sponsored by the County.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

All real estate property is assessed biennially. Real estate taxes are billed in semi-annual installments due June 5 and December 5. Liens are placed on the property on the date real estate taxes are delinquent, June 6 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, 2009 and June 5, 2010, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2009 and 2010 was $0.6575, 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 5 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, 2009, and June 5, 2010, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2009 and 2010 was $4.00 per $100 of assessed value.

The County's property tax collection records show that 93.28% of the property taxes due for the current tax year were collected.

Allowance for Uncollectible Amounts

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

Cash and Temporary Investments

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

Inventories

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

Prepaids

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Advances

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account to applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

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

Compensated Absences

County employees are granted vacation and sick pay in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their then current rates of pay. A liability for these amounts is reported in governmental funds only if they have matured, for the reasons stated above. The current and noncurrent liability for accrued vacation and sick leave benefits at June 30, 2010 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.

Net Assets/Fund Equity

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt, restricted and unrestricted. Restricted net assets 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance report tentative management plans that are subject to change.

Statement of Cash Flows

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

Use of Estimates

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

Credit Risk

The assessed value of real estate and personal property for the County's ten largest taxpayers comprises 10.84% 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.

2. DEPOSITS AND INVESTMENTS

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

All cash is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a7 like pool" risk limiting requirements of GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" with the portfolio securities valued by the amortized cost method. Investments with a maturity date of one year or less are stated at amortized cost. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

2. DEPOSITS AND INVESTMENTS, Continued

Restricted Cash

The County's restricted cash of $2,411,738 at June 30, 2010 consisted of the following: $5,000 of surety deposits for junkyards held in the County and junkyards' names; $2,039,592 of donations and grants received for specific purposes; $226,846 for funds held in escrow for debt payments on a capital lease with the Virginia Peninsulas Public Service Authority; $87,987 for debt payments for the sewer revenue bonds; and $52,313 for funds held in escrow for retainage.

Credit Risk

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

As of June 30, 2010, the County's investments as rated by Standard & Poor's were as follows:

Investment Type	AAA	AA
Virginia LGIP	$ 10,146,456	$ -
Money market	22,373,050	-
Municipal bonds	300,729	7,420,306
Federal agency bonds and notes	31,317,687	-
Corporate obligations	3,060,142	1,875,253
Total investments	$ 67,198,064	$ 9,295,559

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.

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 18 months, unless approved by the Treasurer.

As of June 30, 2010, the carrying values and weighted average maturity of the County's investments were as follows:

2. DEPOSITS AND INVESTMENTS, Continued

Investment Type	Fair Value	Weighted Average Maturity in Years
Money market-Virginia LGIP	$ 10,146,456	-
Money market	22,373,050	-
Municipal bonds	7,721,035	1.33
Federal agency bonds and notes	31,317,687	1.13
Corporate obligations	4,935,395	1.43
Total investments	$ 76,493,623	
Weighted average of portfolio		0.94

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, 2010, all of the County's investments were held in a bank's trust department in the County's name.

Discretely Presented Component Units

At June 30, 2010, and excluding fiduciary funds of $3,325,852 not held by the County Treasurer, the School Division had restricted cash of $3,682,691, which consisted of unspent bond proceeds, and investments of $1,731,348 with LGIP, rated AAA by Standard and Poor's.

The EDA's restricted cash at June 30, 2010 of $57,638, consisted of an advanced payment from the County for an economic development incentive grant and tenant security deposits. At June 30, 2010, the EDA had investments in LGIP of $355,096, rated AAA by Standard & Poor's and common stock equity in Waterside Capital Corporation of $445, stated at fair value.

The CDA's restricted cash and investments at June 30, 2010 consisted of unspent bond proceeds. Of the total, $2,104 was invested in the US Treasury money market funds and $9,737,744 was invested in SNAP money market mutual funds. Both are rated AAA by Standard & Poor's and were stated at cost, which approximates fair value.

3. RECEIVABLES

At June 30, 2010, receivables were as follows:

	General	Tourism	Yorktown Capital Imps	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds	Internal Service Funds
Property taxes	$ 5,970,044	$ -	$ -	$ -	$ 4,105,898	$ -	$ -	$ -
Vehicle registration fees	458,872	-	-	-	-	-	-	-
Other taxes	2,108,635	201,860	-	-	89,847	-	-	-
Accounts	267,584	-	-	19,821	117,550	1,311,254	636,984	72,312
Interest	8,856	105	153	9,566	1,576	2,855	2,589	1,950
Notes	-	-	1,524,654	1,204,938	-	-	-	-
Intergovernmental:								
Federal	77,845	-	-	-	224,074	25,000	-	1,551
State	4,687,843	-	-	285,000	409,375	-	-	-
Receivables, gross	13,579,679	201,965	1,524,807	1,519,325	4,948,320	1,339,109	639,573	75,813
Less allowance for doubtful accounts	(1,644,499)	(62,664)	-	-	(4,105,898)	(62,856)	(27,264)	-
Receivables, net	$ 11,935,180	$ 139,301	$ 1,524,807	$ 1,519,325	$ 842,422	$ 1,276,253	$ 612,309	$ 75,813

In 2002, the County agreed to loan the EDA up to $1,100,000 for the relocation and renovation of the Yorktown Freight Shed Building as part of a multi-million dollar renovation project to the Yorktown waterfront area. To realize significant savings, the County utilized historic building renovation tax credits, available through federal and Virginia income tax codes. To utilize the tax credits, title to the Freight Shed building was conveyed by the Yorktown Trustees to Yorktown Freight Shed, L.P. (a Virginia limited partnership), created to hold title to the building and to oversee the project with money provided by the County through the EDA. Interest on the outstanding principal balance of the note is due at a rate of 5.5% per annum. At June 30, 2010, the outstanding balance of the note receivable, including accrued interest of $340,316 was $1,145,826.

In 2005, the County agreed to loan the EDA $500,000 for restaurant equipment and related items. The EDA signed an agreement to lease equipment to a tenant who operates a restaurant at Riverwalk Landing. The lease agreement includes a repayment schedule based on a 20-year amortization schedule with a final balloon payment after ten years. Interest on the outstanding principal balance of the note is due at a rate of 4.14% per annum and the outstanding balance of the note receivable, including interest of $1,725 at June 30, 2010, was $378,828.

The County has billed the CDA's property owner special assessments in the amounts of $3,008,898 and $1,097,000, due June 5, 2010 and 2009, respectively. As of the date of these statements, the owner has not paid the special assessments and therefore, an allowance for uncollectible has been recorded equal to the sum of the two special assessments.

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2010 is as follows:

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS, Continued

Due from Fund	Due to Fund	Purpose	Amount
General	Nonmajor governmental	Program match	$ 603,825
		Meals tax	51,826
		Reimbursement	38,500
	Sewer Utility	Meals tax	103,651
	Nonmajor enterprise	Meals tax	103,651
Total Due to other funds			$ 901,453
Internal service funds	General	Auction proceeds	$ 1,905
		Reimbursement	170,518
Total Due to other funds			$ 172,423

Advance from Fund	Advance to Fund	Purpose	Amount
General	Tourism	Infrastructure	$ 8,395,158
	Yorktown Operations	Land purchase	2,800,000
Total Advances to other funds			$ 11,195,158
Tourism	Yorktown Capital Improvements	Infrastructure	$ 8,600,000

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 have begun from revenue generated by tourism and are expected to continue until the advances are fully liquidated.

Due from Entity	Due to Entity	Purpose	Amount
County of York	School Division	Operations	$ 14,442,026
EDA	County of York	Riverwalk Landing lease	$ 58,574
County of York	CDA	Incremental tax revenues	$ 144,985

All transfers made during the year were routine and consistent with the activities of the funds. The difference between transfers out and transfers in represents capital assets transferred from the Sewer Utility and Solid Waste Funds to the General Fund, which does not report capital assets in the fund statements.

Fund	Transfers Out Fund	Transfers In Fund
General	$ 20,546,829	$ 275,625
Tourism	779,854	1,806,254
Yorktown Capital Improvements	-	156,981
County Capital	-	2,044,149
Nonmajor governmental	281,491	12,865,911
Sewer Utility	7,627	1,010,128
Nonmajor enterprise	8,534	2,707,523
Internal service	-	742,530
Total	$ 21,624,335	$ 21,609,101

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS, Continued

Significant transactions between the primary government and component units during fiscal year 2010 were as follows:

Payments from County to School Division for School operations	$ 44,736,097
Payments from County to School Division for School technology	403,810
Payments to County from School Division - year-end reversion entry	(395,010)
Total General Fund	$ 44,744,897
Payment from County bond proceeds to School Division for construction - Nonmajor Governmental Fund	$ 4,201,101
Payment from County to School Division for construction - County Capital Fund	$ 1,172,000
Statement of Activities - Payment from County of York	$ 50,117,998
Payment from County General Fund to Economic Development Authority for operations	$ 33,660
Payment from County to Community Development Authority for incremental tax revenue - Nonmajor Governmental Fund	$ 527,678

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

Primary Government:

Governmental Activities:	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets not being depreciated/amortized:				
Land	$ 9,508,052	$ 135	$ (240,968)	$ 9,267,219
Easements	-	274,054	-	274,054
Construction in progress	569,722	447,978	(465,063)	552,637
Total capital assets not being depreciated/amortized	10,077,774	722,167	(706,031)	10,093,910
Capital assets being depreciated/amortized:				
Land improvements	21,762,435	47,073	(15,547)	21,793,961
Buildings and improvements	42,650,185	1,545,285	-	44,195,470
Infrastructure	14,755,007	5,839	-	14,760,846
Equipment	20,751,773	1,092,189	(419,492)	21,424,470
Vehicles	13,720,430	1,424,072	(652,605)	14,491,897
Computer Software	-	11,831	-	11,831
Total capital assets being depreciated/amortized	113,639,830	4,126,289	(1,087,644)	116,678,475
Less accumulated depreciation/amortization for:				
Land improvements	(4,357,679)	(1,290,690)	12,824	(5,635,545)
Buildings and improvements	(9,257,723)	(858,306)	-	(10,116,029)
Infrastructure	(2,589,629)	(490,668)	-	(3,080,297)
Equipment	(10,142,645)	(1,985,809)	366,845	(11,761,609)
Vehicles	(5,771,339)	(1,036,398)	551,331	(6,256,406)
Computer Software	-	(1,183)	-	(1,183)
Total accumulated depreciation/amortization	(32,119,015)	(5,663,054)	931,000	(36,851,069)
Total capital assets being depreciated/amortized, net	81,520,815	(1,536,765)	(156,644)	79,827,406
Governmental activities capital assets, net	$ 91,598,589	$ (814,598)	$ (862,675)	$ 89,921,316

5. CAPITAL ASSETS, Continued

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

General government	$ 1,199,837
Judicial services	221,275
Public safety	2,064,236
Environmental and development services	20,583
Finance and planning	185,481
Education	119,633
Human services	7,653
General services	242,998
Community services	1,009,675
Internal Service Fund - charged to functions based on usage	591,683
Total depreciation and amortization expenses - governmental activities	$ 5,663,054

Business-type Activities:	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets not being depreciated/amortized:				
Land	$ 3,740,200	$ -	$ -	$ 3,740,200
Construction in progress	8,067,698	3,406,383	(2,037,299)	9,436,782
Total capital assets not being depreciated/amortized	11,807,898	3,406,383	(2,037,299)	13,176,982
Capital assets being depreciated/amortized:				
Land improvements	37,155	-	-	37,155
Buildings and improvements	16,925,861	2,156,324	(94,200)	18,987,985
Infrastructure	107,136,000	840,183	-	107,976,183
Equipment	4,751,816	192,305	(48,889)	4,895,232
Vehicles	1,597,258	-	(68,361)	1,528,897
Computer Software	-	52,327	-	52,327
Total capital assets being depreciated/amortized	130,448,090	3,241,139	(211,450)	133,477,779
Less accumulated depreciation/amortization for:				
Land improvements	(3,419)	(1,859)	-	(5,278)
Buildings and improvements	(8,824,018)	(740,114)	94,200	(9,469,932)
Infrastructure	(26,636,687)	(2,127,744)	-	(28,764,431)
Equipment	(2,212,749)	(407,146)	48,889	(2,571,006)
Vehicles	(773,937)	(79,043)	58,107	(794,873)
Computer Software	-	(3,738)	-	(3,738)
Total accumulated depreciation/amortization	(38,450,810)	(3,359,644)	201,196	(41,609,258)
Total capital assets being depreciated/amortized, net	91,997,280	(118,505)	(10,254)	91,868,521
Business-type activities capital assets, net	$ 103,805,178	$ 3,287,878	$ (2,047,553)	$ 105,045,503

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	$ 394,205
Solid waste	127,192
Sewer utility	2,773,645
York Sanitary District	45,141
Upper County utility	15,748
Water utility	3,713
Total depreciation and amortization expenses - business-type activities	$ 3,359,644

Discretely Presented Component Unit - School Division	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	$ 4,826,494	$ -	$ (135)	$ 4,826,359
Construction in progress	2,078,061	1,388,412	(2,739,102)	727,371
Total capital assets not being depreciated	6,904,555	1,388,412	(2,739,237)	5,553,730
Capital assets being depreciated:				
Improvements other than buildings	4,195,671	598,363	-	4,794,034
Buildings and improvements	165,768,099	2,447,571	(969,650)	167,246,020
Equipment	2,452,990	75,688	(49,974)	2,478,704
Vehicles	10,908,665	1,027,117	(1,235,681)	10,700,101
Total capital assets being depreciated	183,325,425	4,148,739	(2,255,305)	185,218,859
Less accumulated depreciation for:				
Improvements other than buildings	(1,592,980)	(160,572)	-	(1,753,552)
Buildings and improvements	(47,980,509)	(3,413,378)	426,413	(50,967,474)
Equipment	(1,004,325)	(192,336)	7,212	(1,189,449)
Vehicles	(4,502,148)	(751,817)	1,125,963	(4,128,002)
Total accumulated depreciation	(55,079,962)	(4,518,103)	1,559,588	(58,038,477)
Total capital assets being depreciated, net	128,245,463	(369,364)	(695,717)	127,180,382
School Division capital assets, net	$ 135,150,018	$ 1,019,048	$ (3,434,954)	$ 132,734,112

Discretely Presented Component Units - CDA	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets not being depreciated:				
Construction in progress	$ 19,223,778	$ -	$ -	$ 19,223,778
Capitalized interest	2,927,161	-	-	2,927,161
Less interest revenue on investments	(514,720)	-	-	(514,720)
Total capital assets not being depreciated	21,636,219	-	-	21,636,219
Capital assets being amortized:				
Computer Software	9,000	-	-	9,000
Less accumulated amortization	-	(3,000)	-	(3,000)
Total capital assets being amoritzed, net	9,000	(3,000)	-	6,000
Community Development Authority capital assets, net	$ 21,645,219	$ (3,000)	$ -	$ 21,642,219

6. DEFERRED/UNEARNED REVENUE

Deferred/unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, deferred revenue reflects amounts that are measurable, but not available. At June 30, 2010, deferred revenue in the governmental funds consisted of the following:

Purpose	Amount
Uncollected taxes and vehicle registration fees	$ 4,612,841
Tax receipts for December 5, 2010 assessment	413,463
Advance payment for shared cost services	27,883
Advance rental payments	4,775
Advance payments for stormwater dredging	43,000
Advance payments for advertising, repairs and wireless grant	204,464
Note receivable - EDA	1,145,826
Loan receivable - Williamsburg E911 merger	1,204,938
Grant reimbursement for expenditures incurred	216,293
Total deferred revenue - governmental funds	$ 7,873,483

At June 30, 2010, unearned revenue in the proprietary funds consisted of the following:

Purpose	Amount
Advance payment for a sewer construction project	$ 74,760
Advance payments of sewer fees	9,900
Advance land lease payment	24
Advance payment for rebanding	2,013,383
Total unearned revenue - proprietary funds	$ 2,098,067

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2010:

Primary Government:	**Balance**			**Balance**	**Due Within**
Governmental Activities:	**July 1, 2009**	**Additions**	**Reductions**	**June 30, 2010**	**One Year**
General obligation bonds	$ 58,395,000	$ 4,180,000	$ (4,065,000)	$ 58,510,000	$ 4,260,000
Premium on bonds	1,369,486	66,222	(87,637)	1,348,071	-
Literary loans	300,000	-	(100,000)	200,000	100,000
Capital leases	914,834	-	(220,654)	694,180	220,202
Lease revenue bonds	31,715,000	-	(1,150,000)	30,565,000	1,730,000
Premium on bonds	384,636	-	(19,807)	364,829	-
Discount on bonds	(147,727)	-	10,245	(137,482)	-
Note payable	1,620,440	-	(278,836)	1,341,604	299,823
Compensated absences	4,218,527	3,633,601	(3,535,451)	4,316,677	135,815
Net OPEB obligation	672,047	916,976	(309,314)	1,279,709	-
Total Governmental Activities	$ 99,442,243	$ 8,796,799	$ (9,756,454)	$ 98,482,588	$ 6,745,840
Business-type Activities:					
Revenue bonds	$ 8,785,933	$ -	$ (301,520)	$ 8,484,413	$ 312,103
Premium on bonds	89,301	-	(4,700)	84,601	-
Deferred amount on refunding	(680,589)	-	35,820	(644,769)	-
Capital leases	2,598,931	-	(439,326)	2,159,605	454,310
Compensated absences	341,143	296,271	(272,309)	365,105	2,390
Total Business-type Activities	$ 11,134,719	$ 296,271	$ (982,035)	$ 10,448,955	$ 768,803

Discretely Presented	**Balance**			**Balance**	**Due Within**
Component Units:	**July 1, 2009**	**Additions**	**Reductions**	**June 30, 2010**	**One Year**
School Division					
Capital leases	$ 89,842	$ -	$ (89,842)	$ -	$ -
Compensated absences	1,743,785	1,114,764	(1,026,478)	1,832,071	1,060,000
Workers' compensation claims	2,876,927	580,141	(415,810)	3,041,258	600,000
Net OPEB obligation	-	181,080	-	181,080	-
Total School Division	$ 4,710,554	$ 1,875,985	$ (1,532,130)	$ 5,054,409	$ 1,660,000
Economic Development Authority					
Notes payable	$ 1,207,609	$ -	$ (24,996)	$ 1,182,613	$ 27,079
Community Development Authority					
Bonds payable	$ 32,860,000	$ -	$ -	$ 32,860,000	$ 1,180,000
Less unamortized bond discount	(371,571)	-	-	(371,571)	-
Total CDA	$ 32,488,429	$ -	$ -	$ 32,488,429	$ 1,180,000

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.

7. LONG-TERM DEBT, Continued

During fiscal year 2010, the County was required to have arbitrage rebate calculations performed for its 2008 VPSA $5,400,000 issue, 2008 VRA $17,230,000 issue and 2009 VPSA $4,180,000 issue. As of June 30, 2010, 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. In fiscal year 2010, the primary government issued $4,180,000 of general obligation bonds to provide resources for the replacement of the HVAC system at Dare Elementary High School, fascia replacement at Tabb High School and classroom additions at Mt. Vernon Elementary School. Outstanding general obligation bonds at June 30, 2010 of the primary government governmental activities are as follows:

GOB Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2010
VPSA 93C	School complex, Tabb, Yorktown Elementary	11/18/93	12/15/13	4.48-5.00%	$ 185,000
VPSA 97I	Various school projects	11/20/97	07/15/17	4.35-5.35%	7,935,000
Series 01	Refinance 1994 issue for school construction	11/01/01	07/15/14	3.00-5.00%	9,135,000
VPSA 02B	Bruton High	11/07/02	07/15/22	2.35-5.10%	5,760,000
VPSA 03	Queens Lake	11/06/03	07/15/23	3.10-5.35%	3,090,000
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	12,990,000
VPSA 06	Yorktown Middle and New Horizons renovations	11/09/06	07/15/26	4.23-5.10%	9,975,000
VPSA 08	Dare, Magruder, Yorktown Elementary classrooms	12/11/08	07/15/28	3.60-5.35%	5,260,000
VPSA 09	Dare and Mt. Vernon Elementary and Tabb High	12/03/09	07/15/29	3.05-4.05%	4,180,000
					$ 58,510,000

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

	Governmental Activities	
Year	Principal	Interest
2011	$ 4,260,000	$ 2,744,718
2012	4,475,000	2,511,402
2013	4,655,000	2,288,982
2014	4,915,000	2,056,118
2015	5,140,000	1,807,337
2016 - 2020	15,530,000	6,366,391
2021 - 2025	13,880,000	2,880,634
2026 - 2030	5,655,000	403,168
	$ 58,510,000	$ 21,058,750

Literary Loans

Literary fund loans consist of loans from the State Literary Loan Fund for the construction and improvement of various schools. Outstanding literary loans at June 30, 2010 of the primary government governmental activities are as follows:

7. LONG-TERM DEBT, Continued

Project/Purpose	Loan Date	Maturity Date	Interest Rate	Balance June 30, 2010
Magruder Elementary	07/15/91	07/15/11	4.00%	$ 200,000

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

Year	Governmental Activities Principal	Interest
2011	$ 100,000	$ 8,000
2012	100,000	4,000
	$ 200,000	$ 12,000

Compensated Absences

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

Lease Revenue Bonds

Principal payments will be made in annual installments and interest payments will be made in semi-annual installments. Outstanding lease revenue bonds at June 30, 2010 of the primary government governmental activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2010
2001	Refinance COPS Series 1990 and 1992	11/01/01	03/01/12	3.00-4.13%	$ 575,000
2003	800 mhz system, equipment, parking garage	12/01/03	06/15/23	2.00-4.50%	12,760,000
2008	Sports Field Complex, fire station additions	12/01/08	10/01/29	3.125-5.327%	17,230,000
					$ 30,565,000

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

Year	Governmental Activities Principal	Interest
2011	$ 1,730,000	$ 1,368,570
2012	1,540,000	1,298,376
2013	1,430,000	1,237,563
2014	1,480,000	1,187,600
2015	1,535,000	1,135,663
2016 - 2020	8,685,000	4,635,707
2021 - 2025	8,200,000	2,491,252
2026 - 2030	5,965,000	806,155
	$ 30,565,000	$ 14,160,886

7. LONG-TERM DEBT, Continued

Note Payable

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

	Governmental Activities	
Year	Principal	Interest
2011	$ 299,823	$ 93,706
2012	322,388	71,140
2013	346,653	46,874
2014	372,740	20,784
	$ 1,341,604	$ 232,504

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, 2010 of the primary government business-type activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2010
1992	Lackey sewer system	05/14/92	05/14/32	5.00%	$ 469,413
2005	Sewer systems Refunding	06/08/05	06/01/29	3.00-5.00%	8,015,000
					$ 8,484,413

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

Year	Principal	Interest
2011	$ 312,103	$ 354,075
2012	317,715	343,713
2013	333,359	333,157
2014	339,035	321,921
2015	349,746	310,160
2016 - 2020	1,990,714	1,345,215
2021 - 2025	2,399,717	917,174
2026 - 2030	2,375,449	322,671
2031 - 2035	66,575	4,209
	$ 8,484,413	$ 4,252,295

7. **LONG-TERM DEBT**, Continued

Virginia Peninsula Regional Jail Authority

In June 2003, the Virginia Peninsula Regional Jail Authority (Jail Authority), of which the County is a member jurisdiction as discussed in Note 1, issued $21,655,000 of Regional Jail Facility Refunding Revenue Bonds, Series 2003. The original bonds were issued for the purpose of acquiring, constructing and equipping a Regional Jail Facility to serve its member jurisdictions. The bonds bear interest at 2% to 5%, paid semi-annually. The bonds mature in amounts ranging from $570,000 on October 1, 2003 to $2,765,000 on October 1, 2018. The outstanding balance at June 30, 2010 was $14,255,000. The bonds are limited obligations of the Jail Authority, and do not constitute a general obligation debt or pledge of the faith and credit of any member jurisdiction, nor do they obligate any member jurisdiction to levy or pledge any form of taxation therefore. However, the County has entered into a non-binding moral obligation pledge of the member jurisdictions in which the member jurisdictions have agreed to pay their proportionate share of the debt service on the bonds and any debt service funding requirements if the Jail Authority lacks sufficient funds to do so. The County's proportionate share is 34%.

Economic Development Authority

In 2002, the County agreed to loan the EDA up to $1,100,000 for the relocation and renovation of the Yorktown Freight Shed Building as part of a multi-million dollar renovation project to the Yorktown waterfront area. To realize significant savings, the County utilized historic building renovation tax credits, available through federal and Virginia income tax codes. To utilize the tax credits, title to the Freight Shed building was conveyed by the Yorktown Trustees to Yorktown Freight Shed, L.P. (a Virginia limited partnership), created to hold title to the building and to oversee the project with money provided by the County through the EDA. Interest on the outstanding principal balance of the note is due at a rate of 5.5% per annum. At June 30, 2010, the outstanding principal balance of the note payable was $805,510.

In 2005, the County agreed to loan the EDA $500,000 for restaurant equipment and related items. The EDA signed an agreement to lease equipment to a tenant who operates a restaurant at Riverwalk Landing. The lease agreement includes a repayment schedule based on a 20-year amortization schedule with a final balloon payment after ten years. Interest on the outstanding principal balance of the note is due at a rate of 4.14% per annum. At June 30, 2010, the outstanding principal balance on the note payable was $377,103.

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. The bonds are limited obligations payable primarily from (1) incremental tax revenues collected by York County, Virginia, pursuant to the terms of the Memorandum of Understanding dated November 1, 2007 and (2) special assessments imposed and collected at the request of the CDA, by York County, Virginia against the taxable real property in the District.

Interest on the bonds is payable each March 1 and September 1, commencing March 1, 2008. 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%.

7. LONG-TERM DEBT, Continued

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

	Community Development Authority	
Year	Principal	Interest
2011	$ 1,180,000	$ 1,767,596
2012	2,480,000	1,674,266
2013	2,845,000	1,538,478
2014	3,150,000	1,385,606
2016 - 2019	23,205,000	3,742,454
	$ 32,860,000	$ 10,108,400

8. LEASES

County as Lessor

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, 2010 is as follows:

Year	Primary Government	Discretely Presented Component Unit - School Division
2011	$ 514,841	$ 173,290
2012	515,737	133,257
2013	516,659	92,059
2014	505,729	9,673
2015	466,909	-
2016-2020	2,329,700	-
2021-2025	1,405,708	-
2026-2030	1,050,000	-
2031-2035	1,050,000	-
2036-2040	1,050,000	-
2041-2045	630,000	-
Total minimum lease payments	$ 10,035,283	$ 408,279

Rental expenditures for the year ended June 30, 2010 for all operating leases were $510,360 and $194,236 for the County and Discretely Presented Component Unit - School Division, respectively.

County as Lessee

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 $5,141,107, for a carrying amount of $4,251,583 at June 30, 2010. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2010 is as follows:

8. LEASES, Continued

Year	Primary Government	Discretely Presented Component Unit - School Division
2011	$ 504,973	$ 318,524
2012	496,888	318,471
2013	499,722	318,282
2014	376,446	318,605
2015	334,995	-
2016-2020	1,352,221	-
2021-2025	993,977	-
2026-2030	575,305	-
2031-2035	575,294	-
2036-2040	575,250	-
2041-2045	575,250	-
Total minimum lease payments	$ 6,860,321	$ 1,273,882

Rental revenue receipts for all operating leases were $584,460 for the County and $170,061 for the School Division for the year ended June 30, 2010.

Capital Leases

The County leases certain equipment and a building under capital lease agreements. A summary of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2010 is as follows:

	Primary Government	
Year	Governmental Activities	Business-type Activities
2011	$ 241,497	$ 538,025
2012	241,498	540,625
2013	48,994	337,825
2014	44,853	337,824
2015	44,854	337,825
2016-2020	115,417	337,825
Total minimum lease payments	737,113	2,429,949
Less amount representing interest	(42,933)	(270,344)
Present value of principal	$ 694,180	$ 2,159,605

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - $1,558,574 (equipment) and Business-type Activities - $1,183,701 (buildings) and $2,038,931 (equipment).

9. DEFINED BENEFIT PENSION PLANS

Plan Descriptions

The County has three defined benefit pension plans. In the first plan (the "County" plan), the County contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

9. DEFINED BENEFIT PENSION PLANS, Continued

The County payroll for employees covered by the VRS for the year ended June 30, 2010 was $36,404,535 out of the total payroll of $40,203,647.

In the second plan (the "School Division" plan), professional employees of the School Division are covered by the VRS. Professional employees participate in a VRS statewide teacher cost sharing pool. The payroll for professional employees covered by VRS for the year ended June 30, 2010 was $62,498,365 and the total payroll was $63,292,171. As of June 30, 1992, non-professional employees of the School Division are also covered by the VRS. Non-professional employees participate as a separate group in the agent multiple-employer retirement system. The payroll for non-professional employees covered by VRS for the year ended June 30, 2010 was $6,142,499 and the total payroll was $7,321,942.

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers, firefighters and sheriffs) or at age 50 with 30 years of service if elected by the employer (age 50 with 25 years for participating law enforcement officers, firefighters and sheriffs) payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects to other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

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

Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution has been assumed by the County and by the School Division.

9. DEFINED BENEFIT PENSION PLANS, Continued

In addition, the County and the School Division are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Division of Trustees. The County's contribution rate for fiscal years ended 2010 was 13.21% of annual covered payroll.

The School Division's contribution rate for employees for fiscal year ended 2010 was 12.10% of annual covered payroll.

Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of $4,809,039 was equal to the required and actual contributions.

Three-Year Trend Information - County

Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	$ 4,809,039	100%	-
6/30/2009	4,723,525	100%	-
6/30/2008	4,599,964	100%	-

The required contribution for VRS was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases ranging from 3.75% - 5.60% per year, and (c) 2.5% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis for a period of twenty years.

The School Division's annual pension cost for professional employees of $7,043,137 for fiscal year 2010 was equal to the required and actual contributions.

Three-Year Trend Information - School Division

Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	$ 7,043,137	100%	-
6/30/2009	8,711,674	100%	-
6/30/2008	9,053,000	100%	-

For fiscal year 2010, the School Division's annual pension cost for the non-professional employees of $743,242 was equal to the required and actual contributions.

9. DEFINED BENEFIT PENSION PLANS, Continued

Three-Year Trend Information - School Division

Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	$ 743,242	100%	-
6/30/2009	753,611	100%	-
6/30/2008	635,894	100%	-

The School Division's annual required contributions for the optional plan were $37,710, $55,838 and $45,750, and actual contributions were $200,000, $200,000 and $300,000 for 2010, 2009 and 2008 respectively.

Three-Year Trend Information - School Division

Fiscal Year	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	$ 37,710	100%	-
6/30/2009	55,838	100%	-
6/30/2008	45,750	100%	-

The actuarial accrued liability for the optional plan was determined as part of an actuarial valuation on June 30, 2010 using the projected unit credit actuarial cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7% per year compounded annually, (b) post-retirement benefit increases of 2% per year, and (c) percentage of current retiree benefits to be paid of 100%.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the County's plan was 87.01% funded. The actuarial accrued liability for benefits was $129,774,770, and the actuarial value of assets was $112,919,847, resulting in an unfunded actuarial accrued liability (UAAL) of $16,854,924. The covered payroll (annual payroll of active employees covered by the plan) was $36,662,675, and the ratio of the UAAL to the covered payroll was 45.97%.

As of June 30, 2009, the most recent actuarial valuation date, the School Division's plan for its non-professional employees was 91.76% funded. The actual accrued liability for benefits was $15,038,513, and the actuarial value of assets was $13,799,075, resulting in an unfunded actuarial accrued liability (UAAL) of $1,239,438. The covered payroll (annual payroll of active employees covered by the plan) was $6,286,774, and the ratio of the UAAL to the covered payroll was 19.72%.

As of June 30, 2010, the most recent actuarial valuation date, the School Division's optional plan was 88.02% funded. The actual accrued liability for benefits was $1,963,084, and the actuarial value of assets was $1,727,814, resulting in an unfunded actuarial accrued liability (UAAL) of $235,270.

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

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Descriptions

The County's OPEB plan is a single-employer defined benefit plan administered by York County. Employees retiring after January 1, 2002 and having twenty or more years of service with the County and receiving a VRS annuity will qualify for a health insurance premium contribution from the County. The retiree's Virginia Retirement System (VRS) annuity may be either a full or reduced benefit. The amount of the County's contribution shall be equal to 50% of the retiree's total monthly health insurance premium subject to the following provisions. The County's 50% contribution will be reduced by the amount of any health insurance credit that the retiree may qualify for under the VRS program. Retiring employees who have fifteen years of service with the VRS will qualify for the VRS Retiree Health Insurance Credit Program. At June 30, 2010, 41 retirees were participating in this program. For the School Division, 65 retirees were participating in this program.

The School Division's OPEB plan is a single-employer defined benefit plan administered by the School Division. The School Division provides post-retirement health care benefits, in accordance with School Division policy, to all employees who retire from York County Public Schools with 100 days of accumulated sick leave, 10 years of service and a minimum of 24 months participation in the health insurance program immediately prior to retirement. At June 30, 2010, 2 retirees were participating in this program. The School Division pays a monthly contribution of $25 toward the health care program premium for a total period of time not to exceed 10 years or until retiree is eligible for Medicare, whichever occurs first.

Funding Policy

The County established an internal service fund to account for other post-employment benefits. An amount equal to the annual required contribution was made to the fund during fiscal year 2010, and the pay-as-you-go expenses were made from the fund. GASB Statement No. 45 requires recognition of the current OPEB expense based on the annual required contribution, but does not require funding of the related liability. For fiscal year 2010, the County provided the annual required contribution of $916,976, and benefit payments made on behalf of retirees for claims, net of retiree contributions, were $142,813.

The School Division opted not to advance-fund or establish a funding methodology for its OPEB costs or net OPEB obligation. For fiscal year 2010, the School Division provided an annual contribution of $313,122, and the annual required contribution was $531,102.

Annual OPEB Cost

The County's and School Division's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

For fiscal year 2010, the County's and its discretely presented component unit - School Division's annual OPEB cost, the amount actually contributed to the plan, and changes in the net OPEB obligation are as follows:

	County	School Division
Normal cost	$ 461,556	$ 296,903
Amortization of unfunded accrued liability	412,174	211,329
Interest	39,318	22,870
Annual required contribution	913,048	531,102
Interest on net OPEB obligation (NOO)	25,943	1,400
Amortization of NOO	(22,015)	(1,649)
Annual OPEB cost	916,976	530,853
Actual contribution towards OPEB cost	(309,314)	(313,122)
Increase in NOO	607,662	217,731
NOO, beginning of year	672,047	(36,651)
NOO, end of year	$ 1,279,709	$ 181,080

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

Three-Year Trend Information - County

Fiscal Year	Annual OPEB Cost	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2010	$ 916,976	34%	$ 1,279,709
6/30/2009	$ 776,504	13%	$ 672,047

Three-Year Trend Information - School Division

Fiscal Year	Annual OPEB Cost	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2010	$ 530,853	59%	$ 181,080
6/30/2009	$ 449,146	108%	$ (36,651)

Fiscal year 2009 was the year of implementation for GASB Statement No. 45. Going forward, information for the current year and each of the two preceding years will be provided.

Funded Status and Funding Progress

As of June 30, 2010, the County's actuarial accrued liability for benefits was $10,537,028, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $10,537,028. The covered payroll (annual payroll of active employees covered by the plan) was $36,403,270, and the ratio of the UAAL to the covered payroll was 28.95%.

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

As of June 30, 2010, the School Division's actuarial accrued liability for benefits was $5,629,250, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $5,629,250. The covered payroll (annual payroll of active employees covered by the plan) was $74,140,073, and the ratio of the UAAL to the covered payroll was 7.59%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actual accrual liability for benefits. Fiscal year 2009 was the year of implementation for GASB Statement No. 45. Going forward, information for the current year and each of the two preceding years will be provided.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. 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-tem volatility in actuarial accrued liabilities and the actuarial value of assets.

In the County's June 30, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (discount rate) and an annual healthcare cost trend rate of 10.5% initially, grading to a rate of 5% for fiscal year ending June 30, 2015. The unfunded actuarial accrual liability (UAAL) is being amortized over a closed thirty-year period as a level percentage of projected payroll, assumed to grow 3.5% per year. The same actuarial methods and assumptions were used in the School Division's June 30, 2010 actuarial valuation.

11. 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 52 investment options. The participants make the choice of the investment options.

11. DEFERRED COMPENSATION PLAN, Continued

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

The County offered to its employees a retirement health savings plan, which was available to all full-time, regular County employees who have worked in that capacity for at least one full year. Participation in the plan was optional and employees could be reimbursed for qualified medical expenses, in accordance with Internal Revenue Service Publication 502, for themselves, spouse, and dependents upon separation or retirement from the County. In March 2007, the County was notified of an IRS ruling that due to its elective features, disallowed the County's plan design to continue and consequently, new elections to the existing plan are no longer accepted. The existing plan preserves the favorable tax treatments for elections and contributions prior to December 31, 2007. Investments are managed by the plan's trustee under one or a combination of 16 investment options.

12. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2010 were as follows:

Project	Spent-to-date	Remaining Commitment
Moores Creek/Victory Blvd stormwater construction	$ -	$ 1,215,147
York Point sewer construction	988,099	1,053,939
Brandywine stormwater construction	-	914,876
Queens Lake pump station construction	58,156	834,514
Emergency Communications wireless technology	-	572,355
Edgehill South stormwater construction	85,084	569,595
Emergency Communications rebanding project	-	563,581
Queens Lake sewer force main construction	154,800	430,788
Queens Lake sewer gravity system construction	3,323,455	365,220
Tabb High School emergency generator	77,014	305,400
Queens Lake sewer architect and engineering fees	740,990	122,835
	$ 5,427,598	$ 6,948,250

12. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

Landfill Post-Closure

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

Risk Management

The County and the School Division are exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County reports all of its risk management activities in its General Fund and pays all claims for retained risks from General Fund resources. The School Division reports all of its risk management activities in its Operating Fund and pays all claims for retained risks from Operating Fund resources. The County and the School Division maintain comprehensive property and casualty policies, commercial general liability policies, comprehensive liability vehicle fleet policies and coverages for errors and omissions, and employer's liability and certain other risks with commercial insurance companies.

The General and School Operating Funds retain the full risk for unemployment compensation; up to $100,000 and $150,000 for each health care claim for the County and School Division, respectively, and up to $400,000 and $500,000 for each workers' compensation occurrence with no aggregate, for the County and School Division, respectively.

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

The County's health care liability at June 30 is included in salaries, taxes and benefits payable in the applicable County funds. The County had available $760,781 for health care claims and $1,754,741 for workers' compensation claims at June 30, 2010, which is considered sufficient to cover pending claims and incurred but not reported claims that may arise.

Changes in the reported amounts since June 30, 2008 resulted from the following:

	2010	2009
Accrued liability/designated fund balance, beginning of fiscal year	$ 3,188,916	$ 3,208,168
Claims and changes in estimates	7,494,873	7,223,032
Claims payment	(8,168,267)	(7,242,284)
Accrued liability/designated fund balance, end of fiscal year	$ 2,515,522	$ 3,188,916

12. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

The School Division health care claim liability at June 30 is included in salaries, taxes, and benefits payable balance of its Operating Fund. The School Division had available $4,657,696 for health care claims and $3,041,258 for workers' compensation claims at June 30, 2010, which is considered sufficient to cover pending claims and incurred but not reported claims that may arise.

Changes in the reported amounts since June 30, 2008 resulted from the following:

	2010	2009
Accrued liability/designated fund balance, beginning of fiscal year	$ 6,301,368	$ 5,412,604
Claims and changes in estimates	12,109,628	11,015,964
Claims payment	(10,712,042)	(10,127,200)
Accrued liability/designated fund balance, end of fiscal year	$ 7,698,954	$ 6,301,368

Litigation

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

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

Debt service on the bonds for fiscal year 2011 total $2,947,596. Current incremental tax payments, which totaled $527,678 for fiscal year 2010, are insufficient to meet current debt service requirements. Special assessments of the property owners currently total $4,105,898, but are not considered collectible in the short-term. In response to this revenue shortfall, the Authority has taken the following actions.

With the consent of the bond owners, the Authority entered into a First Supplemental Indenture of Trust on August 30, 2010, as permitted in Section 14.2 of the Original Indenture. The Supplemental Indenture provides that beginning with the payment due September 1, 2010, the payments of principal and interest on the bonds shall be made from amounts on deposit in the following priority: (1) amounts in the Revenue Fund, after deducting amounts needed for administrative expenses, (2) amounts in the Project Fund, after reserving $400,000 to pay certain costs of the facilities and $320,000 to pay administrative expenses, (3) amounts in the County Account of the Project Fund, and (4) amounts in the Debt Service Reserve Fund.

Further, amounts on deposit for development of the South Pod shall be available to pay costs of the facilities necessary to implement a development plan of the real estate within the District, until the earlier of (i) the date on which any portion of the real estate within the District is offered for sale at a tax foreclosure sale and no offer sufficient to pay all delinquent taxes and assessments on such real estate is made or (ii) March 1, 2012, the "trigger date."

13. DISCRETELY PRESENTED COMPONENT UNIT - CDA: CASH LIQUIDITY FOR FUTURE DEBT SERVICE PAYMENTS AND GOING CONCERN, Continued

After the trigger date, amounts on deposit in the South Pod Account shall be used to redeem bonds on the first day of any month, following the trigger date, unless the Trustee and the Authority receive a bondholder direction to apply any portion of the proceeds in the South Pod Account to pay costs of the facilities or to extend the trigger date upon the terms set forth in such bondholder direction. Bondholder direction means written notice from the beneficial owners of not less than 67% of the outstanding principal amount of the bonds.

Beginning with the principal payment due on the bonds on September 1, 2011, payment of principal of the bonds shall be deferred until the earlier of (1) such time as pledged revenues are available to make principal payments on the bonds or (2) 100% of the beneficial owners determine a principal payment schedule for the bonds.

In conjunction with the bondholders and the current owner, the Authority continues to seek a new developer for the project.

14. SUBSEQUENT EVENT

On July 8, 2010, the County issued $1,120,000 in general obligation bonds through the Virginia Public School Authority as “Qualified School Construction Bonds” (QSCBs). The proceeds will be used to finance the HVAC replacement and installation of energy management systems at Grafton Bethel Elementary School.

REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISON SCHEDULE

GENERAL FUND

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

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

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Budgetary Comparison Schedule

General Fund - Revenues and Other Financing Sources

Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
General property taxes:				
Real property taxes	$ 58,641,500	$ 58,641,500	$ 57,879,381	$ (762,119)
Real and personal property taxes-public service corporation	2,760,000	2,760,000	2,841,720	81,720
Personal property taxes	12,712,100	12,712,100	10,605,909	(2,106,191)
Machinery and tools taxes	2,200,000	2,200,000	3,617,121	1,417,121
Boat taxes > 5 tons	35,000	35,000	104,454	69,454
Penalties and interest	525,000	525,000	694,309	169,309
Total general property taxes	76,873,600	76,873,600	75,742,894	(1,130,706)
Other local taxes:				
Local sales and use taxes	9,000,000	9,000,000	8,757,706	(242,294)
Hotel and motel room taxes	2,900,000	2,966,254	3,010,424	44,170
Restaurant food taxes	5,000,000	5,023,028	5,046,055	23,027
Business license taxes	6,117,000	6,117,000	5,349,488	(767,512)
Consumer utility taxes	262,000	262,000	281,203	19,203
Communications sales taxes	1,515,000	1,515,000	1,376,864	(138,136)
Vehicle registration fees	1,278,100	1,278,100	1,474,552	196,452
Bank stock taxes	136,000	136,000	235,207	99,207
Franchise taxes	-	-	259	259
Taxes on recordation and wills	1,525,000	1,525,000	1,643,995	118,995
Rental taxes	101,560	101,560	81,817	(19,743)
Total other local taxes	27,834,660	27,923,942	27,257,570	(666,372)
From the Federal Government:				
Payments in lieu of taxes	8,000	8,000	9,500	1,500
Categorical aid:				
ARRA Edward Byrne Memorial Justice Assistance grant	-	-	145,568	145,568
Civil Defense grant	22,500	22,500	45,529	23,029
Universal Service - Library E-rate program	-	-	13,248	13,248
Violence Against Women Formula grant	-	21,048	23,016	1,968
Crime Victim Assistance grant	-	69,757	69,757	-
Community-Defined Solutions to Violence Against Women grant	-	389,636	81,066	(308,570)
DMV Sheriff grants	-	31,550	19,923	(11,627)
DMV Traffic Enforcement Overtime grant	-	-	2,543	2,543
Community Development Block grant (Barlow Road)	-	912,400	5,000	(907,400)
Family Self Sufficiency Coordinator Funding	-	-	39,132	39,132
Section 8 Housing Choice Vouchers program	133,438	133,438	106,746	(26,692)
Housing Counseling Assistance program	-	-	700	700
National Urban Search and Rescue Response System program	-	1,403	1,403	-
Citizen Corps grant	-	41,250	-	(41,250)
Emergency Management Performance grant	-	9,000	-	(9,000)
Preventing Unintentional Injuries grant	-	20,865	13,348	(7,517)
Indirect Cost Allocation reimbursement	-	-	64,883	64,883
State Criminal Alien Assistance program	-	8,938	8,938	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	16,903	25,839	8,936
DEA Work-as-required	-	-	4,069	4,069
Bulletproof Vest Partnership program	-	6,800	6,520	(280)
Bureau of Justice Assistance grant	-	11,904	11,841	(63)
ARRA Bureau of Justice Assistance grant	-	48,959	48,950	(9)
Drug Asset	-	38,734	38,733	(1)
Total categorical aid	155,938	1,785,085	776,752	(1,008,333)
Total revenues from the Federal Government	163,938	1,793,085	786,252	(1,006,833)
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	15,000	15,000	8,898	(6,102)
Rolling stock taxes	10,860	10,860	17,542	6,682
Personal property tax relief	8,741,680	8,741,680	8,741,406	(274)
Local Aid To Commonwealth	(190,660)	(190,660)	(190,660)	-
Total non-categorical aid	8,576,880	8,576,880	8,577,186	306
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	507,315	507,315	484,270	(23,045)
Sheriff	2,541,844	2,541,844	2,309,282	(232,562)
Commissioner of the Revenue	213,841	213,841	196,001	(17,840)
Treasurer	179,530	179,530	165,387	(14,143)
Registrar	48,625	48,625	44,178	(4,447)
Electoral Board	-	-	9,073	9,073
Clerk of the Circuit Court	422,157	493,144	466,700	(26,444)
Total shared expenses	3,913,312	3,984,299	3,674,891	(309,408)

(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 - Revenues and Other Financing Sources

Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
Other categorical aid:				
Emergency services grant	$ 25,000	$ 25,000	$ 25,000	$ -
Fire and life safety grants	-	3,614	14,774	11,160
Fire program funds	153,202	155,317	155,317	-
Fire program training mini grant	-	3,679	3,679	-
Fire program media grant	-	-	1,000	1,000
Four for Life	52,000	57,100	116,459	59,359
VA Dept of Emergency Management HazMat Donation	-	10,000	10,000	-
Wireless E911 services	120,000	120,000	227,292	107,292
Rescue Squad Assistance Fund 911 grant	-	38,354	-	(38,354)
Crime Victim Assistance grant	85,568	23,252	23,252	-
Violence Against Women Formula grant	21,048	-	-	-
VA Juvenile Community Crime Control Act grant	71,442	70,785	70,785	-
VA Supreme Court extradition	-	14,465	14,465	-
Triad Crime Prevention grant	-	2,025	2,025	-
Emergency Home Repair grant	5,510	5,608	5,503	(105)
VA Dept of Health Safety Town grant	-	1,000	870	(130)
Arts Commission	5,000	5,000	5,000	-
Library Aid	150,000	170,316	170,316	-
Litter control	10,500	10,070	-	(10,070)
Drug Asset	-	9,887	9,887	-
Court service postage	9,500	10,602	10,602	-
Total other categorical aid	708,770	736,074	866,226	130,152
Total categorical aid	4,622,082	4,720,373	4,541,117	(179,256)
Total revenues from the Commonwealth of Virginia	13,198,962	13,297,253	13,118,303	(178,950)
Permits, privilege fees and regulatory licenses:				
Animal licenses	25,000	25,000	46,637	21,637
Permits and other licenses	567,250	589,688	551,615	(38,073)
Total permits, privilege fees and regulatory licenses	592,250	614,688	598,252	(16,436)
Fines and forfeitures	323,250	323,908	371,169	47,261
Revenues from use of money and property:				
Use of money	665,000	665,123	78,044	(587,079)
Use of property	366,700	366,908	393,895	26,987
Total revenues from use of money and property	1,031,700	1,032,031	471,939	(560,092)
Charges for services:				
Court costs	163,100	163,100	202,324	39,224
Charges for Commonwealth's Attorney	7,000	12,692	16,027	3,335
Charges for fiscal accounting services	-	-	2,739	2,739
Charges for law enforcement and traffic control	105,500	148,176	106,147	(42,029)
Charges for fire and rescue services	-	1,014	1,014	-
Charges for emergency medical services	750,000	880,875	220,687	(660,188)
Charges for parks and recreation	1,177,730	1,179,810	496,474	(683,336)
Charges for library	64,700	64,700	68,810	4,110
Charges for mosquito control	-	-	16,270	16,270
Charges for computer support services	15,000	15,000	12,229	(2,771)
Charges for self-insurance	39,000	39,000	39,000	-
Charges for grounds maintenance	1,129,722	1,129,722	1,129,722	-
Charges for law enforcement	290,000	290,000	255,492	(34,508)
Charges for video services	82,630	82,630	80,131	(2,499)
Charges for radio maintenance services	85,720	85,720	85,720	-
Charges for other	550	550	972	422
Total charges for services	3,910,652	4,092,989	2,733,758	(1,359,231)
Miscellaneous:				
Fiscal agent fees	145,000	145,000	178,821	33,821
Miscellaneous	87,500	178,257	336,465	158,208
Total miscellaneous revenues	232,500	323,257	515,286	192,029
Recovered costs:				
Local - York County School Division	-	-	875,000	875,000
Local - City of Poquoson	679,692	679,692	628,399	(51,293)
Local - City of Williamsburg	-	505,470	520,643	15,173
Local - Assistance for natural disasters	-	36,020	36,020	-
Local - Assistance for training	-	7,357	7,357	-
Streetlight operations	35,000	47,664	37,706	(9,958)
Landscaping for business	-	-	38,927	38,927
Commissioner of Accounts' postage	1,000	900	815	(85)
Economic Development Authority's postage	-	100	1	(99)
Total recovered costs	715,692	1,277,203	2,144,868	867,665
Total revenues	124,877,204	127,551,956	123,740,291	(3,811,665)
Other financing sources:				
Insurance recovery	-	24,212	24,394	182
Sale of capital and other assets	2,500	2,500	12,723	10,223
Transfers in	400,000	400,000	275,625	(124,375)
Total other financing sources	402,500	426,712	312,742	(113,970)
Total revenues and other financing sources	$ 125,279,704	$ 127,978,668	$ 124,053,033	$ (3,925,635)

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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
Expenditures:				
General Government:				
Legislative Department:				
Board of Supervisors	$ 305,700	$ 307,700	$ 284,542	$ 23,158
Executive Department:				
County Administrator	420,297	420,297	411,242	9,055
Public Information and Community Relations	237,874	237,874	229,768	8,106
Video Services	342,434	354,538	340,087	14,451
County Attorney	382,214	382,214	372,882	9,332
Registrar	214,973	214,973	204,677	10,296
Electoral Board	64,400	171,630	68,004	103,626
Total General Government	1,967,892	2,089,226	1,911,202	178,024
Judicial Services:				
Circuit Court	97,560	101,287	81,499	19,788
General District Court	40,230	40,943	32,893	8,050
Juvenile and Domestic Relations Court	24,520	24,909	22,207	2,702
Clerk of the Circuit Court	902,493	973,480	892,489	80,991
Colonial Group Home Commission	438,760	438,103	435,035	3,068
Magistrate	2,850	2,850	880	1,970
Commonwealth's Attorney	993,198	1,023,084	984,291	38,793
Victim/Witness	182,651	633,728	259,846	373,882
Domestic Violence	47,572	47,572	44,314	3,258
Total Judicial Services	2,729,834	3,285,956	2,753,454	532,502
Public Safety:				
Sheriff General Operations	1,403,490	1,581,698	1,439,450	142,248
Law Enforcement	4,760,575	4,927,486	4,736,133	191,353
Investigations	1,400,092	1,450,722	1,411,021	39,701
Civil Operations/Court Security	1,349,864	1,333,953	1,300,773	33,180
Adult Corrections	2,651,967	2,660,905	2,736,255	(75,350)
School Resource Officers	335,323	340,833	307,282	33,551
Fire and Life Safety Administration	187,756	292,197	210,216	81,981
Fire and Rescue Operations	10,317,056	10,895,708	10,466,650	429,058
Technical Services and Special Operations	573,978	684,209	519,963	164,246
Prevention and Community Safety	316,663	334,168	336,269	(2,101)
Juvenile Corrections	344,000	344,000	358,963	(14,963)
Animal Control	282,880	287,421	237,933	49,488
Emergency Management	252,912	413,373	238,360	175,013
Emergency Communications/911	2,129,103	2,712,472	2,803,771	(91,299)
Radio Maintenance	276,696	281,499	222,982	58,517
Total Public Safety	26,582,355	28,540,644	27,326,021	1,214,623
Environmental and Development Services:				
Administration	217,451	217,451	211,698	5,753
Building Regulation	981,584	1,147,702	988,107	159,595
Stormwater Maintenance	850,200	850,200	808,453	41,747
Stormwater Management	494,872	501,025	484,097	16,928
Litter Control	32,500	37,701	36,914	787
Mosquito Control	297,109	298,609	307,754	(9,145)
Board of Zoning/Subdivision Appeals	6,225	6,225	2,621	3,604
Development and Compliance	774,554	812,554	733,667	78,887
Wetlands and Chesapeake Bay Boards	9,108	12,998	7,429	5,569
Total Environmental and Development Services	3,663,603	3,884,465	3,580,740	303,725
Finance and Planning:				
Administration	223,670	233,583	214,021	19,562
Computer Support Services	1,662,048	2,006,899	1,891,450	115,449
Human Resources	579,630	582,630	547,290	35,340
Budget and Financial Reporting	421,078	421,078	405,698	15,380
Fiscal Accounting Services	701,151	707,703	666,220	41,483
Commissioner of the Revenue	1,024,453	1,024,453	987,247	37,206
Treasurer	857,799	859,299	791,976	67,323
Real Estate Assessment	602,433	602,433	583,106	19,327
Central Purchasing	396,550	397,977	385,646	12,331
Central Administrative Services	257,435	371,080	169,851	201,229
Central Insurance	423,305	518,305	447,556	70,749
Transportation Safety Commission	1,250	1,250	490	760

(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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Postive (Negative)
Planning	$ 385,486	$ 400,486	$ 385,492	$ 14,994
Planning Commission	24,900	25,350	15,835	9,515
Regional Planning	52,482	52,482	52,482	-
Conservation	9,348	9,348	9,348	-
Economic Development	360,418	500,723	360,418	140,305
Office of Economic Development	379,823	379,823	370,353	9,470
Total Finance and Planning	8,363,259	9,094,902	8,284,479	810,423
Education:				
County of York Public School Division - Local	44,736,097	45,139,907	44,744,897	395,010
Library Services	2,440,648	2,562,884	2,451,850	111,034
Cooperative Extension	55,655	61,435	53,707	7,728
Total Education	47,232,400	47,764,226	47,250,454	513,772
Human Services:				
Health Services	429,937	429,937	427,514	2,423
Colonial Services Board - Local	731,434	731,434	731,434	-
Social Services - payments to Board members	1,163	1,163	1,163	-
Contributions	312,664	312,872	312,826	46
Total Human Services	1,475,198	1,475,406	1,472,937	2,469
General Services:				
Administration	214,076	210,854	208,485	2,369
Engineering and Facility Maintenance	2,285,074	2,379,862	2,244,013	135,849
Facility/Utility Charges	1,085,490	1,118,829	941,445	177,384
Telecommunications	279,907	279,907	282,658	(2,751)
Grounds Maintenance and Construction	3,864,319	3,875,422	3,335,813	539,609
Total General Services	7,728,866	7,864,874	7,012,414	852,460
Community Services:				
Administration	267,800	269,300	246,483	22,817
Special Programs	285,146	295,761	244,938	50,823
Housing - Administration	214,688	222,053	222,284	(231)
Housing - Rental Assistance	122,308	138,040	120,111	17,929
Housing - Rehabilitation	238,996	1,154,510	218,633	935,877
Public Transportation	24,900	24,900	23,944	956
Parks and Recreation	2,604,223	2,636,522	2,065,066	571,456
Tourism and Events	82,094	82,094	81,551	543
Total Community Services	3,840,155	4,823,180	3,223,010	1,600,170
Non-departmental:				
Employee benefits	242,903	4,084,790	117,828	3,966,962
Contributions	593,847	648,427	614,749	33,678
Non-declared emergencies	-	63,183	-	63,183
Appropriated reserves	300,000	375,348	50,348	325,000
Total Non-departmental	1,136,750	5,171,748	782,925	4,388,823
Capital Outlay	464,480	2,563,884	280,183	2,283,701
Debt Service:				
Principal retirement	28,548	28,548	28,548	-
Interest and fiscal charges	4,485	4,485	4,485	-
Total debt service	33,033	33,033	33,033	-
Total expenditures	105,217,825	116,591,544	103,910,852	12,680,692
Other Financing Uses:				
Transfers out	19,996,879	20,752,691	20,546,829	205,862
Total other financing uses	19,996,879	20,752,691	20,546,829	205,862
Total expenditures and other financing uses	$ 125,214,704	$ 137,344,235	$ 124,457,681	$ 12,886,554

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

REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISON SCHEDULE

TOURISM FUND

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

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Budgetary Comparison Schedule

Tourism Fund

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 1,114,900	$ 1,114,900	$ 1,046,633	$ (68,267)
Use of money and property	10,000	10,000	5,398	(4,602)
Total revenues	1,124,900	1,124,900	1,052,031	(72,869)
EXPENDITURES				
Current:				
Finance and planning	1,263,370	1,263,370	1,195,103	68,267
Community services	292,085	292,085	289,713	2,372
Nondepartmental	693,281	734,595	602,980	131,615
Debt service - principal retirement	28,747	28,747	28,747	-
Total expenditures	2,277,483	2,318,797	2,116,543	202,254
Excess (deficiency) of revenues over (under) expenditures	(1,152,583)	(1,193,897)	(1,064,512)	129,385
OTHER FINANCING SOURCES (USES)				
Transfers in	1,740,000	1,806,254	1,806,254	-
Transfers out	(924,381)	(949,321)	(779,854)	169,467
Total other financing sources and uses	815,619	856,933	1,026,400	169,467
Net change in fund balances	(336,964)	(336,964)	(38,112)	298,852
Fund balances, beginning of year	336,964	336,964	336,964	-
Fund balances, end of year	$ -	$ -	$ 298,852	$ 298,852

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

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Schedule of Funding Progress (Unaudited)

Year Ended June 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded AAL (UAAL) (Funding Excess)	Funded Ratio	Covered Payroll	UAAL (Funding Excess) as % of Payroll
PRIMARY GOVERNMENT						
		Virginia Retirement System - County of York Employees				
June 30, 2009	$ 112,919,847	$ 129,774,770	$ 16,854,923	87.01%	$ 36,662,675	45.97%
June 30, 2008	108,579,599	118,576,733	9,997,134	91.57%	34,120,975	29.30%
June 30, 2007	96,408,104	106,969,723	10,561,619	90.13%	32,041,856	32.96%
		Other Post-Employment Benefits (OPEB)				
June 30, 2010	$ -	$ 10,537,028	$ 10,537,028	0.00%	$ 36,403,270	28.95%
June 30, 2009*	-	9,241,359	9,241,359	0.00%	35,683,214	25.90%
COMPONENT UNIT - YORK COUNTY SCHOOL DIVISION						
		Virginia Retirement System - Nonprofessional Employees				
June 30, 2009	$ 13,799,075	$ 15,038,513	$ 1,239,438	91.76%	$ 6,286,774	19.72%
June 30, 2008	13,220,810	13,963,359	742,549	94.68%	6,164,001	12.05%
June 30, 2007	11,580,115	12,694,145	1,114,030	91.22%	6,100,258	18.26%
		Single Employer Defined Benefit Pension - Optional Plan				
June 30, 2010	$ 1,727,814	$ 1,963,084	$ 235,270	88.02%	$ -	N/A
June 30, 2009	1,607,917	2,119,957	512,040	75.85%	-	N/A
June 30, 2008	1,795,341	2,147,410	352,069	83.60%	-	N/A
June 30, 2007	1,754,350	2,094,391	340,041	83.76%	-	N/A
June 30, 2006	1,174,665	2,140,987	966,322	54.87%	-	N/A
June 30, 2005	1,193,367	1,855,924	662,557	64.30%	-	N/A
		Other Post-Employment Benefits (OPEB)				
June 30, 2010	$ -	$ 5,629,250	$ 5,629,250	0.00%	$ 74,140,073	7.59%
June 30, 2009*	-	4,683,004	4,683,004	0.00%	74,222,736	6.31%

*This is the year of implementation for GASB Statement No. 45. There is no data available prior to this valuation.

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

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Schedule of Employer Contributions (Unaudited)

Year Ended June 30, 2010

PRIMARY GOVERNMENT

Other Post-Employment Benefits (OPEB)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	$ 916,976	34.00%
2009*	776,504	13.00%

COMPONENT UNIT - YORK COUNTY SCHOOL DIVISION

Single Employer Defined Benefit Pension - Optional Plan

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	$ 37,710	100.00%
2009	55,838	100.00%
2008	45,750	100.00%
2007	69,186	100.00%
2006	124,695	100.00%
2005	96,878	100.00%

Other Post-Employment Benefits (OPEB)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	$ 530,853	59.00%
2009*	449,146	108.00%

*This is the year of implementation for GASB Statement No. 45. There is no data available prior to this valuation.

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

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 meets 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, 2010, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the general fund, which is appropriated at the functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations and any such transfer may not result in a change in the total appropriated for personnel or non-personnel costs within the function.

The budgets are prepared on a basis consistent with the modified accrual basis of accounting. The general fund's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The County employs encumbrance accounting under which obligations in the form of purchase orders, contracts, and other commitments for the expenditure or transfer out of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental fund balance, since encumbrances do not constitute expenditures or liabilities. Funding is reappropriated in the following year for outstanding encumbrances. According to the County Code, unexpended, unencumbered appropriations lapse at the end of the fiscal year.

The general, special revenue, debt service, and capital projects funds have legally adopted budgets. Proprietary funds also have legally adopted annual budgets, except for the Yorktown Operations Fund, the York Sanitary District Fund, the Upper County Utility Fund, the Sanitary District No. 2 Fund and the Regional Radio System Fund.

2. PENSION DATA

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

3. OTHER POST-EMPLOYMENT BENEFITS (OPEB) DATA

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made in the future. The schedules present trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits. Information pertaining to the OPEB plans can be found in the notes to the financial statements.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Children and Family Services Fund - accounts for the receipt and disbursement of Federal and local funds received for the Head Start and the 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, the payment to the County for services provided to the facilities in the project area and payments to the Authority's trustee for debt service on bonds and the Revenue Stabilization Fund.

Debt Service Funds:

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

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

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 construction in the historical Yorktown area including the wharf and waterfront interpretive area, the Riverwalk area, and streets and sidewalks. 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 new 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, 2010

	Special Revenue					
ASSETS	**Children & Family Services**	**Virginia Public Assistance**	**Law Library**	**Community Development Authority Revenue Account**	**Stormwater Capital Project**	**Total Nonmajor Governmental Funds**
Cash and investments	$ 825,680	$ -	$ 11,019	$ 56,758	$ 2,356,204	$ 3,249,661
Receivables, net	12,080	608,584	-	89,875	131,883	842,422
Due from other funds	-	603,825	-	-	51,826	655,651
Prepaid expenditures	1,950	4,047	-	-	-	5,997
Total assets	$ 839,710	$ 1,216,456	$ 11,019	$ 146,633	$ 2,539,913	$ 4,753,731
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 10,717	$ 139,773	$ -	$ 144,985	$ 66,751	$ 362,226
Retainage payable	-	-	-	-	2,127	2,127
Salaries, taxes and benefits payable	80,134	179,976	-	-	-	260,110
Deferred revenue	-	-	-	1,648	169,605	171,253
Total liabilities	90,851	319,749	-	146,633	238,483	795,716
Fund balances:						
Reserved for encumbrances	1,489	4,928	-	-	2,735,176	2,741,593
Reserved for prepaid expenditures	1,950	4,047	-	-	-	5,997
Unreserved:						
Designated for subsequent year's expenditures:						
Special revenue funds	24,368	-	-	-	-	24,368
Undesignated, reported in:						
Special revenue funds	721,052	887,732	11,019	-	-	1,619,803
Capital project fund	-	-	-	-	(433,746)	(433,746)
Total fund balances	748,859	896,707	11,019	-	2,301,430	3,958,015
Total liabilities and fund balances	$ 839,710	$ 1,216,456	$ 11,019	$ 146,633	$ 2,539,913	$ 4,753,731

COUNTY OF YORK, VIRGINIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2010

	Special Revenue				Debt Service			
REVENUES	**Children & Family Services**	**Virginia Public Assistance**	**Law Library**	**Community Development Authority Revenue Account**	**County**	**Education**	**Stormwater Capital Project**	**Total Nonmajor Governmental Funds**
General property taxes	$ -	$ -	$ -	$ 107,797	$ -	$ -	$ -	$ 107,797
Other local taxes	-	-	-	693,203	-	-	-	693,203
Intergovernmental:								
Federal	979,595	2,371,911	-	-	-	-	-	3,351,506
State	-	1,756,968	-	-	-	-	85,000	1,841,968
Use of money and property	9,745	-	132	2,303	5,876	-	26,880	44,936
Charges for services	14,522	1,534	9,228	-	-	-	475	25,759
Miscellaneous	5,114	-	-	-	-	59,652	835	65,601
Recovered costs	-	228,112	-	-	-	505,580	-	733,692
Total revenues	1,008,976	4,358,525	9,360	803,303	5,876	565,232	113,190	6,864,462
EXPENDITURES								
Current:								
Judicial services	-	-	6,888	-	-	-	-	6,888
Education	-	-	-	-	-	4,201,101	-	4,201,101
Human services	1,258,358	6,102,690	-	-	-	-	-	7,361,048
Nondepartmental	-	-	-	527,678	-	-	-	527,678
Capital outlay	-	-	-	-	-	-	883,068	883,068
Debt service:								
Principal retirement	-	-	-	-	1,313,359	4,443,836	-	5,757,195
Interest and fiscal charges	-	-	-	-	1,450,550	2,947,136	-	4,397,686
Other costs of debt issuance	-	-	-	-	-	52,621	-	52,621
Total expenditures	1,258,358	6,102,690	6,888	527,678	2,763,909	11,644,694	883,068	23,187,285
Excess (deficiency) of revenues over (under) expenditures	(249,382)	(1,744,165)	2,472	275,625	(2,758,033)	(11,079,462)	(769,878)	(16,322,823)
OTHER FINANCING SOURCES (USES)								
Insurance recovery	150	-	-	-	-	-	-	150
Transfers in	350,036	2,264,130	-	-	2,763,899	6,833,240	654,606	12,865,911
Issuance of debt	-	-	-	-	-	4,180,000	-	4,180,000
Premium on issuance of debt	-	-	-	-	-	66,222	-	66,222
Transfers out	-	-	-	(275,625)	(5,866)	-	-	(281,491)
Total other financing sources and uses	350,186	2,264,130	-	(275,625)	2,758,033	11,079,462	654,606	16,830,792
Net change in fund balances	100,804	519,965	2,472	-	-	-	(115,272)	507,969
Fund balances, beginning of year	648,055	376,742	8,547	-	-	-	2,416,702	3,450,046
Fund balances, end of year	$ 748,859	$ 896,707	$ 11,019	$ -	$ -	$ -	$ 2,301,430	$ 3,958,015

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2010

	Children and Family Services				Virginia Public Assistance			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	$ 890,319	$ 936,265	$ 979,595	$ 43,330	$ 2,546,910	$ 2,546,910	$ 2,371,911	$ (174,999)
State	-	-	-	-	1,806,640	1,928,396	1,756,968	(171,428)
Use of money and property	10,000	10,000	9,745	(255)	-	-	-	-
Charges for services	10,400	10,400	14,522	4,122	-	-	1,534	1,534
Miscellaneous	2,000	4,735	5,114	379	-	-	-	-
Recovered costs	-	-	-	-	194,700	194,700	228,112	33,412
Total revenues	912,719	961,400	1,008,976	47,576	4,548,250	4,670,006	4,358,525	(311,481)
EXPENDITURES								
Current:								
Human services	1,353,924	1,402,547	1,258,358	144,189	6,827,303	6,949,059	6,102,690	846,369
Total expenditures	1,353,924	1,402,547	1,258,358	144,189	6,827,303	6,949,059	6,102,690	846,369
Excess (deficiency) of revenues over (under) expenditures	(441,205)	(441,147)	(249,382)	191,765	(2,279,053)	(2,279,053)	(1,744,165)	534,888
OTHER FINANCING SOURCES (USES)								
Insurance recovery	-	150	150	-	-	-	-	-
Transfers in	350,036	350,036	350,036	-	2,279,053	2,279,053	2,264,130	(14,923)
Total other financing sources and uses	350,036	350,186	350,186	-	2,279,053	2,279,053	2,264,130	(14,923)
Net change in fund balances	(91,169)	(90,961)	100,804	191,765	-	-	519,965	519,965
Fund balances, beginning of year	648,055	648,055	648,055	-	376,742	376,742	376,742	-
Fund balances, end of year	$ 556,886	$ 557,094	$ 748,859	$ 191,765	$ 376,742	$ 376,742	$ 896,707	$ 519,965

	Law Library				Community Development Authority Revenue Account			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
General property taxes	$ -	$ -	$ -	$ -	$ 650,000	$ 650,000	$ 107,797	$ (542,203)
Other local taxes	-	-	-	-	1,400,000	1,400,000	693,203	(706,797)
Use of money and property	300	300	132	(168)	-	-	2,303	2,303
Charges for services	8,055	8,055	9,228	1,173	-	-	-	-
Total revenues	8,355	8,355	9,360	1,005	2,050,000	2,050,000	803,303	(1,246,697)
EXPENDITURES								
Current:								
Judicial services	8,355	8,355	6,888	1,467	-	-	-	-
Nondepartmental	-	-	-	-	1,274,422	1,274,422	527,678	746,744
Total expenditures	8,355	8,355	6,888	1,467	1,274,422	1,274,422	527,678	746,744
Excess (deficiency) of revenues over (under) expenditures	-	-	2,472	2,472	775,578	775,578	275,625	(499,953)
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	(775,578)	(775,578)	(275,625)	499,953
Total other financing sources and uses	-	-	-	-	(775,578)	(775,578)	(275,625)	499,953
Net change in fund balances	-	-	2,472	2,472	-	-	-	-
Fund balances, beginning of year	8,547	8,547	8,547	-	-	-	-	-
Fund balances, end of year	$ 8,547	$ 8,547	$ 11,019	$ 2,472	$ -	$ -	$ -	$ -

	Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
General property taxes	$ 650,000	$ 650,000	$ 107,797	$ (542,203)
Other local taxes	1,400,000	1,400,000	693,203	(706,797)
Intergovernmental				
Federal	3,437,229	3,483,175	3,351,506	(131,669)
State	1,806,640	1,928,396	1,756,968	(171,428)
Use of money and property	10,300	10,300	12,180	1,880
Charges for services	18,455	18,455	25,284	6,829
Miscellaneous	2,000	4,735	5,114	379
Recovered costs	194,700	194,700	228,112	33,412
Total revenues	7,519,324	7,689,761	6,180,164	(1,509,597)
EXPENDITURES				
Current:				
Judicial services	8,355	8,355	6,888	1,467
Human services	8,181,227	8,351,606	7,361,048	990,558
Nondepartmental	1,274,422	1,274,422	527,678	746,744
Total expenditures	9,464,004	9,634,383	7,895,614	1,738,769
Excess (deficiency) of revenues over (under) expenditures	(1,944,680)	(1,944,622)	(1,715,450)	229,172
OTHER FINANCING SOURCES (USES)				
Transfers in	2,629,089	2,629,089	2,614,166	(14,923)
Insurance recovery	-	150	150	-
Transfers out	(775,578)	(775,578)	(275,625)	499,953
Total other financing sources and uses	1,853,511	1,853,661	2,338,691	485,030
Net change in fund balances	(91,169)	(90,961)	623,241	714,202
Fund balances, beginning of year	1,033,344	1,033,344	1,033,344	-
Fund balances, end of year	$ 942,175	$ 942,383	$ 1,656,585	$ 714,202

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Debt Service Funds
For the Year Ended June 30, 2010

	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								
Use of money and property	$ -	$ 5,876	$ 5,876	$ -	$ -	$ -	$ -	$ -
Miscellaneous	-	-	-	-	-	59,652	59,652	-
Recovered costs	-	-	-	-	505,581	505,581	505,580	(1)
Total revenue	-	5,876	5,876	-	505,581	565,233	565,232	(1)
EXPENDITURES								
Education	-	-	-	-	-	4,201,101	4,201,101	-
Debt service:								
Principal retirement	1,313,353	1,313,359	1,313,359	-	4,443,836	4,443,836	4,443,836	-
Interest and fiscal charges	1,456,290	1,450,550	1,450,550	-	2,948,489	2,947,136	2,947,136	-
Other costs of issuance	-	-	-	-	-	52,621	52,621	-
Total expenditures	2,769,643	2,763,909	2,763,909	-	7,392,325	11,644,694	11,644,694	-
Excess (deficiency) of revenues over (under) expenditures	(2,769,643)	(2,758,033)	(2,758,033)	-	(6,886,744)	(11,079,461)	(11,079,462)	(1)
OTHER FINANCING SOURCES (USES)								
Transfers in	2,769,643	2,763,899	2,763,899	-	6,886,744	6,833,239	6,833,240	1
Issuance of debt	5,500,000	-	-	-	-	4,180,000	4,180,000	-
Premium on issuance of debt	-	-	-	-	-	66,222	66,222	-
Transfers out	(5,500,000)	(5,866)	(5,866)	-	-	-	-	-
Total other financing sources and uses	2,769,643	2,758,033	2,758,033	-	6,886,744	11,079,461	11,079,462	1
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Use of money and property	$ -	$ 5,876	$ 5,876	$ -
Miscellaneous	-	59,652	59,652	-
Recovered costs	505,581	505,581	505,580	(1)
Total revenue	505,581	571,109	571,108	(1)
EXPENDITURES				
Education	-	4,201,101	4,201,101	-
Debt service:				
Principal retirement	5,757,189	5,757,195	5,757,195	-
Interest and fiscal charges	4,404,779	4,397,686	4,397,686	-
Other costs of issuance	-	52,621	52,621	-
Total expenditures	10,161,968	14,408,603	14,408,603	-
Excess (deficiency) of revenues over (under) expenditures	(9,656,387)	(13,837,494)	(13,837,495)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,656,387	9,597,138	9,597,139	1
Issuance of debt	5,500,000	4,180,000	4,180,000	-
Premium on issuance of debt	-	66,222	66,222	-
Transfers out	(5,500,000)	(5,866)	(5,866)	-
Total other financing sources and uses	9,656,387	13,837,494	13,837,495	1
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Capital Project Funds
For the Year Ended June 30, 2010

	Stormwater Fund				Yorktown Capital Improvements			
REVENUES	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**
Intergovernmental - State	$ -	$ 259,030	$ 85,000	$ (174,030)	$ -	$ -	$ -	$ -
Use of money and property	30,000	30,000	26,880	(3,120)	-	-	24,302	24,302
Charges for services	17,000	17,000	475	(16,525)	-	-	-	-
Miscellaneous	-	-	835	835	-	-	-	-
Total revenues	47,000	306,030	113,190	(192,840)	-	-	24,302	24,302
EXPENDITURES								
Capital outlay	8,417,775	8,417,775	883,068	7,534,707	309,855	312,655	5,000	307,655
Total expenditures	8,417,775	8,417,775	883,068	7,534,707	309,855	312,655	5,000	307,655
Excess (deficiency) of revenues over (under) expenditures	(8,370,775)	(8,111,745)	(769,878)	7,341,867	(309,855)	(312,655)	19,302	331,957
OTHER FINANCING SOURCES (USES)								
Insurance recovery	-	-	-	-	-	2,800	2,800	-
Transfers in	6,150,000	650,000	654,606	4,606	100,000	221,504	156,981	(64,523)
Total other financing sources and uses	6,150,000	650,000	654,606	4,606	100,000	224,304	159,781	(64,523)
Net change in fund balances	(2,220,775)	(7,461,745)	(115,272)	7,346,473	(209,855)	(88,351)	179,083	267,434
Fund balances (deficit), beginning of year	2,416,702	2,416,702	2,416,702	-	(8,084,831)	(8,084,831)	(8,084,831)	-
Fund balances (deficit), end of year	$ 195,927	$ (5,045,043)	$ 2,301,430	$ 7,346,473	$ (8,294,686)	$ (8,173,182)	$ (7,905,748)	$ 267,434

	County Capital				Total			
REVENUES	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**
Intergovernmental:								
Federal	$ -	$ 2,159,525	$ 130,370	$ (2,029,155)	$ -	$ 2,159,525	$ 130,370	$ (2,029,155)
State	-	-	723,755	723,755	-	259,030	808,755	549,725
Local	-	127,050	227,050	100,000	-	127,050	227,050	100,000
Use of money and property	200,000	200,000	77,329	(122,671)	230,000	230,000	128,511	(101,489)
Charges for services	-	-	-	-	17,000	17,000	475	(16,525)
Miscellaneous	-	-	940	940	-	-	1,775	1,775
Recovered costs	-	-	282,343	282,343	-	-	282,343	282,343
Total revenues	200,000	2,486,575	1,441,787	(1,044,788)	247,000	2,792,605	1,579,279	(1,213,326)
EXPENDITURES								
Education	1,313,256	1,313,256	1,172,000	141,256	1,313,256	1,313,256	1,172,000	141,256
Capital outlay	15,091,051	17,716,616	3,445,532	14,271,084	23,818,681	26,447,046	4,333,600	22,113,446
Total expenditures	16,404,307	19,029,872	4,617,532	14,412,340	25,131,937	27,760,302	5,505,600	22,254,702
Excess (deficiency) of revenues over (under) expenditures	(16,204,307)	(16,543,297)	(3,175,745)	13,367,552	(24,884,937)	(24,967,697)	(3,926,321)	21,041,376
OTHER FINANCING SOURCES (USES)								
Insurance recovery	-	179,115	179,115	-	-	181,915	181,915	-
Transfers in	2,295,834	2,301,700	2,044,149	(257,551)	8,545,834	3,173,204	2,855,736	(317,468)
Total other financing sources and uses	2,295,834	2,480,815	2,223,264	(257,551)	8,545,834	3,355,119	3,037,651	(317,468)
Net change in fund balances	(13,908,473)	(14,062,482)	(952,481)	13,110,001	(16,339,103)	(21,612,578)	(888,670)	20,723,908
Fund balances (deficit), beginning of year	19,404,324	19,404,324	19,404,324	-	13,736,195	13,736,195	13,736,195	-
Fund balances (deficit), end of year	$ 5,495,851	$ 5,341,842	$ 18,451,843	$ 13,110,001	$ (2,602,908)	$ (7,876,383)	$ 12,847,525	$ 20,723,908

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.

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2010

	Yorktown Operations	York Sanitary District	Upper County Utility	Solid Waste	Water Utility	Sanitary District No. 2	Regional Radio System	Total
ASSETS								
Current assets:								
Cash and investments	$ 82,627	$ 202	$ -	$ 1,038,108	$ 1,837,226	$ -	$ 345,731	$ 3,303,894
Restricted cash	-	-	-	226,846	-	-	2,013,383	2,240,229
Receivables, net	12,051	-	-	522,220	54,865	-	23,173	612,309
Due from other funds	-	-	-	-	103,651	-	-	103,651
Due from component unit - EDA	58,574	-	-	-	-	-	-	58,574
Prepaid expenses	-	-	-	1,382	533	-	-	1,915
Total current assets	153,252	202	-	1,788,556	1,996,275	-	2,382,287	6,320,572
Noncurrent assets:								
Deferred charges	-	-	-	76,645	-	-	-	76,645
Less accumulated amortization	-	-	-	(58,765)	-	-	-	(58,765)
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	430,852	-	251,854	-	3,462,352
Construction in progress	-	-	-	91,380	8,273	-	29,995	129,648
Depreciable capital assets:								
Buildings and improvements	-	783,982	-	1,845,905	-	2,699,159	-	5,329,046
Infrastructure	-	2,254,362	767,391	163,209	185,623	19,956,345	-	23,326,930
Equipment	-	446,216	-	27,766	-	453,831	-	927,813
Vehicles	-	-	-	666,921	-	-	-	666,921
Less accumulated depreciation	-	(2,612,991)	(420,389)	(1,900,495)	(25,599)	(15,331,705)	-	(20,291,179)
Total noncurrent assets	2,707,736	909,485	380,996	1,343,418	168,297	8,029,484	29,995	13,569,411
Total assets	$ 2,860,988	$ 909,687	$ 380,996	$ 3,131,974	$ 2,164,572	$ 8,029,484	$ 2,412,282	$ 19,889,983
LIABILITIES								
Current liabilities:								
Accounts payable	$ 1,584	$ -	$ -	$ 240,836	$ 19,266	$ -	$ 9,310	$ 270,996
Salaries, taxes and benefits payable	-	-	-	58,457	18,059	-	-	76,516
Unearned revenue	24	-	-	-	-	-	2,013,383	2,013,407
Accrued interest payable	-	-	-	2,492	-	-	-	2,492
Capital leases - current	-	-	-	185,000	-	-	-	185,000
Compensated absences -current	-	-	-	475	405	-	-	880
Total current liabilities	1,608	-	-	487,260	37,730	-	2,022,693	2,549,291
Noncurrent liabilities:								
Capital leases - net current	-	-	-	195,000	-	-	-	195,000
Compensated absences - net current	-	-	-	26,627	2,425	-	-	29,052
Advance from other fund	2,800,000	-	-	-	-	-	-	2,800,000
Total noncurrent liabilities	2,800,000	-	-	221,627	2,425	-	-	3,024,052
Total liabilities	2,801,608	-	-	708,887	40,155	-	2,022,693	5,573,343
NET ASSETS								
Invested in capital assets, net of related debt	2,707,736	909,485	380,996	963,418	168,297	8,029,484	29,995	13,189,411
Restricted for debt service	-	-	-	226,846	-	-	-	226,846
Unrestricted	(2,648,356)	202	-	1,232,823	1,956,120	-	359,594	900,383
Total net assets	59,380	909,687	380,996	2,423,087	2,124,417	8,029,484	389,589	14,316,640
Total liabilities and net assets	$ 2,860,988	$ 909,687	$ 380,996	$ 3,131,974	$ 2,164,572	$ 8,029,484	$ 2,412,282	$ 19,889,983

COUNTY OF YORK, VIRGINIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Year Ended June 30, 2010

	Yorktown Operations	York Sanitary District	Upper County Utility	Solid Waste	Water Utility	Sanitary District No. 2	Regional Radio System	Total
Operating Revenues								
Use of property	$ 82,589	$ -	$ -	$ -	$ -	$ -	$ 903,155	$ 985,744
Charges for services	59,247	-	-	3,452,153	360,297	-	-	3,871,697
Miscellaneous	876	-	-	11,458	240	-	-	12,574
Total operating revenues	142,712	-	-	3,463,611	360,537	-	903,155	4,870,015
Operating Expenses								
Personal services	-	-	-	715,424	78,210	-	-	793,634
Contractual services	118,707	-	-	3,326,003	23,454	-	1,448,965	4,917,129
Materials and supplies	3,830	-	-	106,614	339,265	-	75,114	524,823
Depreciation	-	45,141	15,748	127,192	3,713	394,205	-	585,999
Amortization	-	-	-	7,665	-	-	-	7,665
Total operating expenses	122,537	45,141	15,748	4,282,898	444,642	394,205	1,524,079	6,829,250
Operating income (loss)	20,175	(45,141)	(15,748)	(819,287)	(84,105)	(394,205)	(620,924)	(1,959,235)
Nonoperating Revenues (Expenses)								
Grant income	-	-	-	10,070	-	-	38,337	48,407
Interest income	1,704	-	-	10,503	18,823	-	17,661	48,691
Interest expense	-	-	-	(21,920)	-	-	-	(21,920)
Gain (loss) on disposal of capital assets	-	-	-	(1,149)	-	917	-	(232)
Donated property	-	-	-	-	(152,140)	-	-	(152,140)
Total nonoperating revenues (expenses)	1,704	-	-	(2,496)	(133,317)	917	55,998	(77,194)
Income (loss) before contributions and transfers	21,879	(45,141)	(15,748)	(821,783)	(217,422)	(393,288)	(564,926)	(2,036,429)
Capital Contributions	-	-	-	190,405	123,618	-	-	314,023
Transfers In	-	10	-	1,000,000	1,009,211	-	698,302	2,707,523
Transfers out	-	-	-	(7,617)	-	(917)	-	(8,534)
Change in net assets	21,879	(45,131)	(15,748)	361,005	915,407	(394,205)	133,376	976,583
Total net assets, beginning of year	37,501	954,818	396,744	2,062,082	1,209,010	8,423,689	256,213	13,340,057
Total net assets, end of year	$ 59,380	$ 909,687	$ 380,996	$ 2,423,087	$ 2,124,417	$ 8,029,484	$ 389,589	$ 14,316,640

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2010

	Yorktown Operations	York Sanitary District	Upper County Utility	Solid Waste	Water Utility	Sanitary District No. 2	Regional Radio System	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	$ 163,164	$ -	$ -	$ 3,435,104	$ 368,673	$ -	$ 896,355	$ 4,863,296
Other receipts	876	-	-	11,458	240	-	-	12,574
Payments to suppliers for goods and services	(123,211)	-	-	(3,425,956)	(412,672)	-	(1,525,996)	(5,487,835)
Payments to employees for services	-	-	-	(726,503)	(80,776)	-	-	(807,279)
Payments for interfund activity	(50,000)	-	-	(446)	(88,711)	-	-	(139,157)
Net cash used in operating activities	(9,171)	-	-	(706,343)	(213,246)	-	(629,641)	(1,558,401)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Operating grant	-	-	-	10,070	-	-	-	10,070
Transfers in	-	-	-	1,000,000	-	-	698,302	1,698,302
Net cash provided by noncapital financing activities	-	-	-	1,010,070	-	-	698,302	1,708,372
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Transfers in	-	10	-	-	1,009,211	-	-	1,009,221
Transfers out	-	-	-	(7,617)	-	(917)	-	(8,534)
Capital grant	-	-	-	-	-	-	2,051,720	2,051,720
Acquisition and construction of capital assets	-	-	-	-	(28,522)	-	(29,995)	(58,517)
Net proceeds from the disposal of capital assets	-	-	-	9,105	-	917	-	10,022
Principal paid on capital debt	-	-	-	(180,000)	-	-	-	(180,000)
Interest paid on capital debt	-	-	-	(23,100)	-	-	-	(23,100)
Net cash provided by (used in) capital and related financing activities	-	10	-	(201,612)	980,689	-	2,021,725	2,800,812
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	1,704	-	-	10,503	18,823	-	17,661	48,691
Net cash provided by investing activities	1,704	-	-	10,503	18,823	-	17,661	48,691
Net increase (decrease) in cash and cash equivalents	(7,467)	10	-	112,618	786,266	-	2,108,047	2,999,474
Cash and cash equivalents, beginning of year	90,094	192	-	1,152,336	1,050,960	-	251,067	2,544,649
Cash and cash equivalents, end of year	$ 82,627	$ 202	$ -	$ 1,264,954	$ 1,837,226	$ -	$ 2,359,114	$ 5,544,123
Reconciliation of cash and cash equivalents to the Statement of Net Assets:								
Cash and investments	$ 82,627	$ 202	$ -	$ 1,038,108	$ 1,837,226	$ -	$ 345,731	3,303,894
Restricted cash - escrows	-	-	-	226,846	-	-	2,013,383	2,240,229
Cash and cash equivalents, end of year	$ 82,627	$ 202	$ -	$ 1,264,954	$ 1,837,226	$ -	$ 2,359,114	$ 5,544,123
Reconciliation of operating income (loss) to net cash used in operating activities:								
Operating income (loss)	$ 20,175	$ (45,141)	$ (15,748)	$ (819,287)	$ (84,105)	$ (394,205)	$ (620,924)	$ (1,959,235)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:								
Depreciation	-	45,141	15,748	127,192	3,713	394,205	-	585,999
Amortization	-	-	-	7,665	-	-	-	7,665
(Increase) decrease in:								
Receivables	207	-	-	(17,049)	8,376	-	(6,800)	(15,266)
Due from other funds	-	-	-	-	(84,218)	-	-	(84,218)
Due from component unit - EDA	21,122	-	-	-	-	-	-	21,122
Prepaid expenses	-	-	-	4,255	1,340	-	-	5,595
Increase (decrease) in:								
Accounts payable	(674)	-	-	6,661	(1,461)	-	(1,917)	2,609
Retainage payable	-	-	-	-	(48,492)	-	-	(48,492)
Salaries, taxes and benefits payable	-	-	-	(13,733)	(2,006)	-	-	(15,739)
Unearned revenue	(1)	-	-	-	-	-	-	(1)
Due to other funds	-	-	-	(446)	(4,493)	-	-	(4,939)
Compensated absences	-	-	-	(1,601)	(1,900)	-	-	(3,501)
Advance from other fund	(50,000)	-	-	-	-	-	-	(50,000)
Net cash used in operating activities	$ (9,171)	$ -	$ -	$ (706,343)	$ (213,246)	$ -	$ (629,641)	$ (1,558,401)
Noncash investing, capital, and financing activities:								
Contributions of capital assets	$ -	$ -	$ -	$ 190,405	$ 123,618	$ -	$ -	$ 314,023
Donated property	$ -	$ -	$ -	$ -	$ (152,140)	$ -	$ -	$ (152,140)

INTERNAL SERVICE FUNDS

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 2,526,108	$ 1,480,830	$ 4,006,938
Receivable, net	73,258	2,555	75,813
Prepaid expenses	1,193	-	1,193
Total current assets	2,600,559	1,483,385	4,083,944
Noncurrent assets:			
Nondepreciable capital assets:			
Construction in progress	135,585	-	135,585
Depreciable capital assets:			
Land improvements	221,446	-	221,446
Equipment	770,352	-	770,352
Vehicles	5,115,233	-	5,115,233
Less accumulated depreciation	(3,271,074)	-	(3,271,074)
Total noncurrent assets	2,971,542	-	2,971,542
Total assets	$ 5,572,101	$ 1,483,385	$ 7,055,486
LIABILITIES			
Current liabilities:			
Accounts payable	$ 169,474	$ -	$ 169,474
Salaries, taxes and benefits payable	51,407	33,158	84,565
Due to other funds	1,905	170,518	172,423
Compensated absences - current	2,285	-	2,285
Total current liabilities	225,071	203,676	428,747
Noncurrent liabilities:			
Compensated absences - net current	68,358	-	68,358
Net OPEB obligation	-	1,279,709	1,279,709
Total noncurrent liabilities	68,358	1,279,709	1,348,067
Total liabilities	293,429	1,483,385	1,776,814
NET ASSETS			
Invested in capital assets, net of related debt	2,971,542	-	2,971,542
Unrestricted	2,307,130	-	2,307,130
Total net assets	5,278,672	-	5,278,672
Total liabilities and net assets	$ 5,572,101	$ 1,483,385	$ 7,055,486

COUNTY OF YORK, VIRGINIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended June 30, 2010

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
Operating Revenues			
Charges for services	$ 3,699,150	$ -	$ 3,699,150
Miscellaneous	48,076	-	48,076
Total operating revenues	3,747,226	-	3,747,226
Operating Expenses			
Personal services	788,281	750,474	1,538,755
Contractual services	366,805	-	366,805
Materials and supplies	1,837,404	-	1,837,404
Depreciation	591,683	-	591,683
Total operating expenses	3,584,173	750,474	4,334,647
Operating income (loss)	163,053	(750,474)	(587,421)
Nonoperating Revenues (Expenses)			
Interest income	24,207	7,944	32,151
Loss on disposal of capital assets	(14,268)	-	(14,268)
Total nonoperating revenues (expenses)	9,939	7,944	17,883
Income (loss) before contributions and transfers	172,992	(742,530)	(569,538)
Capital Contributions	357,020	-	357,020
Transfers In	-	742,530	742,530
Change in net assets	530,012	-	530,012
Total net assets, beginning of year	4,748,660	-	4,748,660
Total net assets, end of year	$ 5,278,672	$ -	$ 5,278,672

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 3,690,273	$ -	$ 3,690,273
Receipts from interfund activity	1,251	168,501	169,752
Other receipts	48,076	-	48,076
Payments to suppliers for goods and services	(2,178,812)	-	(2,178,812)
Payments to employees for services	(808,242)	(140,954)	(949,196)
Net cash provided by operating activities	752,546	27,547	780,093
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	742,530	742,530
Net cash provided by noncapital financing activities	-	742,530	742,530
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(769,230)	-	(769,230)
Net proceeds from the disposal of capital assets	79,008	-	79,008
Net cash used in capital and related financing activities	(690,222)	-	(690,222)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	26,830	8,333	35,163
Net cash provided by investing activities	26,830	8,333	35,163
Net increase in cash and cash equivalents	89,154	778,410	867,564
Cash and cash equivalents, beginning of year	2,436,954	702,420	3,139,374
Cash and cash equivalents, end of year	$ 2,526,108	$ 1,480,830	$ 4,006,938
Reconciliation of cash and cash equivalents to the Statement of Net Assets:			
Cash and investments	$ 2,526,108	$ 1,480,830	$ 4,006,938
Cash and cash equivalents, end of year	$ 2,526,108	$ 1,480,830	$ 4,006,938
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 163,053	$ (750,474)	$ (587,421)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	591,683	-	591,683
Decrease (increase) in:			
Receivables	(8,877)	(1,834)	(10,711)
Due from other funds	-	260	260
Prepaid expenses	3,609	-	3,609
Increase (decrease) in:			
Accounts payable	25,397	-	25,397
Salaries, taxes and benefits payable	(11,418)	3,692	(7,726)
Due to other funds	1,251	168,241	169,492
Compensated absences	(12,152)	-	(12,152)
Net OPEB obligation	-	607,662	607,662
Net cash provided by operating activities	$ 752,546	$ 27,547	$ 780,093
Noncash investing, capital, and financing activities:			
Contributions of capital assets	$ 357,020	$ -	$ 357,020

AGENCY FUNDS

Colonial Services Board - accounts for fiscal agency funds held for the Colonial Services Board.

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

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

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

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

> **Peninsula Public Sports Facility Authority** - accounts for fiscal agency funds held for the Peninsula Public Sports Facility Authority.
>
> **Darby-Firby Neighborhood Corporation Fund** - accounts for fiscal agency funds held for the Darby-Firby Neighborhood Corporation.
>
> **Library Donations Fund** - accounts for fiscal agency funds held for the Library Board.

COUNTY OF YORK, VIRGINIA
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2010

Assets	Colonial Services Board	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
Cash and investments	$ 3,524,577	$ 441,345	$ 46,481	$ -	$ 206,546	$ 4,218,949
Other receivables	11,843	3,965	29,800	84,624	1	130,233
Total assets	$ 3,536,420	$ 445,310	$ 76,281	$ 84,624	$ 206,547	$ 4,349,182
Liabilities						
Accounts payable	$ 369,552	$ 8,630	$ 24,118	$ 84,624	$ -	$ 486,924
Salaries, taxes and benefits payable	399,642	74,437	-	-	-	474,079
Amounts held for others	2,767,226	362,243	52,163	-	206,547	3,388,179
Total liabilities	$ 3,536,420	$ 445,310	$ 76,281	$ 84,624	$ 206,547	$ 4,349,182

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2010

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Services Board				
Assets				
Cash and investments	$ 3,052,738	$ 13,481,372	$ 13,009,533	$ 3,524,577
Other receivables	103,789	11,843	103,789	11,843
Total assets	$ 3,156,527	$ 13,493,215	$ 13,113,322	$ 3,536,420
Liabilities				
Accounts payable	$ 151,819	$ 369,552	$ 151,819	$ 369,552
Salaries, taxes and benefits payable	572,594	72,668	245,620	399,642
Amounts held for others	2,432,114	13,050,995	12,715,883	2,767,226
Total liabilities	$ 3,156,527	$ 13,493,215	$ 13,113,322	$ 3,536,420
Colonial Group Home Commission				
Assets				
Cash and investments	$ 485,867	$ 1,812,911	$ 1,857,433	$ 441,345
Other receivables	7,116	723,803	726,954	3,965
Total assets	$ 492,983	$ 2,536,714	$ 2,584,387	$ 445,310
Liabilities				
Accounts payable	$ 10,192	$ 8,630	$ 10,192	$ 8,630
Salaries, taxes and benefits payable	92,191	29,741	47,495	74,437
Amounts held for others	390,600	2,498,343	2,526,700	362,243
Total liabilities	$ 492,983	$ 2,536,714	$ 2,584,387	$ 445,310
Special Welfare				
Assets				
Cash and investments	$ 56,242	$ 97,108	$ 106,869	$ 46,481
Other receivables	-	29,800	-	29,800
	$ 56,242	$ 126,908	$ 106,869	$ 76,281
Liabilities				
Accounts payable	$ -	$ 24,118	$ -	$ 24,118
Amounts held for others	56,242	102,790	106,869	52,163
Total liabilities	$ 56,242	$ 126,908	$ 106,869	$ 76,281
Regional Projects				
Assets				
Cash and investments	$ 50,104	$ 1,006,392	$ 1,056,496	$ -
Other receivables	66,046	84,624	66,046	84,624
Total assets	$ 116,150	$ 1,091,016	$ 1,122,542	$ 84,624
Liabilities				
Accounts payable	$ 116,150	$ 84,624	$ 116,150	$ 84,624
Amounts held for others	-	1,006,392	1,006,392	-
Total liabilities	$ 116,150	$ 1,091,016	$ 1,122,542	$ 84,624
Other Funds				
Assets				
Cash and investments	$ 22,271	$ 185,117	$ 842	$ 206,546
Other receivables	-	1	-	1
Total assets	$ 22,271	$ 185,118	$ 842	$ 206,547
Liabilities				
Amounts held for others	$ 22,271	$ 185,118	$ 842	$ 206,547
Total liabilities	$ 22,271	$ 185,118	$ 842	$ 206,547
Totals - All Agency Funds				
Assets				
Cash and investments	$ 3,667,222	$ 16,582,900	$ 16,031,173	$ 4,218,949
Other receivables	176,951	850,071	896,789	130,233
Total assets	$ 3,844,173	$ 17,432,971	$ 16,927,962	$ 4,349,182
Liabilities				
Accounts payable	$ 278,161	$ 486,924	$ 278,161	$ 486,924
Salaries, taxes and benefits payable	664,785	102,409	293,115	474,079
Amounts held for others	2,901,227	16,843,638	16,356,686	3,388,179
Total liabilities	$ 3,844,173	$ 17,432,971	$ 16,927,962	$ 4,349,182

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STATISTICAL SECTION

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

Contents:

Financial Trends (pages L-3, L-4, L-5, L-6, L-7 and L-8)
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity (pages L-9, L-10, L-11 and L-12)
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity (pages L-13, L-14, and L-15)
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information (pages L-16 and L-17)
These schedules offer demographic and economic indicators to help the reader understand how the environment within which the County's financial activities take place.

Operating Information (pages L-18, L-19 and L-20)
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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COUNTY OF YORK, VIRGINIA

Net Assets By Component - Accrual Basis of Accounting

Last Eight Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:								
Invested in capital assets, net of related debt	$ 58,434,789	$ 60,961,846	$ 68,935,110	$ 58,761,927	$ 58,063,581	$ 53,886,089	$ 32,867,347	$ 37,150,066
Restricted	10,723	1,713,484	17,605	26,547	306,867	1,416,039	6,768,508	1,329,505
Unrestricted	6,832,631	3,408,239	(6,044,992)	(9,510,796)	(9,492,312)	(2,007,832)	2,402,793	(3,600,441)
Total governmental activities net assets	$ 65,278,143	$ 66,083,569	$ 62,907,723	$ 49,277,678	$ 48,878,136	$ 53,294,296	$ 42,038,648	$ 34,879,130
Business-type Activities:								
Invested in capital assets, net of related debt	$ 95,113,023	$ 93,173,971	$ 99,168,724	$ 91,442,202	$ 83,735,002	$ 77,280,029	$ 73,605,861	$ 69,295,243
Restricted	314,833	314,693	313,785	312,456	457,985	419,025	372,366	481,700
Unrestricted	6,605,990	7,623,256	5,203,690	7,367,773	9,535,371	9,402,285	8,137,244	9,204,993
Total business-type activities net assets	$ 102,033,846	$ 101,111,920	$ 104,686,199	$ 99,122,431	$ 93,728,358	$ 87,101,339	$ 82,115,471	$ 78,981,936
Primary Government:								
Invested in capital assets, net of related debt	$ 153,547,812	$ 154,135,817	$ 168,103,834	$ 150,204,129	$ 141,798,583	$ 131,166,118	$ 106,473,208	$ 106,445,309
Restricted	325,556	2,028,177	331,390	339,003	764,852	1,835,064	7,140,874	1,811,205
Unrestricted	13,438,621	11,031,495	(841,302)	(2,143,023)	43,059	7,394,453	10,540,037	5,604,552
Total primary government net assets	$ 167,311,989	$ 167,195,489	$ 167,593,922	$ 148,400,109	$ 142,606,494	$ 140,395,635	$ 124,154,119	$ 113,861,066

Note: Reflects retroactive reporting to the year of GASB 34 implementation, June 30, 2003.

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

	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
General government	$ 3,281,995	$ 3,729,163	$ 3,450,703	$ 3,661,480	$ 4,012,732	$ 2,935,520	$ 2,694,972	$ 2,296,066
Judicial services	3,050,588	3,217,220	3,079,480	2,717,696	2,485,418	2,364,958	2,183,343	3,212,652
Public safety	29,913,451	29,469,455	27,466,315	25,729,808	24,020,296	20,785,091	17,992,604	15,408,525
Environmental and development services	4,588,243	4,293,152	4,181,043	5,102,854	3,734,376	3,371,442	2,923,736	2,541,461
Finance and planning	10,347,260	11,074,824	9,630,189	10,342,827	8,335,453	8,123,994	6,707,583	6,648,862
Education	52,749,950	53,460,125	45,742,991	55,247,261	56,619,850	36,804,422	37,737,823	40,141,165
Human services	8,888,070	8,751,468	8,594,261	8,031,668	7,713,122	7,616,519	6,900,059	6,478,473
General services	7,219,383	6,944,857	6,733,491	6,287,891	5,759,901	5,249,587	4,451,026	4,538,973
Community services	5,828,214	6,021,699	4,926,133	5,280,722	4,076,306	3,742,477	3,192,842	3,014,739
Interest and fiscal charges on noncurrent debt	4,393,098	4,144,723	3,708,287	3,883,116	3,624,871	3,139,152	3,031,935	2,564,368
Total governmental activities	130,260,252	131,106,686	117,512,893	126,285,323	120,382,325	94,133,162	87,815,923	86,845,284
Business-type activities:								
Sewer Utility	8,949,964	9,011,555	7,766,854	6,960,108	6,311,720	6,061,527	5,591,699	5,130,185
Water Utility	596,782	7,100,039	637,020	768,276	526,428	461,341	1,005,858	2,784,714
Solid Waste	4,305,967	4,228,895	4,203,909	4,366,338	3,803,501	4,298,743	4,639,612	3,999,337
Yorktown Operations	122,537	137,837	214,489	197,646	373,209	232,920	547,092	36,444
Sanitary Districts	455,094	534,583	469,312	483,459	611,426	578,398	578,398	557,550
Regional Radio System	1,524,079	58,246	32,826	-	-	-	-	-
Total business-type activities	15,954,423	21,071,155	13,324,410	12,775,827	11,626,284	11,632,929	12,362,659	12,508,230
Total primary government	$ 146,214,675	$ 152,177,841	$ 130,837,303	$ 139,061,150	$ 132,008,609	$ 105,766,091	$ 100,178,582	$ 99,353,514
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 112,626	$ 93,000	$ 91,605	$ 94,418	$ 67,823	$ 57,907	$ 43,829	$ 268
Judicial services	939,549	1,001,882	1,001,023	996,492	1,027,313	848,452	868,874	724,657
Public safety	1,773,303	1,081,644	980,923	566,118	550,938	310,781	311,082	93,295
Environmental and development services	529,167	657,892	822,526	1,015,870	874,000	904,135	610,078	705,600
Finance and planning	244,008	79,754	213,526	84,449	64,964	82,787	79,682	72,991
Education	944,383	671,289	375,062	664,019	775,129	491,438	67,918	76,316
Human services	371,921	423,252	373,751	252,905	239,712	120,518	81,202	92,189
General services	1,238,374	1,254,539	1,291,090	1,319,800	1,162,455	1,005,432	992,962	31,925
Community services	497,008	458,100	428,373	380,418	343,696	344,049	419,184	459,413
Operating grants and contributions	10,900,393	10,796,179	10,949,851	11,264,285	10,556,849	10,554,462	10,364,152	9,353,332
Capital grants and contributions	1,683,547	1,092,566	1,426,194	2,258,265	2,334,900	3,003,814	1,927,100	50,000
Total governmental activities	19,234,279	17,610,097	17,953,924	18,897,039	17,997,779	17,723,775	15,766,063	11,659,986
Business-type activities:								
Charges for services:								
Sewer Utility	6,878,901	7,353,075	7,010,571	7,394,850	7,058,534	6,365,257	6,233,117	6,811,936
Water Utility	360,297	718,736	790,208	723,962	919,793	591,514	689,201	1,028,343
Solid Waste	3,452,153	3,384,681	3,441,896	3,191,246	2,745,894	3,151,283	3,222,315	3,006,241
Yorktown Operations	141,836	335,753	324,592	76,636	53,718	10,554	-	4
Regional Radio System	903,155	200,053	125,620	-	-	-	-	-
Operating grants and contributions	10,070	-	455	573,544	-	-	-	-
Capital grants and contributions	1,027,138	1,742,277	3,500,028	2,126,944	3,319,300	2,914,078	3,088,844	3,270,704
Total business-type activities	12,773,550	13,734,575	15,193,370	14,087,182	14,097,239	13,032,686	13,233,477	14,117,228
Total primary government	$ 32,007,829	$ 31,344,672	$ 33,147,294	$ 32,984,221	$ 32,095,018	$ 30,756,461	$ 28,999,540	$ 25,777,214
Net (expense)/revenue								
Governmental activities	$ (111,025,973)	$ (113,496,589)	$ (99,558,969)	$ (107,388,284)	$ (102,384,546)	$ (76,409,387)	$ (72,049,860)	$ (75,185,298)
Business-type activities	(3,180,873)	(7,336,580)	1,868,960	1,311,355	2,470,955	1,399,757	870,818	1,608,998
Total primary government net expense	$ (114,206,846)	$ (120,833,169)	$ (97,690,009)	$ (106,076,929)	$ (99,913,591)	$ (75,009,630)	$ (71,179,042)	$ (73,576,300)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	75,669,094	79,616,260	73,269,069	69,702,015	62,707,281	57,318,146	53,252,406	50,045,082
Local sales and use taxes	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803	7,564,266	6,880,444	5,783,873
Hotel and motel room taxes	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860	1,830,095
Restaurant food taxes	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263	3,146,992
Business license taxes	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395	4,226,847	3,866,899	3,753,613
Motor vehicle licenses	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293	1,186,793
Franchise taxes	-	-	-	364,516	703,762	652,046	595,181	567,661
Taxes on recordation and wills	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075	1,190,722
Emergency telephone service taxes	-	-	-	352,343	717,810	728,098	745,135	780,394
Other local taxes	2,011,290	1,997,715	2,371,898	1,248,928	619,655	586,268	628,340	623,136
Personal property tax relief - Commonwealth of Virginia	8,550,746	8,547,502	8,737,103	8,760,459	9,138,457	8,582,184	7,874,695	7,632,438
Unrestricted investment earnings	256,284	1,070,698	2,331,247	2,659,404	1,767,067	829,682	445,578	649,878
Miscellaneous	683,799	1,037,292	550,278	1,016,178	875,600	750,914	639,664	672,757
Transfers	(3,913,865)	(3,330,542)	(3,201,992)	(3,207,179)	(3,414,294)	(3,304,595)	(2,813,431)	(2,384,634)
Extraordinary item - Hurricane	-	-	-	-	-	-	(674,702)	-
Total governmental activities	110,220,547	116,672,435	113,189,014	107,787,826	97,968,386	87,665,035	79,200,700	75,478,800
Business-type activities:								
Unrestricted investment earnings	125,061	289,168	463,923	559,177	441,818	270,832	116,428	140,400
Miscellaneous	62,956	142,591	28,893	316,362	299,952	10,684	66,078	38,206
Gain on sale of capital assets	917	-	-	-	-	-	-	-
Transfers	3,913,865	3,330,542	3,201,992	3,207,179	3,414,294	3,304,595	2,813,431	2,384,634
Extraordinary item - Hurricane	-	-	-	-	-	-	(733,220)	-
Total business-type activities	4,102,799	3,762,301	3,694,808	4,082,718	4,156,064	3,586,111	2,262,717	2,563,240
Total primary government	$ 114,323,346	$ 120,434,736	$ 116,883,822	$ 111,870,544	$ 102,124,450	$ 91,251,146	$ 81,463,417	$ 78,042,040
Change in Net Assets								
Governmental activities	$ (805,426)	$ 3,175,846	$ 13,630,045	$ 399,542	$ (4,416,160)	$ 11,255,648	$ 7,150,840	$ 293,502
Business-type activities	921,926	(3,574,279)	5,563,768	5,394,073	6,627,019	4,985,868	3,133,535	4,172,238
Total primary government	$ 116,500	$ (398,433)	$ 19,193,813	$ 5,793,615	$ 2,210,859	$ 16,241,516	$ 10,284,375	$ 4,465,740

Note: Reflects retroactive reporting to the year of GASB 34 implementation, June 30, 2003.

COUNTY OF YORK, VIRGINIA

Governmental Activities Tax Revenues By Source - Accrual Basis of Accounting

Last Eight Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003
Property tax	$ 75,669,094	$ 79,616,260	$ 73,269,069	$ 69,702,015	$ 62,707,281	$ 57,318,146	$ 53,252,406	$ 50,045,082
Local sales and use tax	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803	7,564,266	6,880,444	5,783,873
Hotel and motel room taxes	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860	1,830,095
Restaurant food taxes	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263	3,146,992
Business license taxes	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395	4,226,847	3,866,899	3,753,613
Motor vehicle licenses	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293	1,186,793
Franchise taxes	-	-	-	364,516	703,762	652,046	595,181	567,661
Taxes on recordation and wills	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075	1,190,722
Emergency telephone service	-	-	-	352,343	717,810	728,098	745,135	780,394
Other local taxes	2,011,290	1,997,715	2,371,898	1,248,928	619,655	586,268	628,340	623,136
Total	$ 104,643,583	$ 109,347,485	$ 104,772,378	$ 98,558,964	$ 89,601,556	$ 80,806,850	$ 73,728,896	$ 68,908,361

Note: Reflects retroactive reporting to the year of GASB 34 implementation, June 30, 2003.

COUNTY OF YORK, VIRGINIA

Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting

Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	$ 11,609,565	$ 12,371,540	$ 14,021,740	$ 15,645,170	$ 15,053,392	$ 12,324,185	$ 840,078	$ 871,235	$ 999,987	$ 837,006
Unreserved	39,851,251	39,493,924	39,412,194	32,796,722	23,753,571	23,464,140	32,175,762	30,564,306	27,688,542	28,282,843
Total general fund	$ 51,460,816	$ 51,865,464	$ 53,433,934	$ 48,441,892	$ 38,806,963	$ 35,788,325	$ 33,015,840	$ 31,435,541	$ 28,688,529	$ 29,119,849
All Other Governmental Funds										
Reserved	$ 12,413,276	$ 11,633,657	$ 7,297,735	$ 2,315,408	$ 2,741,390	$ 3,410,368	$ 5,822,775	$ 1,275,312	$ 451,446	$ 380,120
Unreserved, reported in:										
Special revenue funds	(6,686,125)	(7,518,113)	533,468	369,712	(37,149)	200,194	383,271	389,634	138,960	157,598
Debt service funds	-	-	-	-	-	-	-	-	703	1,119
Capital project funds	9,075,811	10,990,959	(7,771,767)	4,577,888	6,532,017	4,566,305	17,630,478	12,014,454	12,976,193	11,366,883
Total all other governmental funds	$ 14,802,962	$ 15,106,503	$ 59,436	$ 7,263,008	$ 9,236,258	$ 8,176,867	$ 23,836,524	$ 13,679,400	$ 13,567,302	$ 11,905,720

COUNTY OF YORK, VIRGINIA

Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting

Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
General property taxes	$ 75,850,691	$ 77,258,854	$ 73,378,206	$ 69,684,667	$ 62,683,368	$ 66,230,441	$ 60,746,643	$ 57,087,494	$ 53,621,815	$ 50,721,066
Other local taxes	28,997,406	29,646,843	31,393,679	28,747,770	26,790,657	23,388,472	20,306,785	18,703,090	17,333,797	16,314,813
Intergovernmental	20,179,204	19,489,917	20,355,321	20,847,757	21,502,588	12,978,471	9,589,864	9,615,713	9,385,055	8,758,167
Permits, fees and licenses	598,252	735,562	831,243	1,046,764	913,332	930,640	638,530	728,015	655,530	581,587
Fines and forfeitures	371,169	358,110	345,100	327,126	327,745	304,214	281,112	203,218	220,598	113,355
Use of money and property	623,904	1,384,103	2,579,157	2,924,334	2,052,750	1,296,955	743,322	939,010	1,363,315	2,564,644
Charges for services	2,759,517	2,630,683	2,757,316	2,578,634	2,403,509	2,216,468	2,318,497	1,060,310	790,722	701,506
Miscellaneous	581,827	611,039	484,469	753,369	874,117	393,477	433,621	376,807	573,861	316,693
Recovered costs	3,160,903	2,161,212	2,071,392	2,600,887	1,686,726	1,354,117	2,666,263	193,280	206,057	241,213
Total revenue	133,122,873	134,276,323	134,195,883	129,511,308	119,234,792	109,093,255	97,724,637	88,906,937	84,150,750	80,313,044
Expenditures										
General government	1,911,202	2,018,604	1,844,681	2,113,708	1,673,175	1,680,539	1,569,469	1,328,817	1,736,730	1,445,872
Judicial services	2,760,342	2,775,268	2,811,979	2,542,993	2,242,388	2,143,641	1,972,741	1,718,449	1,803,498	1,754,639
Public safety	27,326,021	26,970,154	25,451,641	23,780,172	23,712,329	19,923,126	17,532,025	16,086,937	14,701,921	13,867,702
Environmental and development services	3,580,740	3,572,643	3,440,043	3,364,588	3,090,005	2,739,985	2,431,389	2,340,682	2,193,928	2,069,455
Finance and planning	9,479,582	10,506,158	9,602,977	10,189,383	8,126,815	7,915,016	6,531,070	6,612,953	5,644,519	5,454,953
Education	52,623,555	53,222,468	45,330,434	55,134,646	56,476,027	36,694,856	37,637,781	39,973,688	2,056,874	1,774,025
Human services	8,833,985	8,747,132	8,615,083	7,991,893	7,660,822	7,615,543	6,896,253	6,476,991	6,124,278	5,747,846
General services	7,012,414	7,311,531	6,604,110	6,362,307	5,767,179	5,322,325	4,429,005	4,438,122	4,209,542	3,892,482
Community services	3,512,723	3,696,218	3,398,991	3,310,307	3,361,651	2,540,703	2,332,758	2,201,509	2,096,462	2,091,819
Non-departmental	1,913,583	1,881,882	1,667,624	1,939,030	1,400,428	1,013,420	819,901	850,293	816,495	613,848
Capital outlay	4,613,783	9,789,500	14,993,302	4,710,733	6,877,390	23,015,460	13,914,552	3,753,408	2,615,468	3,798,777
Debt service:										
Principal	5,814,490	5,574,780	5,672,147	5,165,611	4,693,813	4,605,268	3,926,184	3,359,221	3,117,288	3,294,930
Interest and fiscal charges	4,402,171	3,855,923	3,880,565	3,750,570	3,205,542	3,223,039	3,022,661	2,392,524	2,436,662	2,972,834
Other costs of debt issuance	52,621	328,015	-	4,339	7,355	-	180,583	6,619	567,059	-
Total expenditures	133,837,212	140,250,276	133,313,577	130,360,280	128,294,919	118,432,921	103,196,372	91,540,213	50,120,724	48,779,182
Excess (deficiency) of revenues over (under) expenditures	(714,339)	(5,973,953)	882,306	(848,972)	(9,060,127)	(9,339,666)	(5,471,735)	(2,633,276)	34,030,026	31,533,862
Other Financing Sources (Uses)										
Insurance recovery	206,459	34,680	78,629	188,175	30,465	40,170	7,249	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	18,390,000	-
Bonds issued	4,180,000	22,630,000	-	11,030,000	14,905,000	-	21,255,000	7,715,000	-	-
Note payable issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	66,222	523,691	-	274,451	797,573	-	228,544	286,319	1,152,911	-
Discount on bonds issued	-	-	-	-	-	-	(204,901)	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	(19,453,055)	-
Capital leases	-	151,400	148,428	286,890	971,921	-	-	-	65,560	121,800
Sale of capital and other assets	12,723	347,464	-	-	-	-	-	-	-	-
Transfers In	17,148,920	36,597,362	17,664,742	15,553,666	14,255,255	15,077,669	34,151,697	10,602,914	13,707,196	14,484,142
Transfers Out	(21,608,174)	(40,832,047)	(20,985,635)	(18,822,531)	(17,822,058)	(18,665,345)	(37,053,019)	(13,111,847)	(46,662,376)	(44,614,666)
Total other financing sources (uses)	6,150	19,452,550	(3,093,836)	8,510,651	13,138,156	(3,547,506)	18,384,570	5,492,386	(32,799,764)	(30,008,724)
Extraordinary Item - Hurricane	-	-	-	-	-	-	(674,702)	-	-	-
Net change in fund balances	$ (708,189)	$ 13,478,597	$ (2,211,530)	$ 7,661,679	$ 4,078,029	$(12,887,172)	$ 12,238,133	$ 2,859,110	$ 1,230,262	$ 1,525,138
Debt service as a percentage of noncapital expenditures (1)	7.9%	7.5%	8.1%	7.0%	6.6%	8.1%	7.9%	6.5%		

(1) Noncapital expenditures = total expenditures less amounts for capitalized assets on the Government-Wide Statement of Net Assets. Reflects retroactive reporting to the year of GASB 34 implementation, June 30, 2003.

COUNTY OF YORK, VIRGINIA

General Government Tax Revenues By Source - Modified Accrual Basis of Accounting

Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Property tax	$ 75,850,691	$ 77,258,854	$ 73,378,206	$ 69,684,667	$ 62,683,368	$ 66,230,441	$ 60,746,643	$ 57,087,494	$ 53,621,815	$ 50,721,066
Local sales and use tax	9,322,221	9,661,699	9,522,530	8,928,076	8,319,803	7,564,266	6,880,444	5,783,873	4,927,003	4,833,554
Hotel and motel room taxes	4,057,057	4,290,511	4,563,470	4,196,637	3,698,491	2,857,007	1,769,860	1,830,095	1,921,013	1,830,473
Restaurant food taxes	5,054,179	5,132,516	5,143,049	4,910,446	4,495,630	3,962,278	3,553,263	3,146,992	3,076,554	2,789,619
Business license taxes	5,470,052	5,487,494	6,712,236	5,455,784	4,957,395	4,226,847	3,866,899	3,753,613	3,315,908	3,253,758
Communications sales tax	1,376,864	1,371,148	1,509,095	647,120	-	-	-	-	-	-
Motor vehicle licenses	1,474,552	1,503,306	1,404,639	1,426,483	1,357,565	1,291,961	1,202,293	1,186,793	1,153,969	1,106,052
Franchise taxes	259	41	-	364,516	703,762	652,046	595,181	567,661	571,645	464,022
Taxes on recordation and wills	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164	1,619,933	1,235,075	1,190,722	1,138,693	938,960
Emergency telephone service taxes	-	-	-	352,343	717,810	728,098	745,135	780,394	765,825	767,233
Other local taxes	598,227	583,052	484,138	492,629	516,037	486,036	458,635	462,947	463,187	331,142
Total	$ 104,848,097	$ 106,905,697	$ 104,771,885	$ 98,432,437	$ 89,474,025	$ 89,618,913	$ 81,053,428	$ 75,790,584	$ 70,955,612	$ 67,035,879

COUNTY OF YORK, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	Real Property				Public Utility				
Year	Residential	Commercial	Personal Property	Mobile Home	Real Estate	Personal Property	CPC Equipment	Total Taxable Assessed Value	Total Direct Tax Rate
2010	$7,549,953,800	$1,411,273,300	$ 486,463,825	$ 4,021,600	$ 366,503,738	$ 129,147	$ 69,774,070	$9,888,119,480	$ 0.8211
2009	7,802,656,100	1,190,943,400	460,168,335	4,725,400	346,268,796	147,871	72,185,117	9,877,095,019	0.8123
2008	7,668,516,700	1,101,172,500	515,107,210	4,276,100	308,145,734	148,765	67,877,755	9,665,244,764	0.8348
2007	6,665,019,900	980,775,300	487,921,335	4,224,900	326,639,988	174,188	75,653,448	8,540,409,059	0.8850
2006	6,530,030,700	924,418,600	476,044,805	4,234,365	281,865,579	147,630	56,217,994	8,272,959,673	0.8866
2005	4,583,006,800	759,384,400	438,975,665	4,533,300	308,441,261	195,614	108,900,347	6,203,437,387	1.0399
2004	4,458,533,400	719,324,700	389,936,240	4,048,700	311,750,291	103,116	83,427,310	5,967,123,757	1.0628
2003	3,689,658,100	643,037,800	372,586,710	4,483,220	383,517,402	81,725	47,572,000	5,140,936,957	1.0860
2002	3,546,944,389	618,004,200	357,154,465	4,710,800	373,094,854	67,399	45,232,394	4,945,208,501	1.0852
2001	3,137,194,700	594,325,100	341,671,410	5,499,500	396,014,109	75,058	48,741,804	4,523,521,681	1.0954

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 at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value.

COUNTY OF YORK, VIRGINIA

Property Tax Rates

Last Ten Fiscal Years

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1)	Mobile Home (1) (3)	CPC Equipment (1) (3)
2010	0.6575	4.00	0.6575	0.526
2009	0.6575	4.00	0.6575	0.526
2008	0.6975/0.6575	4.00	0.6975/0.6575	0.558/0.526
2007	0.6975	4.00	0.6975	0.558
2006	0.8175/0.6975	4.00	0.8175/0.6975	0.654/0.558
2005	0.8175	4.00	0.8175	0.654
2004	0.86/0.8175	4.00	0.86/0.8175	0.688/0.654
2003	0.86	4.00	0.86	0.688
2002	0.86	4.00	0.86	0.688
2001	0.86	4.00	0.86	0.688

(1) Tax rate per $100 of assessed valuation.
(2) The amount designated for school operating is $0.502 for fiscal year 2010.
(3) The tax rate, 1st half/2nd half, if different.

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

COUNTY OF YORK, VIRGINIA

Principal Property Taxpayers

Calendar Year 2009 and Nine Years Prior*

Taxpayer	Description	2009 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2000 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	$ 366,433,825	1	3.67%	$ 371,961,690	1	8.51%
Lawyers Title/Fairfield Resorts	Timeshare condominiums	194,941,940	2	1.95%	89,183,980	2	2.04%
Western Refining Yorktown Inc.	Refinery	149,651,350	3	1.50%	81,329,335	3	1.86%
City of Newport News	Water system	87,703,200	4	0.88%	65,338,600	4	1.49%
Kings Creek Plantation	Timeshare condominiums	69,688,965	5	0.70%			
Great Wolf Lodge of Williamsburg, LLC	Hotel and water park	64,828,025	6	0.65%			
Premier Properties	Marquis shopping center	48,225,200	7	0.48%			
Busch Entertainment	Water park	46,613,770	8	0.47%	42,807,960	5	0.98%
Wal-Mart	Retail sales	35,853,505	9	0.36%			
Phillip Morris USA Inc.	Manufacturer	19,353,240	10	0.19%	12,471,000	9	0.29%
Bell Atlantic	Telephone company				24,055,063	6	0.55%
Virginia Natural Gas	Natural gas company				19,204,128	7	0.44%
Kiln Creek Shopping Center	Retail sales				17,878,400	8	0.41%
K-Mart	Retail sales				10,564,170	10	0.24%
Total		$ 1,083,293,020		10.84%	$ 734,794,326		16.81%

*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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Collections in Subsequent Year	Total Collections to Date	
					Amount	Percentage of Levy
2010	$ 79,967,238	$ 74,592,412	93.28%	$ -	$ 74,592,412	93.28%
2009	77,519,190	74,221,594	95.75%	1,304,823	75,526,417	97.43%
2008	72,552,762	70,122,593	96.65%	1,920,261	72,042,854	99.30%
2007	69,290,160	67,367,845	97.23%	1,311,237	68,679,082	99.12%
2006	67,054,087	64,874,238	96.75%	1,547,138	66,421,376	99.06%
2005	65,863,726	63,315,662	96.13%	1,640,431	64,956,093	98.62%
2004	60,823,449	58,099,636	95.52%	2,009,797	60,109,433	98.83%
2003	57,471,361	55,137,811	95.94%	1,877,683	57,015,494	99.21%
2002	53,335,585	51,353,839	96.28%	1,663,363	53,017,202	99.40%
2001	50,512,862	48,624,757	96.26%	1,575,088	50,199,845	99.38%

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

COUNTY OF YORK, VIRGINIA

Ratio of Outstanding Debt By Type (1)

Last Ten Fiscal Years

	Governmental Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Literary Loans	Capital Leases	Certificates of Participation	Lease Revenue Bonds	Note Payable	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2010	$ 58,510,000	$ 200,000	$ 694,180	$ -	$ 30,565,000	$ 1,341,604	$ -	$ 8,484,413	$ 2,159,605	$ 101,954,802	2.65%	$ 1,561
2009	58,395,000	300,000	914,834	-	31,715,000	1,620,440	-	8,785,933	2,598,931	104,330,138	2.87%	1,608
2008	56,910,000	400,000	953,896	-	15,595,000	1,879,758	-	9,071,898	730,000	85,540,552	2.50%	1,324
2007	60,925,000	550,000	986,448	-	16,680,000	2,120,925	-	9,347,334	895,000	91,504,707	2.76%	1,434
2006	53,455,000	710,000	860,883	-	17,740,000	2,345,211	-	9,612,267	1,055,000	85,778,361	2.74%	1,355
2005	41,655,000	870,000	69,189	-	18,780,000	2,553,797	-	9,886,722	1,205,000	75,019,708	2.57%	1,202
2004	44,785,000	1,030,000	175,471	-	19,795,000	2,747,783	-	9,310,721	1,350,000	79,193,975	3.00%	1,281
2003	43,740,000	1,190,000	276,247	-	3,070,000	2,928,191	-	9,484,287	1,490,000	62,178,725	2.46%	1,026
2002	38,645,400	1,350,000	372,288	-	3,385,000	3,095,971	69,600	9,652,440	1,559,167	58,129,866	2.45%	979
2001	41,122,900	1,535,700	459,780	3,470,000	-	3,252,007	142,100	9,810,200	1,680,000	61,472,687	2.76%	1,049

(1) Bonds are shown at gross, excluding premiums and/or discounts and deferred amounts on refundings.

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

COUNTY OF YORK, VIRGINIA

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2010	$ 58,510,000	$ -	$ 58,510,000	0.59%	$ 896
2009	58,395,000	-	58,395,000	0.59%	900
2008	56,910,000	-	56,910,000	0.59%	881
2007	60,925,000	-	60,925,000	0.71%	955
2006	53,455,000	-	53,455,000	0.65%	844
2005	41,655,000	-	41,655,000	0.67%	668
2004	44,785,000	-	44,785,000	0.75%	725
2003	43,740,000	-	43,740,000	0.85%	722
2002	38,715,000	-	38,715,000	0.78%	652
2001	44,735,000	-	44,735,000	0.99%	763

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

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

COUNTY OF YORK, VIRGINIA

Pledged Revenue Coverage (1)

Last Ten Fiscal Years

Fiscal Year	Net Revenues (2)	Capacity Fees	Unrestricted Reserves (3)	Total Debt Service	Coverage Test 1 (4)	Coverage Test 2a (5)	Coverage Test 2b (5)
2010	$ 1,275,578	$ 274,900	$ 5,731,287	$ 664,878	1.92	1.71	5.82
2009	2,104,996	876,754	7,531,006	662,328	3.18	2.52	7.54
2008	2,270,177	973,743	5,993,299	664,278	3.42	2.68	6.46
2007	3,480,661	1,492,611	8,262,475	665,828	5.23	4.11	9.19
2006	3,373,471	1,408,337	8,905,523	668,169	5.05	3.99	9.61
2005	2,721,522	1,011,881	11,859,790	706,695	3.85	3.14	10.81
2004	2,842,790	980,017	11,438,400	704,533	4.03	3.34	10.76
2003	3,620,135	1,739,576	11,585,415	707,133	5.12	3.89	10.85
2002	4,792,985	3,102,598	11,276,970	704,258	6.81	4.60	10.41
2001	3,480,923	1,589,757	11,067,305	706,145	4.93	3.80	10.51

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

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

(3) Funds deposited in the Repair and Replacement Fund and the General Reserve Fund less the minimal amount required to be deposited in the Repair and Replacement Fund.

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

(5) Either (a) the ratio of net revenues less 50% of capacity fees divided by 100% of total debt service must exceed 1.0; or (b) the ratio of net revenues less 100% of capacity fees plus 50% of unrestricted reserves divided by 100% of annual debt service must exceed 1.50.

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

Fiscal Year	Population (1)	Personal Income (Thousands) (2)	Per Capita Income (2)	Median Age (3)	Education Level In Years of Formal Schooling (4)	Student Average Daily Membership (5)	Unemployment Rate (6)
2010	65,300	$ 3,840,860	$ 50,343	40.00	13.00	12,533	6.1%
2009	64,900	3,636,013	48,048	39.80	13.00	12,732	5.3%
2008	64,600	3,428,766	46,844	39.40	13.00	12,745	3.3%
2007	63,800	3,318,788	45,256	39.20	13.00	12,649	2.4%
2006	63,300	3,129,681	42,858	38.90	13.00	12,797	2.6%
2005	62,400	2,924,572	40,209	38.40	13.00	12,442	3.0%
2004	61,800	2,642,632	36,743	38.30	12.80	12,363	3.0%
2003	60,600	2,525,179	35,352	38.00	12.80	12,184	3.2%
2002	59,400	2,376,111	33,576	37.40	12.80	12,010	3.1%
2001	58,600	2,230,997	32,131	37.00	12.80	11,750	2.5%

Source:
(1) County Planning Division.
(2) County Planning Division 2010 - 2009 (estimated); U.S. Bureau of Economic Analysis (2008 - 2001). The U.S. Bureau of Economic Analysis figures include the City of Poquoson.
(3) County Planning Division 2010 (estimated); U.S. Bureau of Economic Analysis (2009 - 2001).
(4) Educational Attainment data published by the U.S. Census Bureau.
(5) County School Division.
(6) Local Area Unemployment Statistics Program and the Bureau of Labor Statistics.

COUNTY OF YORK, VIRGINIA

Principal Employers

Current and Nine Years Prior

	2010			2001		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Naval Weapons Station/ Cheatham Annex	2,682	1	12.19%	2,830	1	16.55%
York County School Division	1,659	2	7.54%	1,622	2	9.49%
Wal-Mart	970	3	4.41%			
York County Government	857	4	3.90%	729	3	4.26%
U.S. Coast Guard Station	826	5	3.75%			
Sentara Williamsburg Regional Medical Center	778	6	3.54%			
Water Country	777	7	3.53%	603	4	3.53%
Great Wolf Lodge	483	8	2.20%			
Windham Vacation Ownership	435	9	1.98%			
Kings Creek Plantation	240	10	1.09%			
K-Mart				423	5	2.47%
BP Amoco				219	6	1.28%
Foodlion				213	7	1.25%
Cybernetics				150	8	0.88%
Virginia Power				108	9	0.63%
Coca-Cola Bottling				96	10	0.56%
Total	9,707		44.12%	6,993		40.89%

Source: County Office of Economic Development.

COUNTY OF YORK, VIRGINIA

Full-time Equivalent County Employees By Function

Last Ten Fiscal Years

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	20.50	20.50	20.50	21.50	21.00	21.00	20.50	20.00	19.50	19.50
Judicial services	32.75	31.50	31.50	30.50	29.00	29.00	28.50	26.50	25.75	26.50
Public safety	300.25	286.75	279.75	266.00	259.50	254.50	238.50	227.50	222.50	215.50
Environmental and development services	54.00	54.00	53.00	52.00	51.00	46.00	44.00	44.00	43.00	43.00
Finance and planning	89.25	89.25	86.50	85.25	84.75	82.25	82.25	84.00	81.00	79.50
Education (Library)	33.50	33.50	33.50	34.00	32.50	32.50	32.50	32.50	31.50	31.50
General services	69.00	68.00	55.00	53.00	57.00	57.00	56.00	56.00	56.00	56.00
Community services	54.20	54.20	53.20	53.20	52.20	51.60	52.60	55.10	50.45	48.75
Sewer	54.00	53.00	53.00	54.00	51.00	53.00	49.00	47.00	45.00	42.00
Water	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Solid Waste	12.00	12.00	12.00	12.00	12.00	12.00	10.50	10.50	8.75	8.75
Vehicle Maintenance	12.00	12.00	12.00	12.00	11.00	10.00	10.00	10.00	10.00	10.00
	732.95	716.20	691.45	674.95	662.45	650.35	625.85	614.60	594.95	582.50

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

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

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Elections - Registered voters	44,353	44,962	42,906	41,203	40,667	39,485	38,619	37,047	36,557	35,006
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	2,022	1,730	1,607	1,900	2,101	1,908	1,908	1,956	1,993	2,062
Land records filed	28,413	26,790	30,111	31,223	32,842	29,895	33,757	33,614	24,632	22,407
Sheriff										
Physical arrests	2,210	1,684	1,328	1,231	1,054	1,082	1,216	1,081	1,290	1,311
Parking violations	109	467	399	143	121	40	39	349	220	260
Traffic violations	3,712	4,390	2,694	3,292	3,575	3,446	3,129	3,545	4,271	4,037
Fire and Life Safety										
Number of calls	8,677	8,717	9,161	8,709	15,140	14,600	13,260	11,627	10,871	10,674
Fire dispatches	3,482	3,497	3,999	3,695	7,887	7,785	6,481	5,745	5,509	5,051
Rescue dispatches	5,195	5,220	5,162	5,014	7,253	6,815	6,779	5,882	5,362	5,623
Environmental and Development Services										
Building Permits Issued:										
Residential	490	527	558	773	740	1,511	2,150	5,979	5,260	6,103
Commercial and Industrial	3,186	3,354	4,301	4,833	4,557	4,602	4,541	131	101	95
Building Permit Value:										
Residential	$ 38,051,061	$ 53,464,724	$ 62,785,863	$ 69,500,342	$ 56,900,303	$ 92,101,773	$ 96,294,361	$ 117,627,859	$ 101,825,775	$ 92,124,207
Commercial and Industrial	$ 38,325,317	$ 60,085,857	$ 91,115,026	$ 124,587,601	$ 117,138,997	$ 69,204,000	$ 61,825,886	$ 19,775,459	$ 22,541,983	$ 10,048,969
Education										
Library book circulation	623,015	647,845	658,982	645,851	680,584	693,601	676,857	679,983	542,428	413,501
Library registered patrons	69,064	77,612	71,578	65,019	66,660	60,412	51,862	48,156	43,788	40,947
School Division cost per pupil	$ 9,736	$ 9,506	$ 8,996	$ 8,888	$ 8,117	$ 7,664	$ 6,930	$ 6,545	$ 6,268	$ 6,294
Community services										
Recreation program participation	113,653	130,137	82,284	57,328	45,508	40,392	42,461	42,654	53,913	58,325
Sewer										
New connections	166	251	442	530	760	841	214	1,256	624	1,300
Water										
New connections	N/A	8	12	10	7	8	11	2	14	1
Consumption	N/A	116,927,460	123,386,411	95,512,834	80,965,900	52,087,160	43,867,358	39,515,600	38,551,617	33,604,205
Solid Waste										
Refuse collections (tons)	103,842	110,282	115,738	132,544	152,493	141,635	136,792	125,065	131,219	120,442
Recyclables collected (tons)	29,780	27,200	30,136	21,527	17,424	16,591	38,047	18,772	15,581	15,367

Source: Various County departments, except for Sheriff's physical arrests 2005 - 2001, which is from the Virginia State Police on a calendar year basis.
Beginning in fiscal year 2010, the County's water operation was turned over to Newport News Waterworks.

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

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Sheriff										
Patrol units	55	54	51	49	48	46	46	43	45	41
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	26	25	25	25	24	24	24	23	22	22
Community services										
Park acreage	786	786	847	840	847	847	660	650	650	650
Parks	11	11	11	11	11	11	10	9	9	9
Tennis courts	36	36	32	30	32	32	32	32	32	32
Basketball courts	38	38	36	36	36	36	36	35	35	35
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	60	60	60	60	60	59	59	57
Education										
School facilities	19	19	19	19	19	19	19	19	18	18
Sewer										
Sanitary sewer (miles)	337	288	287	384	214	211	204	202	191	189
Water										
Mains (miles)	N/A	21.00	20.00	19.50	16.00	15.00	14.00	14.00	13.00	13.00
Fire hydrants	N/A	208	232	152	114	108	97	97	80	80
Maximum daily capacity	N/A	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000

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

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the basic financial statements of the County of York, Virginia as of and for the year ended June 30, 2010, and have issued our report thereon dated November 12, 2010. 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 Audit of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

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

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
November 12, 2010

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

Compliance

We have audited the compliance of the County of York, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2010. The County of York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of York's management. Our responsibility is to express an opinion on the County of York's compliance based on our audit.

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

In our opinion, the County of York complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the County of York is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control* 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, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

The report is intended for the information of the Board of Supervisors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
November 12, 2010

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited the basic financial statements of the County of York, Virginia, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 12, 2010.

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 *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

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

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

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

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

This report is intended solely for the information of the Board of Supervisors, management, the Auditor of Public Accounts and applicable state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
November 12, 2010

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Granting Agency/Recipient State Agency/Grant Program	Federal Catalog Number		Federal Expenditures
Department of Agriculture:			
Direct payment: Child and Adult Care Food Program	10.558		$ 86,912
Pass-through payments:			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program "SNAP" (765-460-03; 765-460-06)	10.561	$ 572,696	
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-06)	10.561	13,060	
Total SNAP Cluster			585,756
Department of Agriculture: Donated Foods	10.555	199,788	
Department of Education:			
School Breakfast Program (197-179-01)	10.553	141,784	
National School Lunch Program (197-179-01)	10.555	914,308	
Department of Juvenile Justice: National School Lunch Program (777-360-03)	10.555	6,266	
Total Child Nutrition Cluster			1,262,146
Department of Defense:			
Direct payments:			
Naval Junior ROTC Program	12.000		119,565
National Defense Authorization Act	12.000		791,861
Department of Housing and Urban Development:			
Pass-through payments:			
Department of Housing and Community Development:			
Community Development Block Grants/State's Program	14.228		5,000
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257		64,888
Virginia Housing Development Authority:			
Housing Counseling Assistance Program	14.169		450
Section 8 Housing Choice Vouchers	14.871		145,878
Department of the Interior: Direct payment: Payments in Lieu of Taxes	15.226		9,500
Department of Justice:			
Direct payments:			
Edward Byrne Memorial Formula Grant Program	16.579		43,864
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		22,296
The Community-Defined Solutions to Violence Against Women Grant Program	16.590		81,066
State Criminal Alien Assistance Program	16.606		8,938
Bulletproof Vest Partnership Program	16.607		6,520
Edward Byrne Memorial Justice Assistance Grant Program	16.738		11,048
ARRA - Recovery Act, Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804		48,950
Pass-through payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance (140-390-01)	16.575		69,757
Violence Against Women Formula Grants (140-390-01)	16.588		23,016
State Compensation Board:			
ARRA - Recovery Act, Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories (157-307-12; 157-307-13)	16.803		145,568
Department of Transportation:			
Pass-through payment: Department of Motor Vehicles			
State and Community Highway Safety (530-605-07)	20.600		22,466
Federal Communications Commission: Direct payment: Universal Service - E-rate Program	32.000		13,248
Environmental Protection Agency			
Pass-through payment: Mid-Atlantic Regional Air Management Association, Inc.:			
ARRA - State Clean Diesel Grant Program	66.040		25,000
Department of Education:			
Direct payment: Impact Aid	84.041		9,277,072
Pass-through payments:			
Department of Education (197-179-01):			
Adult Education - Basic Grants to States	84.002		34,059
Title I Grants to Local Educational Agencies	84.010		432,558

(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, 2010

Federal Granting Agency/Recipient State Agency/Grant Program	Federal Catalog Number		Federal Expenditures
Department of Education:			
Pass-through payments:			
Department of Education (197-179-01):			
Special Education and Rehabilitative Services:			
Special Education - Grants to States	84.027	1,884,112	
Special Education - Preschool Grants	84.173	45,854	
ARRA - Special Education - Grants to States, Recovery Act	84.391	1,356,745	
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	45,768	
Total Special Education Cluster (IDEA)			3,332,479
Vocational and Adult Education:			
Career and Technical Education - Basic Grants to States	84.048		87,687
Safe and Drug-Free Schools and Communities - State Grants	84.186		15,296
Education Technology State Grants	84.318		7,553
English Language Acquisition Grants	84.365		29,592
Improving Teacher Quality State Grants	84.367		297,677
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387		3,031
ARRA - State Fiscal Stabilization Fund (SFSF), Education State Grants, Recovery Act	84.394		6,760,184
Department of Health and Human Services:			
Direct payments: Administration for Children, Youth and Families			
Head Start	93.600	849,353	
ARRA - Head Start	93.708	43,330	
Total Head Start Cluster			892,683
Pass-through payments:			
Department of Social Services:			
Promoting Safe and Stable Families (765-460-06; 765-469-01)	93.556		37,107
Temporary Assistance for Needy Families (765-452-01; 765-452-12; 765-460-03; 765-460-06)	93.558		397,046
Refugee and Entrant Assistance - State Administered Programs (765-460-03; 765-460-06)	93.566		1,540
Low-Income Home Energy Assistance (765-460-03; 765-460-06)	93.568		18,633
Child Care and Development Block Grant (765-452-15)	93.575	302,662	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (765-452-14; 765-452-15; 765-460-03; 765-460-06)	93.596	154,565	
ARRA - Child Care and Development Block Grant (765-452-14; 765-452-15)	93.713	101,232	
Total Child Care and Development Fund Cluster			558,459
Child Welfare Services - State Grants (765-460-06)	93.645		1,369
Foster Care - Title IV-E (765-460-03; 765-460-06; 765-469-01; 765-453-01)	93.658		232,906
ARRA - Foster Care - Title IV-E (765-469-01)	93.658		5,880
Adoption Assistance (765-460-03; 765-460-06; 765-469-03)	93.659		64,740
ARRA - Adoption Assistance (765-469-03)	93.659		5,610
Social Services Block Grant (765-453-01; 765-460-03; 765-460-06; 765-468-02; 765-469-01)	93.667		162,738
Chafee Foster Care Independence Program (765-460-06; 765-469-01)	93.674		5,354
Children's Health Insurance Program (765-460-03; 765-460-06)	93.767		27,239
Medical Assistance Program (765-460-03; 765-460-06)	93.778	332,417	
Department of Medical Assistance Services: Medical Assistance Program	93.778	51,463	
Total Medicaid Cluster			383,880
Department of Public Health: Preventive Health and Health Services Block Grant	93.991		17,156
Department of Homeland Security:			
Direct payment: Assistance to Firefighters Grant	97.044		97,520
Pass-through payments:			
Department of Emergency Services:			
National Urban Search and Rescue (US & R) Response System	97.025		1,404
Emergency Management Performance Grants (127-775-01)	97.042		45,529
State Homeland Security Program (SHSP)	97.073		67,719
Total			$ 26,895,393

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2010

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

A. Summary of Auditors' Results

Financial Statements:

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

Federal Awards:

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

Identification of major federal programs:

Name of Program	CFDA #
Department of Education:	
American Recovery and Reinvestment Act – Special Education Cluster	84.027/84.173 84.391/84.392
American Recovery and Reinvestment Act – State Fiscal Stabilization Fund	84.394
Department of Health and Human Services:	
American Recovery and Reinvestment Act – Head Start Cluster	93.600/93.708
Department of Justice:	
American Recovery and Reinvestment Act – Edward Byrne Memorial JAG	16.803

Dollar threshold to distinguish between Types A and B Programs:	**$806,862**
The County of York was qualified as a low risk auditee?	**Yes**
B. Findings - Financial Statement Audit	**None**
C. Findings and Questioned Costs - Major Federal Awards	**None**
D. Resolution of Prior Year's Findings	**None**

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