Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

York County
VIRGINIA
America's Future Since 1781

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2011

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

Sharon B. Day, CPA
Chief, Division of Budget and Financial Reporting

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COUNTY OF YORK, VIRGINIA
Comprehensive Annual Financial Report
June 30, 2011

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COUNTY ADMINISTRATOR
James O. McReynolds

York County
VIRGINIA
America's Future Since 1781

November 9, 2011

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, 2011, 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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Fax: (757) 890-4002 •TDD (757) 890-3300 • Email: bos@yorkcounty.gov
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 beginning on page H-4, in the other supplementary information subsection of this report.

ECONOMIC CONDITION AND OUTLOOK

During the year ended June 30, 2011, York County continued to feel 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 as significant of a downturn that other parts of the country have seen, real estate taxes were down when compared to budget. Sales prices have fallen; 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 decline in personal property taxes and the recession has resulted in a decline in 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 a sound financial condition.

At $123.0 million, the fiscal year 2012 General Fund adopted budget is 1.7% lower than the fiscal year 2011 budget. Savings achieved in fiscal year 2011 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 2012 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 2012 budget, the Board of Supervisors directed that the governmental emphasis be focused on maintaining a high level of support for the operation and construction of the schools, public safety, and continued maintenance and extension of municipal sewer and stormwater systems. Accordingly, this direction was translated into a number of specific projects to which major portions of the available resources were allocated.

Operations

The Comprehensive Plan, titled *Charting the Course to 2025*, 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. 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 changing economic and industrial landscape significantly impacted York County during fiscal year 2011 as Western Refining ceased all refining activity at their Yorktown facility in September of 2010. The loss of this significant tax and employment contributor highlighted the need to diversify and adjust the County's business base. The Office of Economic Development in partnership with the Economic Development Authority (EDA) fully recognizing this economic evolution, continued to focus on business retention/expansion and preparing product appropriate for smaller technology oriented commercial endeavors. The economic development program also featured a higher emphasis on regional partnerships and in particular, leveraging the business development assets of the College of William and Mary.

SDV Solutions joined the County's business community in fiscal year 2010 and initially occupied 12,500 sq. ft. in the former Delta–T building. SDV Solutions has grown significantly and now occupies the entire building that contains roughly 38,000 sq. ft. AVID Aerospace has leased space in Spain Commercial's new 36,000 sq. ft. flex building in the York River Commerce Park. AVID is an up and coming technology company and Spain Commercial hopes to attract similar companies to the flex building that was completed in fiscal year 2011.

SB Cox's completed construction of their 38,000 sq. ft. construction debris recycling facility on 10 acres of property purchased from the EDA. 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. The EDA hopes to attract more "green" companies to this industrial area.

Although development was slow in fiscal year 2011, there were a few new projects and exciting announcements. Casey Toyota broke ground on a new dealership in the Lightfoot corridor and Water Country USA added another major attraction. Water Country USA also made application to the County to amend their master plan to include expansion plans on an additional 56 acres. The County's first mixed use project, Nelson's Grant, broke ground and a second mixed use project, Yorktown Crescent, was approved.

The Marquis retail development approved for over a million square feet was acquired by a Dallas firm, Todd Interests, in May of 2011. Todd Interests has extensive experience in repositioning retail projects and rejuvenating leasing and sales. The company's owner has initiated negotiations with the Community Development Authority bondholders to restructure the bonds and is working to stabilize the existing leases with Best Buy, Dick's Sporting Goods, Kohl's, and JC Penney.

The Office of Economic Development and EDA continued to focus on business retention and expansion in fiscal year 2011. The EDA funded a "Home Based Transition Grant program" aimed at getting garage businesses into commercial space. Plans were underway at the end of the fiscal year for York BIZ Expo, a major business education initiative co-sponsored by the York County Chamber of Commerce. Multiple efforts are underway with the College of William & Mary, including a business brand study for the Historic Triangle and a special event aimed at William & Mary alumni who are in decision making roles regarding their company's relocation or expansion plans. The EDA is also exploring a regional business incubator concept with James City County and the City of Williamsburg.

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 sewer facilities, school facilities, maintenance of buildings, and improvement of stormwater facilities.

Significant projects during fiscal year 2011 included transportation projects with the Virginia Department of Transportation (VDOT) funded with federal stimulus money, construction of the satellite fire station bay additions, and funding provided to the EDA for the construction of a new debris recycling center.

The Stormwater Maintenance Program continues to address ongoing drainage maintenance within County easements. The Stormwater Capital Improvements Program includes Lakeside Forest, Moore's Creek, Cook Road/Falcon Road, Edgehill, Tabb Lakes, Victory Industrial Park, Dare Elementary, Greensprings, Terrebonne, the County Operations Center, Claxton Creek, Wormley Creek Headwaters, Marlbank Cove Ravine, 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, Waterview, York Point, Hornsbyville, Carver Place, Old Wormley Creek, Wolftrap, Acree Acres, Oak/Dogwood, Moore's Creek, East Rochambeau, Allen's Mill, National Lane, Dare-Jethro Lane, Kentucky Farms, Sinclair, Schneck Estates, Big Bethel, and Whites-Faulkner.

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 in the governmental funds as a component of restricted, committed, and assigned fund balances, as applicable, at year-end.

POLICIES

Several policy decisions continued to have a significant impact on financial operations in 2011. First, it was the County's full year of operations of the 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 continued 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 2012, 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, 2010. This was the 25th consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers' Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the County of York, Virginia, for its annual budget for the fiscal year beginning July 1, 2010. In order to receive this award, a governmental entity must publish a budget document that meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

ACKNOWLEDGMENTS

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

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

Respectfully submitted,

James O. McReynolds, CPA
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

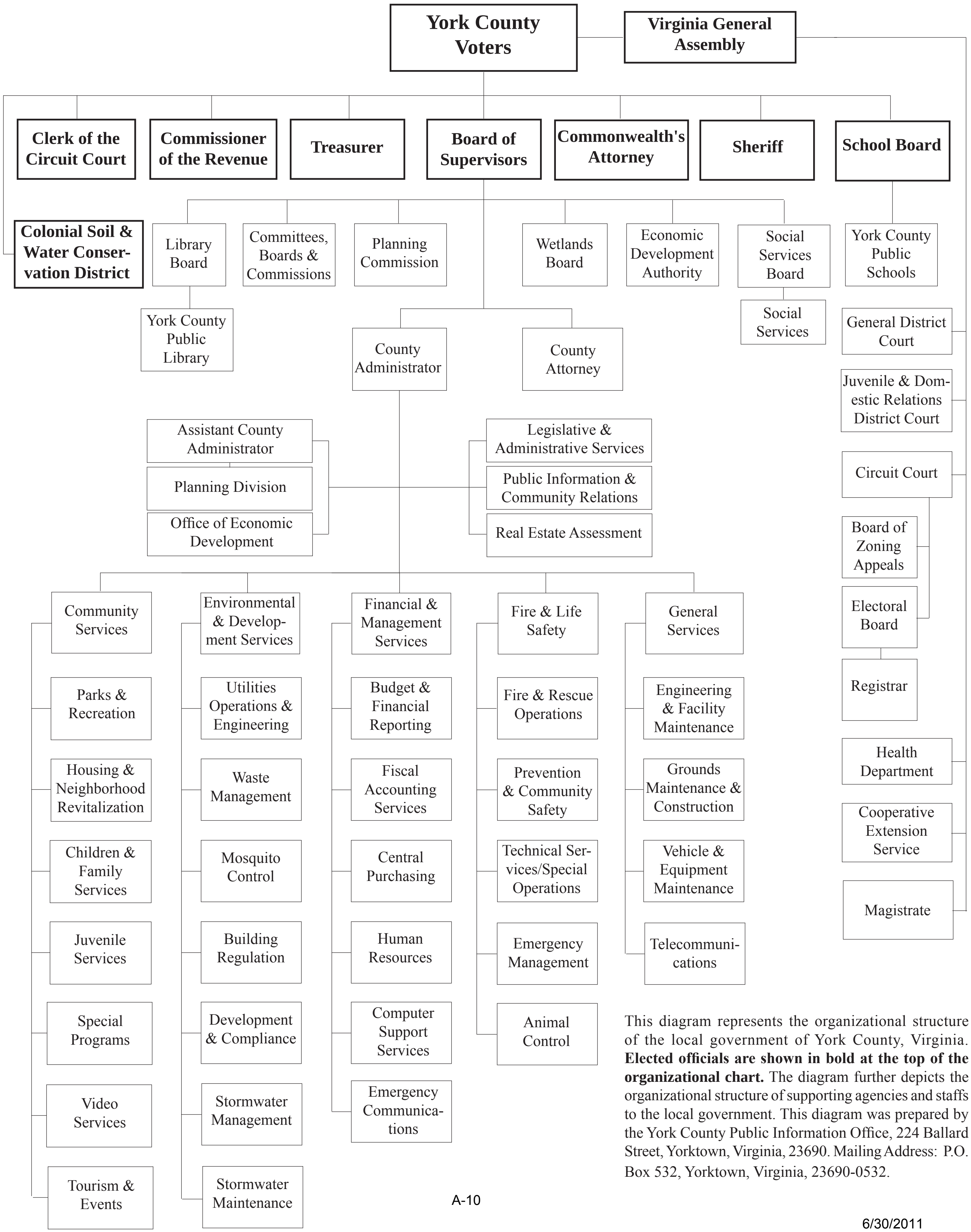
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.

COUNTY OF YORK, VIRGINIA
Principal Officials
For the Fiscal Year Ended June 30, 2011

Board of Supervisors

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

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	Vacant
Director of Community Services	Anne B. Smith
Director of Environmental and Development Services	John Hudgins
Director of General Services	Vacant
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. Stephanie L. Guy
Chief Financial Officer	Dennis R. Jarrett, CPA, CPFO, SFO
Chief Operations Officer	Dr. Carl L. James
Director of Accountability & Instructional Services	Dr. Lisa L. Pennycuff
Director of Elementary Instruction	Amy C. Colley
Director of Human Resources	Noreen B. Becci, Esq.
Director of Information Technology	Douglas E. Meade
Director of School Administration	Dr. Catherine L. Jones
Director of Secondary Instruction	Dr. Kipp D. Rogers

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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, 2011, 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, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 9, 2011 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 9, 2011

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, 2011. 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 2011 (FY2011)

- The assets of the County, on a government-wide basis excluding component units, exceeded its liabilities as of June 30, 2011 by $172,812,530 (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 $56,664,037 in school debt without the related assets contributed to unrestricted net assets of $21,031,028.

- The County’s total net assets increased by $5,500,541. Governmental activities increased by $3,969,954, primarily due to a full year of medic transport fees and increases in property, meals and lodging tax revenues. Business-type activities increased by $1,530,587, mainly attributable to a capital contribution for the emergency, regional radio system rebanding project.

- As of June 30, 2011, the County’s governmental funds reported combined ending fund balances of $63,521,579, a decrease of $2,742,199 from the prior year. Unassigned fund balance totaled $5,825,214 and is available for spending at the County’s discretion.

- As of June 30, 2011 unassigned fund balance for the General Fund was $21,491,918, or 20.7% of total General Fund expenditures.

- The County’s noncurrent liabilities at June 30, 2011 were $121,425,276, which is an increase of $12,493,733 from the prior year. The key factors in this increase were the issuance of $1,120,000 general obligation bonds for the replacement of the HVAC system at Grafton Bethel Elementary School and the issuance of $15,280,000 sewer system revenue bonds; offset by principal repayments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Statements - The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, in a manner similar to a private-sector business. One of the most frequently asked questions about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net 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-38 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, 2011 and 2010

	Governmental Activities		Business-type Activities		Total	
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010
Current and other assets	$ 100,445,746	$ 99,104,469	$ 22,666,747	$ 10,821,520	$ 123,112,493	$ 109,925,989
Capital assets	90,942,256	89,921,316	108,002,253	105,045,503	198,944,509	194,966,819
Total assets	$ 191,388,002	$ 189,025,785	$ 130,669,000	$ 115,867,023	$ 322,057,002	$ 304,892,808
Current and other liabilities	$ 25,760,980	$ 25,265,054	$ 2,058,216	$ 3,384,222	$ 27,819,196	$ 28,649,276
Long-term liabilities	96,378,925	98,482,588	25,046,351	10,448,955	121,425,276	108,931,543
Total liabilities	122,139,905	123,747,642	27,104,567	13,833,177	149,244,472	137,580,819
Net assets:						
Invested in capital assets, net of related debt	58,572,877	58,434,789	92,794,535	95,113,023	151,367,412	153,547,812
Restricted net assets	10,669	10,723	403,421	314,833	414,090	325,556
Unrestricted net assets	10,664,551	6,832,631	10,366,477	6,605,990	21,031,028	13,438,621
Total net assets	69,248,097	65,278,143	103,564,433	102,033,846	172,812,530	167,311,989
Total liabilities and net assets	$ 191,388,002	$ 189,025,785	$ 130,669,000	$ 115,867,023	$ 322,057,002	$ 304,892,808

Current and other assets increased by $13,186,504 from the prior year. Most of the increase was attributable to debt proceeds (restricted cash) held in escrow for future sewer projects. Capital assets increased by $3,977,690 from the prior year. This is primarily related to the capitalization of public safety facilities and equipment and sewer infrastructure.

The County's net assets totaled $172,812,530, an increase of $5,500,541. This result is comprised of an increase of net assets in governmental activities of $3,969,954, and an increase of $1,530,587 in business-type activities. The increase in governmental activities was primarily due to a full year of medic transport fees (charges for service) and increases in property, meals and lodging tax revenues. The increase for business-type activities was primarily attributable to a capital contribution for the emergency, regional radio system rebanding project.

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, 2011, the County reported unrestricted net assets of $21,031,028.

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 $56,664,037 in school debt without the asset resulted in unrestricted net assets for governmental activities of $10,664,551.

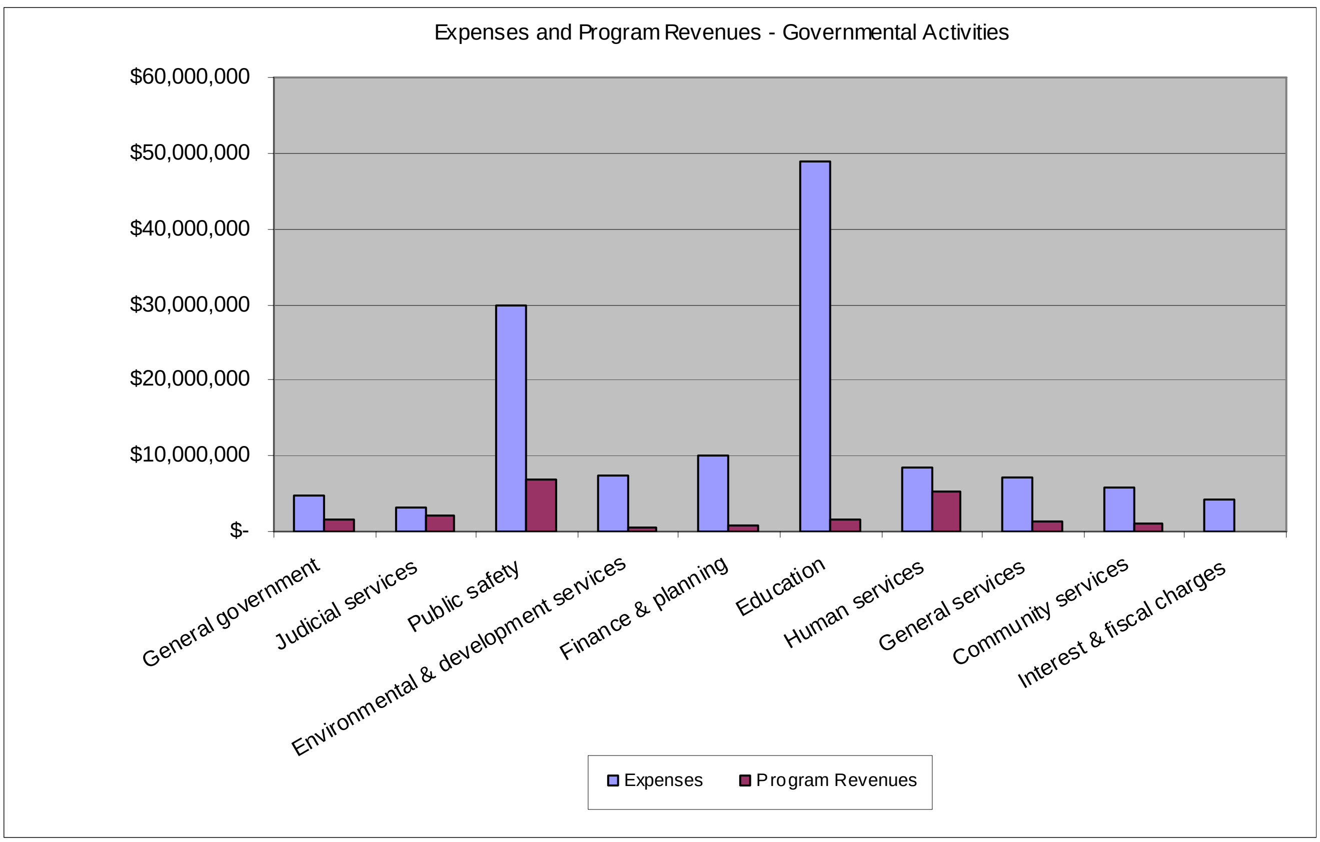
Summary of Changes in Net Assets - Years Ended June 30, 2011 and 2010

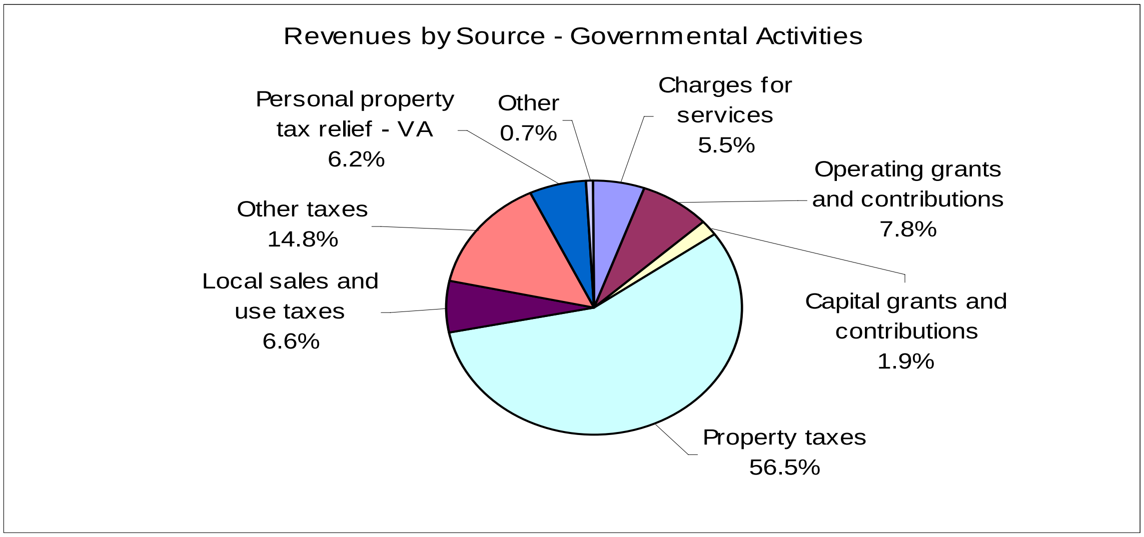
	Governmental Activities		Business-type Activities		Total	
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010
Revenues:						
Program revenues:						
Charges for services	$ 7,514,159	$ 6,650,339	$ 12,215,889	$ 11,736,342	$ 19,730,048	$ 18,386,681
Operating grants and contributions	10,738,996	10,900,393	149,502	10,070	10,888,498	10,910,463
Capital grants and contributions	2,562,616	1,683,547	2,595,686	1,027,138	5,158,302	2,710,685
General revenues:						
Property taxes	77,433,934	75,669,094	-	-	77,433,934	75,669,094
Other taxes	29,272,834	28,974,489	-	-	29,272,834	28,974,489
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth	8,496,159	8,550,746	-	-	8,496,159	8,550,746
Unrestricted investment earnings	234,060	256,284	68,299	125,061	302,359	381,345
Miscellaneous	813,341	683,799	21,822	62,956	835,163	746,755
Gain on sale of capital assets	33,007	-	-	917	33,007	917
Total revenues	137,099,106	133,368,691	15,051,198	12,962,484	152,150,304	146,331,175
Expenses:						
Governmental activities:						
General government	4,756,990	3,281,995	-	-	4,756,990	3,281,995
Judicial services	3,114,416	3,050,588	-	-	3,114,416	3,050,588
Public safety	29,749,782	29,913,451	-	-	29,749,782	29,913,451
Environmental and development services	7,360,263	4,588,243	-	-	7,360,263	4,588,243
Finance and planning	9,957,090	10,347,260	-	-	9,957,090	10,347,260
Education	48,896,509	52,749,950	-	-	48,896,509	52,749,950
Human services	8,375,011	8,888,070	-	-	8,375,011	8,888,070
General services	7,159,338	7,219,383	-	-	7,159,338	7,219,383
Community services	5,934,513	5,828,214	-	-	5,934,513	5,828,214
Interest and fiscal charges on noncurrent debt	4,263,014	4,393,098	-	-	4,263,014	4,393,098
Business-type activities:						
Sewer Utility	-	-	9,983,893	8,949,964	9,983,893	8,949,964
Water Utility	-	-	362,073	596,782	362,073	596,782
Solid Waste	-	-	4,407,178	4,305,967	4,407,178	4,305,967
Yorktown Operations	-	-	117,368	122,537	117,368	122,537
Sanitary Districts	-	-	439,058	455,094	439,058	455,094
Regional Radio System	-	-	1,773,267	1,524,079	1,773,267	1,524,079
Total expenses	129,566,926	130,260,252	17,082,837	15,954,423	146,649,763	146,214,675
Change in net assets, before transfers	7,532,180	3,108,439	(2,031,639)	(2,991,939)	5,500,541	116,500
Transfers	(3,562,226)	(3,913,865)	3,562,226	3,913,865	-	-
Change in net assets	3,969,954	(805,426)	1,530,587	921,926	5,500,541	116,500
Net assets, beginning	65,278,143	66,083,569	102,033,846	101,111,920	167,311,989	167,195,489
Net assets, ending	$ 69,248,097	$ 65,278,143	$ 103,564,433	$ 102,033,846	$ 172,812,530	$ 167,311,989

Governmental Activities - For the fiscal year ended June 30, 2011, revenues from governmental activities totaled $137,099,106. Real estate tax revenue, the County's largest revenue source, was $60,690,610. The County's assessed real property tax base for calendar year 2010 was $9,331,311,135. Property taxes increased by $1,764,840 mainly due to new construction. The County reported current year collections of $19,413,736 in personal property taxes, the County's second largest revenue source. Of that amount, $8,741,680 was from the Commonwealth of Virginia as an entitlement grant under the provisions of the Personal Property Tax Relief Act (PPTRA), offset by $245,521 of local aid returned to the Commonwealth.

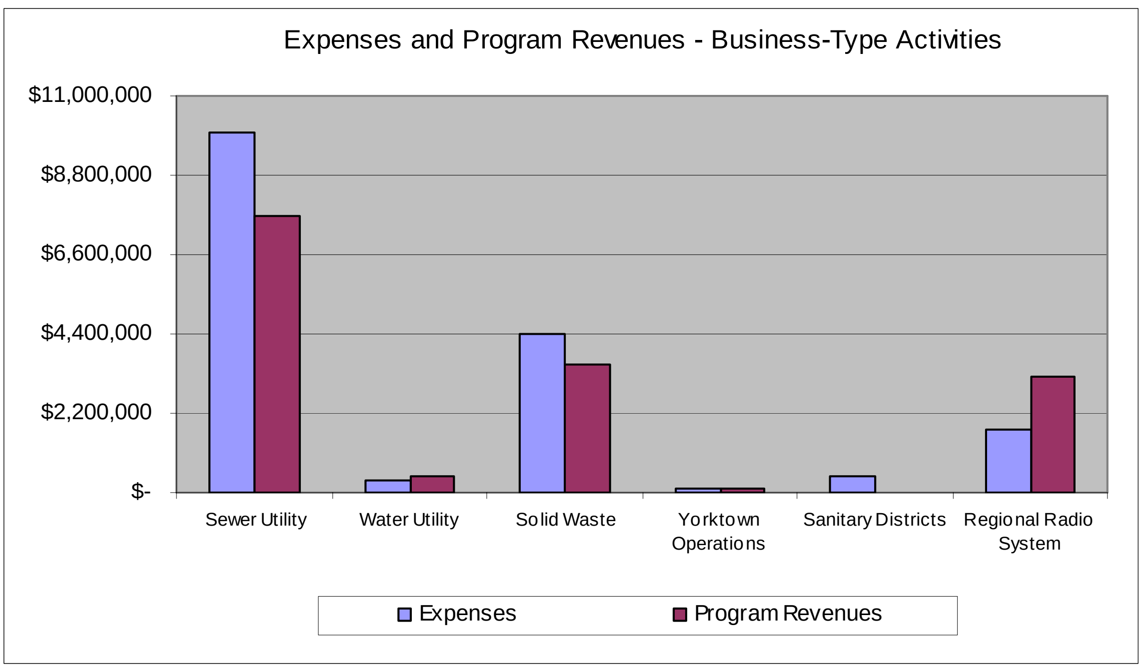
Other taxes increased by $298,345 from the prior year as a result of increases in hotel and motel room taxes, restaurant food taxes, business license taxes and motor vehicle licenses. Most of the overall increase of $879,069 in capital grants and contributions related to one-time funding received from the Virginia Department of Transportation projects supported by the American Recovery and Reinvestment Act federal funds.

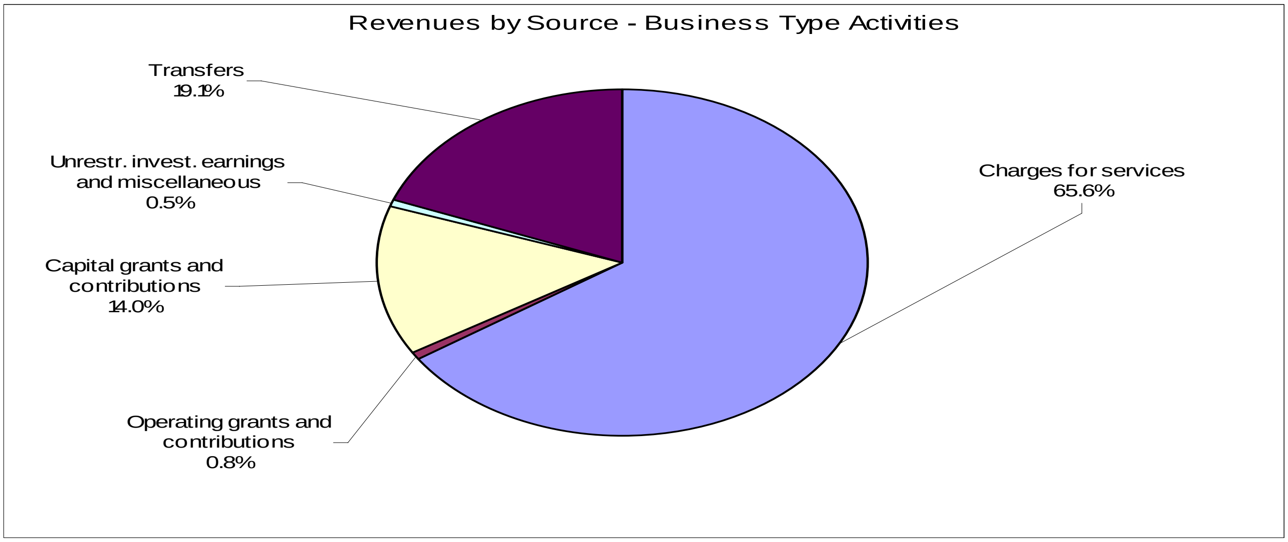
For the fiscal year ended June 30, 2011, expenses for governmental activities totaled $129,566,926, including the following payments to the component unit - School Division: $45,040,546 for operations, $1,104,638 of bond proceeds for capital projects and $131,513 of cash for capital projects. The County paid to the component unit - Economic Development Authority $43,660 for operations and $394,059 for an economic development project and $816,171 to the component unit - Community Development Authority in incremental taxes.





Business-Type Activities - Business-type activities increased the County's net assets by $1,530,587 for the fiscal year ended June 30, 2011. This increase is primarily attributable to capital contributions. Significant transfers include $700,000 to support the operations of the County's curbside recycling program in the Solid Waste Fund, $2,100,496 of meals tax to support capital projects in the Water and Sewer Utility Funds, and $827,544 for the maintenance on the emergency radio system in the Regional Radio System Fund.



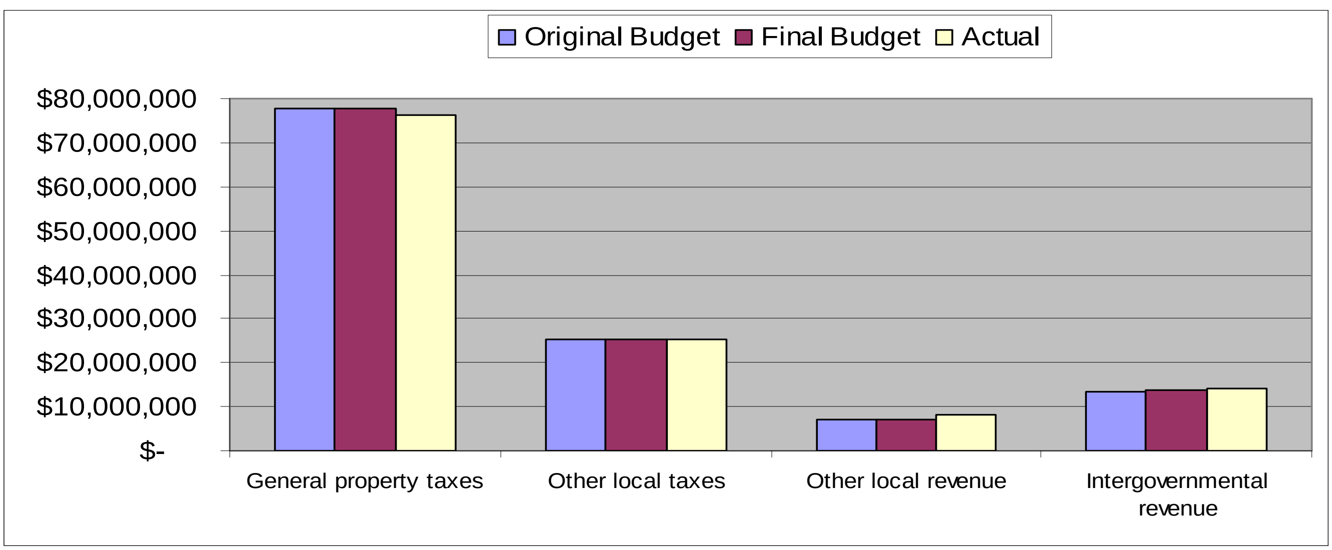


GENERAL FUND

As of June 30, 2011, the County's governmental funds reported combined ending fund balances of $63,521,579, a decrease of $2,742,199 from the prior year. Unassigned fund balance totaled $5,825,214 and is available for spending at the County's discretion. Of the remainder of fund balance, $19,301,012 is nonspendable, $2,362,905 is restricted, $13,547,517 is committed and $22,484,931 is assigned. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was $21,491,918, and total fund balance was $54,222,242. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.7% of total General Fund expenditures while total fund balance represents 52.2% 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 $218,095 (.18%) over the final budget. Significant variances include the following:

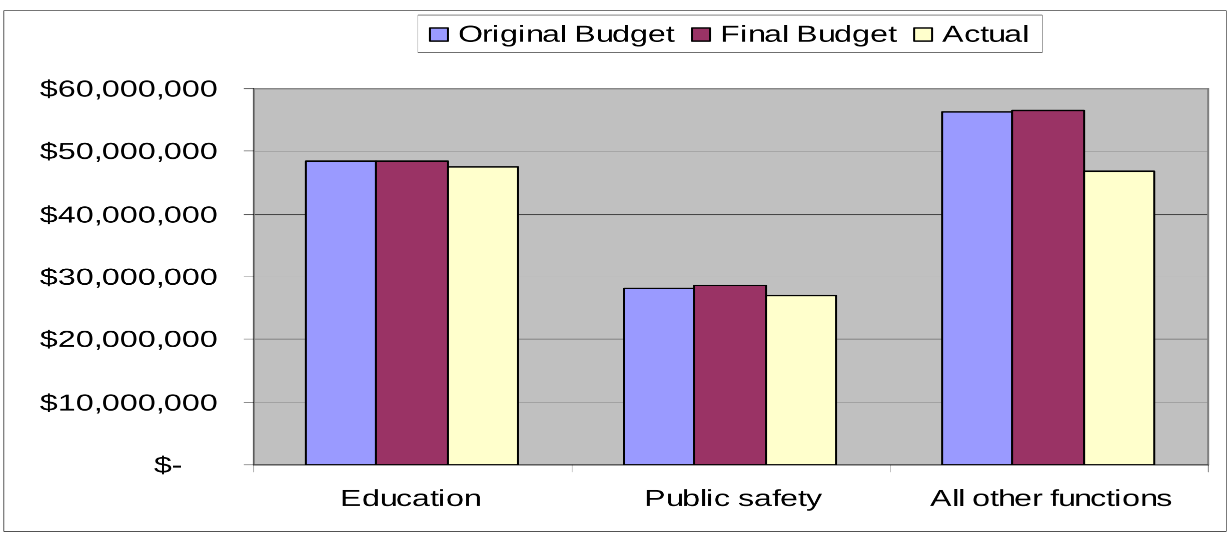
- General property taxes were less than the final budget by $1,492,270 (1.92%), which primarily reflected the net effect of increases in public service corporation real property taxes that was more than offset by decreases in real property, personal property and machinery and tools taxes.

- Other local taxes showed a decline of $29,324 (.12%). This was primarily from decreases in local sales and taxes on recordation and wills and increases in business licenses taxes and vehicle registration fees.

- In other local revenue, permits, fees and regulatory licenses were down by $129,075 (21.49%), primarily due to a significant decline in inspections as a result of the economic downturn; miscellaneous revenue was up by $237,757 (120.42%) driven primarily by prior year expenditure refunds and excess proceeds from tax sales; recovered costs exceeded the budget by $450,308 (32.40%) due to an unbudgeted payment from the School Division into its OPEB reserve fund maintained by the County and other financing sources were over budget by $485,399 (81.98%) due to proceeds from the sale of land.

- Actual revenues from the federal government were more than the final budget by $497,596, or 90.48%, due to a major reimbursement-based Community Development Block Grant (CDBG), a large Victim-Witness grant, the cost allocation plan reimbursement and a Citizens Corps grant. Revenues from the state government showed an increase of $171,923 (1.31%) from budget, primarily due to support from the State Compensation Board and additional funds received for E911 wireless services.

General Fund Expenditures - Comparison of Budget to Actual



The total General Fund actual expenditures were $11,959,803 (8.96%) under the final budget. A portion of the variance is attributable to outstanding encumbrances at June 30, 2011 of $413,288 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. Various amendments to the original budget resulted from donations and the award of grants.

- 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 vacancies and a 90 day hiring freeze. These offices also realized savings due to grants not fully expended at year-end.

  - Environmental and Development Services: the department was under budget due to vacancies, a 90 day hiring freeze and unspent funds set aside for the demolition of structures.

  - Finance and Planning: the department was under budget due to vacancies and a 90 day hiring freeze; 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 and Grounds Maintenance and Construction were under budget due to vacancies, a 90 day hiring freeze and reduced costs for maintenance service contracts. Facility and Utility Charges was below budget due to lower electric and heating charges.

  - Community Services: Housing - Rehabilitation came under budget due to grants not fully expended at year-end and Parks and Recreation was under budget due to vacancies, a 90 day hiring freeze and grants and donations not fully expended at year-end.

  - Non-departmental: the budget underage primarily reflects unspent funding set aside for other post- employment benefits.

  - Capital Outlay: the budget underage was due to the timing of projects.

  - Transfers Out: savings resulted from lower local matches for Social Services and Head Start programs, as both came under budget on expenditures.

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, 2011, 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 $84,068. The Yorktown Capital Improvements Fund had an increase in fund balance of $389,044, mainly due to transfers in, and a year-end deficit of $7,516,704. The County Capital Fund had a decrease in fund balance of $4,630,260, 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 $7,209,582 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 $1,530,587, and the internal service funds reported an increase in net assets of $694,263. The net assets for the enterprise funds and internal service funds were $103,564,433 and $5,972,935, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the County's investment in capital assets for its governmental and business-type activities amounts to $198,944,509 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, land improvements, buildings and improvements, infrastructure, equipment, vehicles and computer software. The increase in governmental activities is mainly attributable to construction in progress for public safety facilities and equipment.

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

The increase in capital assets for business-type activities is driven by developers donating sewer systems to the County, the completion of Phase I of the Queens Lake Sewer project and continuation of York Point and the additional phases 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	
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010
Land	$ 9,267,219	$ 9,267,219	$ 3,723,250	$ 3,740,200	$ 12,990,469	$ 13,007,419
Easements	476,023	274,054	15,397	-	491,420	274,054
Construction in progress	5,380,379	552,637	11,573,488	9,436,782	16,953,867	9,989,419
Land improvements	14,878,286	16,158,416	30,018	31,877	14,908,304	16,190,293
Buildings and improvements	33,205,683	34,079,441	8,742,871	9,518,053	41,948,554	43,597,494
Infrastructure	11,189,822	11,680,549	81,247,479	79,211,752	92,437,301	90,892,301
Equipment	8,451,906	9,662,861	1,973,655	2,324,226	10,425,561	11,987,087
Vehicles	7,787,316	8,235,491	654,981	734,024	8,442,297	8,969,515
Computer software	305,622	10,648	41,114	48,589	346,736	59,237
Total	$ 90,942,256	$ 89,921,316	$ 108,002,253	$ 105,045,503	$ 198,944,509	$ 194,966,819

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 2011, $400,000 was transferred to the Yorktown Capital Improvements Fund from the Tourism Fund to pay down an advance. This fund had a ($7,516,704) deficit at June 30, 2011, that is due to advances from the Tourism Fund.

County Capital Fund

For fiscal year 2011, $1,493,442 was transferred to the County Capital Fund from the General Fund for pay-as-you-go projects. Capital project expenditures of $5,013,893 included as major projects, VDOT projects, the purchase of emergency generators, public safety equipment and the expansion of three fire stations.

Additional information on the County's capital assets can be found in note 5 beginning on page F-16 of this report.

Long-Term Debt

At the end of the fiscal year, the County had total bonded debt and literary loans of $108,701,416. 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	
	FY2011	FY2010	FY2011	FY2010	FY2011	FY2010
Bonds payable	$ 85,616,822	$ 90,650,418	$ 22,984,594	$ 7,924,245	$ 108,601,416	$ 98,574,663
Literary loans	100,000	200,000	-	-	100,000	200,000
Total	$ 85,716,822	$ 90,850,418	$ 22,984,594	$ 7,924,245	$ 108,701,416	$ 98,774,663

On July 8, 2010, the County issued $1,120,000 general obligation bonds with an average interest rate of 1.51% through the Virginia Public School Authority. The net proceeds from the bonds were used for the replacement of the HVAC system at Grafton Bethel Elementary School. The accounting for this transaction was recorded in the Education Debt Service Fund. Also during fiscal year 2011, on December 1, the County issued $15,280,000 of sewer system revenue bonds. The proceeds are being used for various sewer projects including Queens Lake, York Point, Old Wormley Creek, Waterview Road, Hornsbyville, Oak-Dogwood, Moore's Creek and Darby-Firby.

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 2011, the County paid debt service of $4,724,823 and $2,904,083 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-19 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 2012 budget. The fiscal year 2012 approved budget for the General Fund is $122,999,088, a 1.7% decrease from the fiscal year 2011 budget. Local revenue, which includes property tax, was expected to decrease from fiscal year 2011 by 1.7%. The slight projected increase in real estate is due to new construction. Machinery and tool taxes is a significant driving force in the revenue reduction and is the result of the closing of a large refinery. State and federal revenues comprise about 10.8% of the total. State revenues are expected to be up by $67,284 or .5%, due to projected funding increases by the Compensation Board and Wireless E-911 funding. Federal revenues are projected to decrease by $7,966 or 3.7% due to lower trends in the Housing Assistance voucher program.

Departments were instructed to submit requests with a minimum 2% reduction. The final approved budget resulted in a $2.0 million General Fund reduction, which was necessary to balance the budget and provide no tax rate increases, maintaining a real property tax rate of $0.6575 per $100 of assessed value for calendar tax year 2011.

The fiscal year 2012 budget provides no compensation adjustments; maintains County service levels; contains no lay-offs, furloughs or other compensation reductions; delays County General Fund capital 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, 2011

	Primary Government			Discretely Presented Component Units		
ASSETS	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Community Development Authority
Cash and investments	$ 78,615,698	$ 12,429,669	$ 91,045,367	$ 10,215,358	$ 460,415	$ 30,644
Restricted cash	351,531	9,602,344	9,953,875	2,902,899	238,508	6,869,744
Receivables, net	18,700,011	1,979,263	20,679,274	3,283,549	1,575,401	1,777
Due from primary government	-	-	-	14,807,989	8,092	270,006
Prepaid expenses	456,947	54,764	511,711	-	23	-
Other assets	-	-	-	-	1,091,507	-
Internal balances	1,840,030	(1,840,030)	-	-	-	-
Deferred charges	603,790	561,135	1,164,925	-	-	439,588
Less accumulated amortization	(122,261)	(120,398)	(242,659)	-	-	(148,783)
Capital assets:						
Nondepreciable/nonamortizable	15,123,621	15,312,135	30,435,756	7,424,374	694,660	21,669,176
Depreciable/amortizable	117,164,744	137,764,190	254,928,934	187,169,033	-	9,000
Less accumulated depreciation/amortization	(41,346,109)	(45,074,072)	(86,420,181)	(62,481,920)	-	(6,000)
Total assets	$ 191,388,002	$ 130,669,000	$ 322,057,002	$ 163,321,282	$ 4,068,606	$ 29,135,152
LIABILITIES						
Accounts payable	$ 1,944,893	$ 1,233,644	$ 3,178,537	$ 2,122,699	$ 204,091	$ 23,025
Retainage payable	145,639	157,195	302,834	35,291	24,540	-
Deposits payable	1,375,899	159,600	1,535,499	-	13,253	-
Salaries, taxes and benefits payable	2,846,018	342,730	3,188,748	13,894,307	-	-
Unearned revenue	2,819,321	84,683	2,904,004	89,458	44,640	-
Due to component unit - School Division	14,807,989	-	14,807,989	-	-	-
Due to component unit - EDA	34,817	(26,725)	8,092	-	-	-
Due to component unit - CDA	270,006	-	270,006	-	-	-
Accrued interest payable	1,516,398	107,089	1,623,487	-	385,857	579,169
Noncurrent liabilities:						
Due within one year	6,719,692	919,979	7,639,671	1,590,000	24,996	-
Due in more than one year	89,659,233	24,126,372	113,785,605	4,141,664	1,130,538	31,353,928
Total liabilities	122,139,905	27,104,567	149,244,472	21,873,419	1,827,915	31,956,122
NET ASSETS						
Invested in capital assets, net of related debt	58,572,877	92,794,535	151,367,412	132,111,487	694,660	(5,119,807)
Restricted for:						
Debt service	-	402,287	402,287	-	-	2,339,473
Capital projects	-	1,134	1,134	2,902,899	-	-
Grants and donations	10,669	-	10,669	-	-	-
Unrestricted	10,664,551	10,366,477	21,031,028	6,433,477	1,546,031	(40,636)
Total net assets	69,248,097	103,564,433	172,812,530	141,447,863	2,240,691	(2,820,970)
Total liabilities and net assets	$ 191,388,002	$ 130,669,000	$ 322,057,002	$ 163,321,282	$ 4,068,606	$ 29,135,152

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, 2011

		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	$ 4,756,990	$ 78,310	$ 46,963	$ 1,439,000	$ (3,192,717)	$ -	$ (3,192,717)	$ -	$ -	$ -
Judicial services	3,114,416	783,767	1,351,164	-	(979,485)	-	(979,485)	-	-	-
Public safety	29,749,782	3,238,055	3,390,560	320,223	(22,800,944)	-	(22,800,944)	-	-	-
Environmental and development services	7,360,263	412,451	2,200	-	(6,945,612)	-	(6,945,612)	-	-	-
Finance and planning	9,957,090	400,466	332,423	-	(9,224,201)	-	(9,224,201)	-	-	-
Education	48,896,509	521,282	550,334	537,714	(47,287,179)	-	(47,287,179)	-	-	-
Human services	8,375,011	362,963	4,874,499	-	(3,137,549)	-	(3,137,549)	-	-	-
General services	7,159,338	1,200,451	5,275	-	(5,953,612)	-	(5,953,612)	-	-	-
Community services	5,934,513	516,414	185,578	265,679	(4,966,842)	-	(4,966,842)	-	-	-
Interest and fiscal charges on noncurrent debt	4,263,014	-	-	-	(4,263,014)	-	(4,263,014)	-	-	-
Total governmental activities	129,566,926	7,514,159	10,738,996	2,562,616	(108,751,155)	-	(108,751,155)	-	-	-
Business-type activities:										
Sewer Utility	9,983,893	7,209,582	137,890	328,660	-	(2,307,761)	(2,307,761)	-	-	-
Water Utility	362,073	351,955	-	95,930	-	85,812	85,812	-	-	-
Solid Waste	4,407,178	3,520,553	11,612	-	-	(875,013)	(875,013)	-	-	-
Yorktown Operations	117,368	97,919	-	-	-	(19,449)	(19,449)	-	-	-
Sanitary Districts	439,058	-	-	-	-	(439,058)	(439,058)	-	-	-
Regional Radio System	1,773,267	1,035,880	-	2,171,096	-	1,433,709	1,433,709	-	-	-
Total business-type activities	17,082,837	12,215,889	149,502	2,595,686	-	(2,121,760)	(2,121,760)	-	-	-
Total primary government	$ 146,649,763	$ 19,730,048	$ 10,888,498	$ 5,158,302	(108,751,155)	(2,121,760)	(110,872,915)	-	-	-
Component units:										
School Division	$ 125,071,151	$ 3,188,869	$ 60,334,335	$ -	-	-	-	(61,547,947)	-	-
Economic Development Authority	1,043,676	338,607	-	-	-	-	-	-	(705,069)	-
Community Development Authority	2,392,648	-	-	20,134	-	-	-	-	-	(2,372,514)
Total component units	$ 128,507,475	$ 3,527,476	$ 60,334,335	$ 20,134	-	-	-	(61,547,947)	(705,069)	(2,372,514)
General revenues:										
Taxes:										
Property taxes					77,433,934	-	77,433,934	-	-	-
Local sales and use taxes					9,043,325	-	9,043,325	-	-	-
Hotel and motel room taxes					4,336,193	-	4,336,193	-	-	-
Restaurant food taxes					5,322,721	-	5,322,721	-	-	-
Business license taxes					5,770,095	-	5,770,095	-	-	-
Motor vehicle licenses					1,516,710	-	1,516,710	-	-	-
Taxes on recordation and wills					1,238,123	-	1,238,123	-	-	-
Other local taxes					2,045,667	-	2,045,667	-	-	-
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,496,159	-	8,496,159	-	-	-
Payment from primary government					-	-	-	46,276,697	437,719	816,171
Capital contribution from primary government					-	-	-	-	16,950	-
Unrestricted shared intergovernmental revenues					-	-	-	11,861,997	-	-
Unrestricted investment earnings					234,060	68,299	302,359	25,396	22,973	-
Miscellaneous					813,341	21,822	835,163	255,081	12,369	-
Gain on sale of capital assets					33,007	-	33,007	5,393	152,126	-
Transfers					(3,562,226)	3,562,226	-	-	-	-
Total general revenues and transfers					112,721,109	3,652,347	116,373,456	58,424,564	642,137	816,171
Change in net assets					3,969,954	1,530,587	5,500,541	(3,123,383)	(62,932)	(1,556,343)
Net assets, beginning					65,278,143	102,033,846	167,311,989	144,571,246	2,303,623	(1,264,627)
Net assets, ending					$ 69,248,097	$ 103,564,433	$ 172,812,530	$ 141,447,863	$ 2,240,691	$ (2,820,970)

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

COUNTY OF YORK, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2011

			Capital Project			
ASSETS	**General**	**Tourism Special Revenue**	**Yorktown Capital Improvements**	**County Capital**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
Cash and investments	$ 56,919,838	$ 149,333	$ 283,137	$ 13,963,114	$ 2,270,779	$ 73,586,201
Restricted cash	265,595	-	-	85,936	-	351,531
Receivables, net	13,581,730	173,087	1,541,526	2,865,366	580,069	18,741,778
Due from other funds	393,075	-	-	-	703,225	1,096,300
Prepaid expenditures	403,314	-	-	-	44,857	448,171
Advances to other funds	10,702,841	8,150,000	-	-	-	18,852,841
Total assets	$ 82,266,393	$ 8,472,420	$ 1,824,663	$ 16,914,416	$ 3,598,930	$ 113,076,822
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,267,236	$ 247,668	$ -	$ 172,649	$ 204,872	$ 1,892,425
Retainage payable	2,494	-	-	143,145	-	145,639
Deposits payable	1,364,117	-	-	11,782	-	1,375,899
Salaries, taxes and benefits payable	2,458,771	2,887	-	-	294,378	2,756,036
Deferred revenue	6,661,862	54,240	1,191,367	2,598,927	50,000	10,556,396
Due to other funds	1,613,195	-	-	-	-	1,613,195
Due to component unit - School Division	14,676,476	-	-	131,513	-	14,807,989
Due to component unit - EDA	-	-	-	34,817	-	34,817
Due to component unit - CDA	-	-	-	-	270,006	270,006
Advances from other funds	-	7,952,841	8,150,000	-	-	16,102,841
Total liabilities	28,044,151	8,257,636	9,341,367	3,092,833	819,256	49,555,243
Fund balances (deficit):						
Nonspendable	11,106,155	8,150,000	-	-	44,857	19,301,012
Restricted	858,361	214,784	-	1,269,340	20,420	2,362,905
Committed	12,446,451	-	-	-	1,101,066	13,547,517
Assigned	8,319,357	-	-	12,552,243	1,613,331	22,484,931
Unassigned	21,491,918	(8,150,000)	(7,516,704)	-	-	5,825,214
Total fund balances (deficit)	54,222,242	214,784	(7,516,704)	13,821,583	2,779,674	63,521,579
Total liabilities and fund balances	$ 82,266,393	$ 8,472,420	$ 1,824,663	$ 16,914,416	$ 3,598,930	$ 113,076,822

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, 2011

Fund balances - Total governmental funds		$ 63,521,579
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.		87,558,122
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		7,592,385
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	$ 603,790	
Less accumulated amortization	(122,261)	481,529
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	5,141,196	
Capital assets	6,597,454	
Less accumulated depreciation/amortization	(3,213,320)	
	8,525,330	
Liabilities	(2,552,395)	5,972,935
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable	(1,516,398)	
General obligation bonds, net	(56,909,059)	
Literary loans	(100,000)	
Capital leases	(3,316,594)	
Lease revenue bonds, net	(28,707,763)	
Note payable	(1,041,781)	
Compensated absences	(4,286,858)	(95,878,453)
Total net assets - Statement of Net Assets		$ 69,248,097

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, 2011

	General	Tourism Special Revenue	Capital Project: Yorktown Capital Improvements	Capital Project: County Capital	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
General property taxes	$ 76,419,830	$ -	$ -	$ -	$ 96,332	$ 76,516,162
Other local taxes	25,352,296	3,002,742	-	-	718,855	29,073,893
Intergovernmental:						
Federal	1,047,525	-	-	361,971	3,335,919	4,745,415
State	13,254,166	-	-	200,000	1,501,387	14,955,553
Permits, fees, and licenses	471,535	-	-	-	-	471,535
Fines and forfeitures	359,937	-	-	-	-	359,937
Use of money and property	523,599	2,792	22,341	79,413	15,105	643,250
Charges for services	3,536,627	-	-	-	25,003	3,561,630
Miscellaneous	435,202	3	-	320	376,308	811,833
Recovered costs	1,840,024	-	-	45,000	723,965	2,608,989
Total revenues	123,240,741	3,005,537	22,341	686,704	6,792,874	133,748,197
EXPENDITURES						
Current:						
General government	1,915,207	-	-	-	-	1,915,207
Judicial services	2,825,547	-	-	-	5,826	2,831,373
Public safety	27,090,458	-	-	-	3,035,627	30,126,085
Environmental and development services	3,492,773	-	-	-	-	3,492,773
Finance and planning	7,800,118	1,258,294	-	-	-	9,058,412
Education	47,569,778	-	-	131,513	1,104,638	48,805,929
Human services	1,359,426	-	-	-	6,862,007	8,221,433
General services	6,822,173	-	-	-	-	6,822,173
Community services	3,295,699	842,337	-	-	-	4,138,036
Non-departmental	902,762	-	-	-	526,766	1,429,528
Capital outlay	671,716	-	33,297	5,013,893	3,249,941	8,968,847
Debt service:						
Principal retirement	57,519	28,530	-	-	6,474,635	6,560,684
Interest and fiscal charges	538	-	-	-	4,282,628	4,283,166
Other costs of debt issuance	-	-	-	-	24,257	24,257
Total expenditures	103,803,714	2,129,161	33,297	5,145,406	25,566,325	136,677,903
Excess (deficiency) of revenues over (under) expenditures	19,437,027	876,376	(10,956)	(4,458,702)	(18,773,451)	(2,929,706)
OTHER FINANCING SOURCES (USES)						
Insurance recovery	5,363	-	-	-	-	5,363
Transfers in	589,405	-	400,000	1,493,442	13,728,888	16,211,735
Issuance of debt	-	-	-	-	1,120,000	1,120,000
Capital lease	-	-	-	-	3,035,627	3,035,627
Sale of capital and other assets	482,720	-	-	-	-	482,720
Transfers out	(17,753,089)	(960,444)	-	(1,665,000)	(289,405)	(20,667,938)
Total other financing sources and uses	(16,675,601)	(960,444)	400,000	(171,558)	17,595,110	187,507
Net change in fund balance	2,761,426	(84,068)	389,044	(4,630,260)	(1,178,341)	(2,742,199)
Fund balance (deficit), beginning of year	51,460,816	298,852	(7,905,748)	18,451,843	3,958,015	66,263,778
Fund balance (deficit), end of year	$ 54,222,242	$ 214,784	$ (7,516,704)	$ 13,821,583	$ 2,779,674	$ 63,521,579

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, 2011

Net change in fund balances - total governmental funds		$ (2,742,199)
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	$ 6,144,468	
Depreciation and amortization expenses	(5,089,175)	
Loss on disposal of capital assets	(139,593)	915,700
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.		2,584,707
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	(1,120,000)	
Capital lease	(3,035,627)	
Costs of debt issuance	24,257	
Principal repayments	6,560,684	
Amortization of premium on issuance of noncurrent debt	108,841	
Amortization of discount on issuance of noncurrent debt	(10,245)	
Amortization of debt issuance costs	(30,378)	2,497,532
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	60,775	
Compensated absences	(40,824)	19,951
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.		694,263
Change in net assets of governmental activities		$ 3,969,954

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

COUNTY OF YORK, VIRGINIA
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	$ 8,976,763	$ 3,452,906	$ 12,429,669	$ 5,029,497
Restricted cash	9,375,474	226,870	9,602,344	-
Receivable, net	1,256,092	723,171	1,979,263	102,923
Due from other funds	104,985	804,985	909,970	-
Due from component unit - EDA	-	26,725	26,725	-
Prepaid expenses	44,564	10,200	54,764	8,776
Total current assets	19,757,878	5,244,857	25,002,735	5,141,196
Noncurrent assets:				
Deferred charges	484,490	76,645	561,135	-
Less accumulated amortization	(53,968)	(66,430)	(120,398)	-
Nondepreciable capital assets:				
Land	277,848	3,445,402	3,723,250	-
Construction in progress	9,304,321	2,269,167	11,573,488	-
Easements	15,397	-	15,397	-
Depreciable capital assets:				
Land improvements	37,155	-	37,155	221,446
Buildings and improvements	13,658,939	5,329,046	18,987,985	-
Infrastructure	88,769,276	23,422,860	112,192,136	-
Equipment	4,037,877	927,813	4,965,690	1,310,264
Vehicles	861,976	666,921	1,528,897	5,065,744
Computer software	52,327	-	52,327	-
Less accumulated depreciation	(24,203,379)	(20,859,480)	(45,062,859)	(3,213,320)
Less accumulated amortization	(11,213)	-	(11,213)	-
Total noncurrent assets	93,231,046	15,211,944	108,442,990	3,384,134
Total assets	$ 112,988,924	$ 20,456,801	$ 133,445,725	$ 8,525,330
LIABILITIES				
Current liabilities:				
Accounts payable	$ 912,041	$ 321,603	$ 1,233,644	$ 52,468
Retainage payable	157,195	-	157,195	-
Deposits payable	159,600	-	159,600	-
Salaries, taxes and benefits payable	278,147	64,583	342,730	89,982
Unearned revenue	84,660	23	84,683	-
Due to other funds	-	-	-	393,075
Accrued interest payable	105,810	1,279	107,089	-
Revenue bonds - current	442,715	-	442,715	-
Capital leases - current	279,679	195,000	474,679	-
Compensated absences - current	1,905	680	2,585	2,440
Total current liabilities	2,421,752	583,168	3,004,920	537,965
Noncurrent liabilities:				
Revenue bonds - net current	22,541,879	-	22,541,879	-
Capital leases - net current	1,230,616	-	1,230,616	-
Compensated absences - net current	330,114	23,763	353,877	76,610
Net OPEB obligation	-	-	-	1,937,820
Advance from other fund	-	2,750,000	2,750,000	-
Total noncurrent liabilities	24,102,609	2,773,763	26,876,372	2,014,430
Total liabilities	26,524,361	3,356,931	29,881,292	2,552,395
NET ASSETS				
Invested in capital assets, net of related debt	77,777,591	15,016,944	92,794,535	3,384,134
Restricted for debt service	175,417	226,870	402,287	-
Restricted for capital projects	1,134	-	1,134	-
Unrestricted	8,510,421	1,856,056	10,366,477	2,588,801
Total net assets	86,464,563	17,099,870	103,564,433	5,972,935
Total liabilities and net assets	$ 112,988,924	$ 20,456,801	$ 133,445,725	$ 8,525,330

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, 2011

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Use of property	$ -	$ 1,076,421	$ 1,076,421	$ -
Charges for services	7,209,582	3,929,886	11,139,468	3,966,729
Miscellaneous	3,525	11,482	15,007	39,208
Total operating revenues	7,213,107	5,017,789	12,230,896	4,005,937
Operating Expenses				
Personal services	3,267,343	689,417	3,956,760	1,617,831
Contractual services	1,262,757	5,266,085	6,528,842	387,417
Materials and supplies	1,591,790	476,064	2,067,854	2,083,576
Depreciation	2,870,553	568,301	3,438,854	565,239
Amortization	61,125	7,665	68,790	-
Total operating expenses	9,053,568	7,007,532	16,061,100	4,654,063
Operating loss	(1,840,461)	(1,989,743)	(3,830,204)	(648,126)
Nonoperating Revenues (Expenses)				
Federal subsidy for interest on debt	137,890	-	137,890	-
Grant income	-	11,612	11,612	-
Interest income	46,208	22,091	68,299	19,776
Amortization of debt premium	6,815	-	6,815	-
Interest and fiscal charges	(930,325)	(14,462)	(944,787)	-
Gain (loss) on disposal of capital assets	(14,146)	(74,146)	(88,292)	33,007
Total nonoperating revenues (expenses)	(753,558)	(54,905)	(808,463)	52,783
Loss before contributions and transfers	(2,594,019)	(2,044,648)	(4,638,667)	(595,343)
Capital Contributions	328,660	2,267,026	2,595,686	423,921
Donated Land to Component Unit - EDA	-	(16,950)	(16,950)	-
Transfers In	1,050,248	2,577,802	3,628,050	865,685
Transfers Out	(37,532)	-	(37,532)	-
Change in net assets	(1,252,643)	2,783,230	1,530,587	694,263
Total net assets, beginning of year	87,717,206	14,316,640	102,033,846	5,278,672
Total net assets, end of year	$ 86,464,563	$ 17,099,870	$ 103,564,433	$ 5,972,935

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, 2011

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 7,229,743	$ 4,927,293	$ 12,157,036	$ 3,938,578
Receipts from interfund activity	-	-	-	222,557
Other receipts	3,525	11,482	15,007	39,208
Payments to suppliers for goods and services	(2,515,126)	(5,691,542)	(8,206,668)	(2,587,999)
Payments to employees for services	(3,255,002)	(715,124)	(3,970,126)	(951,994)
Payments for interfund activity	(1,334)	(751,334)	(752,668)	(1,905)
Net cash provided by (used in) operating activities	1,461,806	(2,219,225)	(757,419)	658,445
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grant	-	11,612	11,612	-
Transfers in	-	1,527,544	1,527,544	828,163
Net cash provided by noncapital financing activities	-	1,539,156	1,539,156	828,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in	1,050,248	1,050,258	2,100,506	37,522
Transfers out	(37,532)	-	(37,532)	-
Capital grant	-	157,713	157,713	-
Acquisition and construction of capital assets	(3,870,066)	(2,213,665)	(6,083,731)	(672,098)
Net proceeds from the disposal of capital assets	-	-	-	151,195
Federal subsidy for interest on debt	137,890	-	137,890	-
Proceeds from capital debt	15,028,585	-	15,028,585	-
Principal paid on capital debt	(581,413)	(185,000)	(766,413)	-
Interest paid on capital debt	(855,076)	(15,675)	(870,751)	-
Net cash provided by (used in) capital and related financing activities	10,872,636	(1,206,369)	9,666,267	(483,381)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	46,208	22,091	68,299	19,332
Net cash provided by investing activities	46,208	22,091	68,299	19,332
Net increase (decrease) in cash and cash equivalents	12,380,650	(1,864,347)	10,516,303	1,022,559
Cash and cash equivalents, beginning of year	5,971,587	5,544,123	11,515,710	4,006,938
Cash and cash equivalents, end of year	$ 18,352,237	$ 3,679,776	$ 22,032,013	$ 5,029,497
Reconciliation of cash and cash equivalents to the Statement of Net Assets:				
Cash and investments	$ 8,976,763	$ 3,452,906	$ 12,429,669	$ 5,029,497
Restricted cash	9,375,474	226,870	9,602,344	-
Cash and cash equivalents, end of year	$ 18,352,237	$ 3,679,776	$ 22,032,013	$ 5,029,497
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (1,840,461)	$ (1,989,743)	$ (3,830,204)	$ (648,126)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	2,870,553	568,301	3,438,854	565,239
Amortization	61,125	7,665	68,790	-
Decrease (increase) in:				
Receivables	20,161	(110,862)	(90,701)	(26,666)
Due from other funds	(1,334)	(701,334)	(702,668)	-
Due from component unit - EDA	-	31,849	31,849	-
Prepaid expenses	(39,175)	(8,285)	(47,460)	(7,583)
Increase (decrease) in:				
Accounts payable	315,978	50,607	366,585	(117,006)
Retainage payable	22,738	-	22,738	-
Deposits payable	705	-	705	-
Salaries, taxes and benefits payable	54,670	(11,933)	42,737	5,417
Unearned revenue	-	(1)	(1)	-
Due to other funds	-	-	-	220,652
Compensated absences	(3,154)	(5,489)	(8,643)	8,407
Net OPEB obligation	-	-	-	658,111
Advance from other fund	-	(50,000)	(50,000)	-
Net cash provided by (used in) operating activities	$ 1,461,806	$ (2,219,225)	$ (757,419)	$ 658,445
Noncash investing, capital, and financing activities:				
Contributions of capital assets	$ 328,660	$ 95,930	$ 424,590	$ 423,921
Donated land to component unit - EDA	$ -	$ (16,950)	$ (16,950)	$ -

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, 2011

	Agency Funds
ASSETS	
Cash and investments	$ 3,699,657
Other receivables	143,755
Total assets	$ 3,843,412
LIABILITIES	
Accounts payable	$ 456,615
Salaries, taxes and benefits payable	641,188
Amounts held for others	2,745,609
Total liabilities	$ 3,843,412

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.

In fiscal year 2011, the County adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to improve the usefulness and understandability of governmental fund balance information. It provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent and clarifies governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

As required by GAAP, the accompanying basic financial statements include all activities of the County. The component unit columns in the basic financial statements include the financial data of the County's three discretely presented component units. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. 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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued

The issuance of the 2007 bonds does not directly, indirectly or contingently obligate York County to levy any taxes or to make any appropriation for their payment except from the revenues and receipts pledged therefore. Pursuant to the Act, York County is expressly precluded from paying the principal of or interest on the 2007 bonds except from the special assessments and the incremental tax revenues. A separate board appointed by the Board of Supervisors governs the CDA. Separate audited financial statements are available from Sharon B. Day, Marquis Community Development Authority at 120 Alexander Hamilton Boulevard, Yorktown, Virginia 23690.

Joint Venture Government Organizations

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

The County reports the following major governmental funds:

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

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

Yorktown Capital Improvements Fund: accounts for 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The County reports the following nonmajor enterprise funds:

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

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

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

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

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

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

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

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 Behavioral Health; the Colonial Group Home Commission; the Special Welfare Board; regional projects, the Peninsula Public Sports Facility Authority, the Darby-Firby Neighborhood Corporation, and the Library Board.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Property Taxes

The two major sources of property taxes are described below:

Real Estate: The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute, each year as of January 1 on the estimated market value of the property. All real estate property is assessed biennially. Real estate taxes are billed in semi-annual installments due June 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, 2010 and June 5, 2011, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2010 and 2011 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, 2010, and June 5, 2011, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2010 and 2011 was $4.00 per $100 of assessed value.

The County's property tax collection records show that 94.76% 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories

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

Advances

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in 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, 2011 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balances

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

> Nonspendable: includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.
>
> Restricted: includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
>
> Committed: includes amounts that can be used only for the specific purposes determined by a formal action (ordinance and/or resolution) by the Board of Supervisors.
>
> Assigned: includes amounts that are intended to be used for specific purposes, but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Supervisors, or as delegated to the County Administrator.
>
> Unassigned: includes the residual classification for the County's general fund and includes all spendable amounts not contained in other classifications.

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

Net Assets

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 11.30% 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.

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

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

2. DEPOSITS AND INVESTMENTS, Continued

The carrying amount of the County's cash and investments at June 30, 2011 totaled $104,698,899, as summarized below:

	Amount
Restricted cash	$ 9,953,875
Investments	70,076,821
Deposits with financial institutions	24,664,118
Petty cash	4,085
Total cash and investments	$ 104,698,899

A reconciliation to the basic financial statements is as follows:

Cash and investments	$ 91,045,367
Restricted cash	9,953,875
Agency funds - cash and investments	3,699,657
Total cash and investments	$ 104,698,899

Restricted Cash

The County's restricted cash of $9,953,875 at June 30, 2011 consisted of the following: $5,000 of surety deposits for junkyards held in the County and junkyards' names; $26,234 of donations and grants received for specific purposes; $234,361 of drug seizure funds; $226,870 for funds held in escrow for a capital lease with the Virginia Peninsulas Public Service Authority; $139,993 for debt payments on the 2005 and 2010 sewer revenue bonds; $7,528,508 of unspent bond proceeds held in escrow for sewer projects; $1,563,424 for debt service reserve requirements on the 1992 and 2010 sewer bonds; and $229,485 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, 2011, the County's investments as rated by Standard & Poor's were as follows:

Investment Type	AAA	AA	Unrated
Virginia LGIP	$ 5,469,895	$ -	$ -
Money market	-	-	12,808,557
Certificate of deposit	-	-	2,698,147
Municipal bonds	2,389,950	14,673,758	-
Federal agency bonds and notes	24,315,433	-	-
Corporate obligations	755,912	6,965,169	-
Total investments	$ 32,931,190	$ 21,638,927	$ 15,506,704

2. DEPOSITS AND INVESTMENTS, Continued

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, 2011, the carrying values and weighted average maturity of the County's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity in Years
Money market-Virginia LGIP	$ 5,469,895	0.02
Money market	12,808,557	0.02
Certificate of deposit	2,698,147	1.00
Municipal bonds	17,063,708	1.12
Federal agency bonds and notes	24,315,433	1.17
Corporate obligations	7,721,081	1.42
Total investments	$ 70,076,821	
Weighted average of portfolio		0.87

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, 2011, 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, 2011, and excluding fiduciary funds of $3,493,414 not held by the County Treasurer, the School Division had restricted cash of $2,902,899, which consisted of unspent bond proceeds, and investments of $2,985,586 with LGIP, rated AAA by Standard and Poor's.

The EDA's restricted cash at June 30, 2011, of $238,508 consisted of an economic development project under construction ($185,255), an advanced payment from the County for an economic development incentive grant ($40,000) and tenant security deposits ($13,253).

2. DEPOSITS AND INVESTMENTS, Continued

At June 30, 2011, the EDA had investments in LGIP of $441,019, rated AAAm by Standard & Poor's and common stock equity in Waterside Capital Corporation of $1,169, stated at fair value.

The CDA's restricted cash and investments of $6,869,744 at June 30, 2011, consisted of unspent bond proceeds. Of the total, $11 was invested in the US Treasury money market funds and $6,869,733 was invested in SNAP money market mutual funds. Both are rated AAAm by Standard & Poor's and were stated at cost, which approximates fair value.

3. RECEIVABLES

At June 30, 2011, receivables were as follows:

	General	Tourism	Yorktown Capital Imps	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds	Internal Service Funds
Property taxes	$ 7,015,978	$ -	$ -	$ -	$ 5,875,240	$ -	$ -	$ -
Vehicle registration fees	480,983	-	-	-	-	-	-	-
Other taxes	2,163,883	217,399	-	-	93,847	-	-	-
Accounts	927,019	-	-	28,044	47,560	1,315,924	747,309	100,180
Interest	12,062	71	135	6,647	1,075	4,290	1,646	2,394
Notes	-	-	1,541,391	1,161,675	-	-	-	-
Intergovernmental:								
Federal	98,140	-	-	1,584,000	235,555	-	-	349
State	4,692,524	-	-	85,000	202,032	-	-	-
Receivables, gross	15,390,589	217,470	1,541,526	2,865,366	6,455,309	1,320,214	748,955	102,923
Less allowance for doubtful accounts	(1,808,859)	(44,383)	-	-	(5,875,240)	(64,122)	(25,784)	-
Receivables, net	$ 13,581,730	$ 173,087	$ 1,541,526	$ 2,865,366	$ 580,069	$ 1,256,092	$ 723,171	$ 102,923

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, 2011, the outstanding balance of the note receivable, including accrued interest of $385,857 was $1,191,367.

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, at June 30, 2011, was $350,024.

3. RECEIVABLES, Continued

The County has billed the CDA's property owner special assessments in the amounts of $1,769,342, $3,008,898 and $1,097,000, due June 5, 2011, 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 three special assessments.

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2011 is as follows:

Due from Fund	Due to Fund	Purpose	Amount
General	Nonmajor governmental	Program match	$ 650,733
		Meals tax	52,492
	Solid Waste Management	Operations	700,000
	Sewer Utility	Meals tax	104,985
	Nonmajor enterprise	Meals tax	104,985
Total Due to other funds			$ 1,613,195
Internal service funds	General	Reimbursement	$ 393,075

Advance from Fund	Advance to Fund	Purpose	Amount
General	Tourism	Infrastructure	$ 7,952,841
	Yorktown Operations	Land purchase	2,750,000
Total Advances to other funds			$ 10,702,841
Tourism	Yorktown Capital Improvements	Infrastructure	$ 8,150,000

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 for the infrastructure loan have begun from lodging tax revenue generated by tourism. Repayments for the land purchase have also begun, from net rental income generated by the tenant operations managed by the EDA. Repayments in both instances are expected to continue until the advances are fully liquidated.

Due to/from Primary Government:

Due from Entity	Due to Entity	Purpose	Amount
County of York	School Division	Operations	$ 14,676,476
		Construction projects	131,513
Total Due from primary government			$ 14,807,989
County of York	EDA	Debris recycling center project	$ 34,817
		Riverwalk Landing lease	(26,725)
Total Due from primary government			$ 8,092
County of York	CDA	Incremental tax revenues	$ 270,006

4. **INTERFUND AND COMPONENT UNIT TRANSACTIONS,** Continued

Fund	Transfers Out Fund	Transfers In Fund
General	$ 17,753,089	$ 589,405
Tourism	960,444	-
Yorktown Capital Improvements	-	400,000
County Capital	1,665,000	1,493,442
Nonmajor governmental	289,405	13,728,888
Sewer Utility	37,532	1,050,248
Nonmajor enterprise	-	2,577,802
Internal service	-	865,685
Total	$ 20,705,470	$ 20,705,470

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

Significant transactions between the primary government and component units during fiscal year 2011 were as follows:

Payments from County to School Division for School operations	$ 45,336,100
Payments from County to School Division for School technology	395,010
Payments to County from School Division - year-end reversion entry	(390,564)
Payments to County from School Division - return of local funds	(300,000)
Total General Fund	$ 45,040,546
Payment from County bond proceeds to School Division for construction - Nonmajor Governmental Fund	$ 1,104,638
Payment from County to School Division for construction - County Capital Fund	$ 131,513
Statement of Activities - Payment from County of York	$ 46,276,697
Payment from County General Fund to Economic Development Authority for operations	$ 43,660
Payment from County Capital Fund to Economic Development Authority for the construction of a debris recycling center	$ 394,059
Statement of Activities - Payment from County of York	$ 437,719
Land contributed to Economic Development Authority - Nonmajor Enterprise Fund; Statement of Activities - Capital Contribution from County of York	$ 16,950
Payment from County to Community Development Authority for incremental tax revenue - Nonmajor Governmental Fund; Statement of Activities - Payment from County of York	$ 816,171

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government:

Governmental Activities:	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated/amortized:				
Land	$ 9,267,219	$ -	$ -	$ 9,267,219
Easements	274,054	201,969	-	476,023
Construction in progress	552,637	5,446,694	(618,952)	5,380,379
Total capital assets not being depreciated/amortized	10,093,910	5,648,663	(618,952)	15,123,621
Capital assets being depreciated/amortized:				
Land improvements	21,793,961	9,105	-	21,803,066
Buildings and improvements	44,195,470	-	-	44,195,470
Infrastructure	14,760,846	-	-	14,760,846
Equipment	21,424,470	886,376	(536,595)	21,774,251
Vehicles	14,491,897	677,565	(880,560)	14,288,902
Computer Software	11,831	330,378	-	342,209
Total capital assets being depreciated/amortized	116,678,475	1,903,424	(1,417,155)	117,164,744
Less accumulated depreciation/amortization for:				
Land improvements	(5,635,545)	(1,289,235)	-	(6,924,780)
Buildings and improvements	(10,116,029)	(873,758)	-	(10,989,787)
Infrastructure	(3,080,297)	(490,727)	-	(3,571,024)
Equipment	(11,761,609)	(1,980,828)	420,092	(13,322,345)
Vehicles	(6,256,406)	(984,462)	739,282	(6,501,586)
Computer Software	(1,183)	(35,404)	-	(36,587)
Total accumulated depreciation/amortization	(36,851,069)	(5,654,414)	1,159,374	(41,346,109)
Total capital assets being depreciated/amortized, net	79,827,406	(3,750,990)	(257,781)	75,818,635
Governmental activities capital assets, net	$ 89,921,316	$ 1,897,673	$ (876,733)	$ 90,942,256

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

General government	$ 1,199,832
Judicial services	219,578
Public safety	2,080,201
Environmental and development services	26,339
Finance and planning	184,829
Education	115,361
Human services	8,809
General services	244,668
Community services	1,009,558
Internal Service Fund - charged to funcations based on usage	565,239
Total depreciation and amortization expenses - governmental activities	$ 5,654,414

5. CAPITAL ASSETS, Continued

Business-type Activities:	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated/amortized:				
Land	$ 3,740,200	$ -	$ (16,950)	$ 3,723,250
Easements	-	15,397	-	15,397
Construction in progress	9,436,782	5,923,746	(3,787,040)	11,573,488
Total capital assets not being depreciated/amortized	13,176,982	5,939,143	(3,803,990)	15,312,135
Capital assets being depreciated/amortized:				
Land improvements	37,155	-	-	37,155
Buildings and improvements	18,987,985	-	-	18,987,985
Infrastructure	107,976,183	4,215,953	-	112,192,136
Equipment	4,895,232	70,458	-	4,965,690
Vehicles	1,528,897	-	-	1,528,897
Computer Software	52,327	-	-	52,327
Total capital assets being depreciated/amortized	133,477,779	4,286,411	-	137,764,190
Less accumulated depreciation/amortization for:				
Land improvements	(5,278)	(1,859)	-	(7,137)
Buildings and improvements	(9,469,932)	(775,182)	-	(10,245,114)
Infrastructure	(28,764,431)	(2,180,226)	-	(30,944,657)
Equipment	(2,571,006)	(421,029)	-	(2,992,035)
Vehicles	(794,873)	(79,043)	-	(873,916)
Computer Software	(3,738)	(7,475)	-	(11,213)
Total accumulated depreciation/amortization	(41,609,258)	(3,464,814)	-	(45,074,072)
Total capital assets being depreciated/amortized, net	91,868,521	821,597	-	92,690,118
Business-type activities capital assets, net	$ 105,045,503	$ 6,760,740	$ (3,803,990)	$ 108,002,253

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

Sanitary District No. 2	$ 378,169
Solid waste	122,651
Sewer utility	2,878,028
York Sanitary District	45,141
Upper County utility	15,748
Water utility	6,592
Total depreciation and amortization expenses - business-type activities	$ 3,446,329
Sewer equipment transferred from General Fund	18,485
Total - business-type activities	$ 3,464,814

5. CAPITAL ASSETS, Continued

Discretely Presented Component Unit - School Division	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	$ 4,826,359	$ -	$ -	$ 4,826,359
Construction in progress	727,371	3,042,644	(1,172,000)	2,598,015
Total capital assets not being depreciated	5,553,730	3,042,644	(1,172,000)	7,424,374
Capital assets being depreciated:				
Improvements other than buildings	4,794,034	118,908	-	4,912,942
Buildings and improvements	167,246,020	1,172,000	-	168,418,020
Equipment	2,478,704	24,930	(18,667)	2,484,967
Vehicles	10,700,101	789,667	(136,664)	11,353,104
Total capital assets being depreciated	185,218,859	2,105,505	(155,331)	187,169,033
Less accumulated depreciation for:				
Improvements other than buildings	(1,753,552)	(187,235)	-	(1,940,787)
Buildings and improvements	(50,967,474)	(3,400,586)	-	(54,368,060)
Equipment	(1,189,449)	(189,890)	5,911	(1,373,428)
Vehicles	(4,128,002)	(788,663)	117,020	(4,799,645)
Total accumulated depreciation	(58,038,477)	(4,566,374)	122,931	(62,481,920)
Total capital assets being depreciated, net	127,180,382	(2,460,869)	(32,400)	124,687,113
School Division capital assets, net	$ 132,734,112	$ 581,775	$ (1,204,400)	$ 132,111,487

Discretely Presented Component Unit - EDA	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated:				
Construction in progress	$ -	$ 694,660	$ -	$ 694,660
Total capital assets not being depreciated	$ -	$ 694,660	$ -	$ 694,660

Discretely Presented Component Unit - CDA	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated:				
Construction in progress	$ 19,223,778	$ 32,957	$ -	$ 19,256,735
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	32,957	-	21,669,176
Capital assets being amortized:				
Computer Software	9,000	-	-	9,000
Less accumulated amortization	(3,000)	(3,000)	-	(6,000)
Total capital assets being amoritzed, net	6,000	(3,000)	-	3,000
Community Development Authority capital assets, net	$ 21,642,219	$ 29,957	$ -	$ 21,672,176

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, 2011, deferred/unearned revenue in the governmental and proprietary funds consisted of the following:

	General	Tourism	Yorktown Capital Imps	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds
Purpose:							
Advance payments for taxes, services and rents	$ 361,623	$ -	$ -	$ -	$ 50,000	$ 84,660	$ 23
Delinquent taxes and fees	6,287,926	54,240	-	-	-	-	-
Grants that have not met all eligibility requirements	12,313	-	-	1,437,252	-	-	-
Long-term notes receivable for E911 merger, capital lease and building	-	-	1,191,367	1,161,675	-	-	-
Total deferred and unearned revenue	$ 6,661,862	$ 54,240	$ 1,191,367	$ 2,598,927	$ 50,000	$ 84,660	$ 23

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2011:

Primary Government: **Governmental Activities:**	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
General obligation bonds	$ 58,510,000	$ 1,120,000	$ (4,325,000)	$ 55,305,000	$ 4,540,000
Premium on bonds	1,348,071	-	(89,034)	1,259,037	-
Literary loans	200,000	-	(100,000)	100,000	100,000
Capital leases	694,180	3,035,627	(413,213)	3,316,594	93,164
Lease revenue bonds	30,565,000	-	(1,730,000)	28,835,000	1,540,000
Premium on bonds	364,829	-	(19,807)	345,022	-
Discount on bonds	(137,482)	-	10,245	(127,237)	-
Note payable	1,341,604	-	(299,823)	1,041,781	322,388
Compensated absences	4,316,677	3,770,405	(3,721,174)	4,365,908	124,140
Net OPEB obligation	1,279,709	1,228,354	(570,243)	1,937,820	-
Total Governmental Activities	$ 98,482,588	$ 9,154,386	$ (11,258,049)	$ 96,378,925	$ 6,719,692
Business-type Activities:					
Revenue bonds	$ 8,484,413	$ 15,280,000	$ (312,103)	$ 23,452,310	$ 442,715
Premium on bonds	84,601	63,447	(6,815)	141,233	-
Deferred amount on refunding	(644,769)	-	35,820	(608,949)	-
Capital leases	2,159,605	-	(454,310)	1,705,295	474,679
Compensated absences	365,105	297,779	(306,422)	356,462	2,585
Total Business-type Activities	$ 10,448,955	$ 15,641,226	$ (1,043,830)	$ 25,046,351	$ 919,979

7. LONG-TERM DEBT, Continued

Discretely Presented Component Units:	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
School Division					
Compensated absences	$ 1,832,071	$ 1,115,861	$ (925,141)	$ 2,022,791	$ 990,000
Workers' compensation claims	3,041,258	452,838	(184,406)	3,309,690	600,000
Net OPEB obligation	181,080	562,445	(344,342)	399,183	-
Total School Division	$ 5,054,409	$ 2,131,144	$ (1,453,889)	$ 5,731,664	$ 1,590,000
Economic Development Authority					
Notes payable	$ 1,182,613	$ -	$ (27,079)	$ 1,155,534	$ 24,996
Community Development Authority					
Bonds payable	$ 32,860,000	$ -	$ (1,180,000)	$ 31,680,000	$ -
Less unamortized bond discount	(371,571)	45,499	-	(326,072)	-
Total CDA	$ 32,488,429	$ 45,499	$ (1,180,000)	$ 31,353,928	$ -

Arbitrage

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U. S. Treasury. During fiscal year 2011, the County was required to have arbitrage rebate calculations performed for its 2009 VPSA \$4,180,000 issue, 2010 VPSA \$1,120,000 issue and the \$15,280,000 Sewer System Revenue Bonds issue. As of June 30, 2011, 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 2011, the primary government issued \$1,120,000 of general obligation bonds to provide resources for the replacement of the HVAC system at Grafton Bethel Elementary School. Outstanding general obligation bonds at June 30, 2011 of the primary government governmental activities are as follows:

7. LONG-TERM DEBT, Continued

GOB Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2011
VPSA 93C	School complex, Tabb, Yorktown Elementary	11/18/93	12/15/13	4.48-5.00%	$ 100,000
VPSA 97I	Various school projects	11/20/97	07/15/17	4.35-5.35%	7,115,000
Series 01	Refinance 1994 issue for school construction	11/01/01	07/15/14	3.00-5.00%	7,505,000
VPSA 02B	Bruton High	11/07/02	07/15/22	2.35-5.10%	5,435,000
VPSA 03	Queens Lake	11/06/03	07/15/23	3.10-5.35%	2,935,000
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	12,445,000
VPSA 06	Yorktown Middle and New Horizons renovations	11/09/06	07/15/26	4.23-5.10%	9,585,000
VPSA 08	Dare, Magruder, Yorktown Elementary classrooms	12/11/08	07/15/28	3.60-5.35%	5,085,000
VPSA 09	Dare and Mt. Vernon Elementary and Tabb High	12/03/09	07/15/29	3.05-4.05%	4,045,000
VPSA 10	Grafton Bethel Elementary	07/08/10	06/01/27	1.085-1.925%	1,055,000
					$ 55,305,000

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

Year	Governmental Activities Principal	Governmental Activities Interest
2012	$ 4,540,000	$ 2,570,874
2013	4,720,000	2,348,454
2014	4,980,000	2,115,590
2015	5,205,000	1,866,809
2016	3,330,000	1,657,668
2017 - 2021	15,390,000	5,915,682
2022 - 2026	13,955,000	2,528,545
2027 - 2031	3,185,000	261,962
	$ 55,305,000	$ 19,265,584

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, 2011 of the primary government governmental activities are as follows:

Project/Purpose	Loan Date	Maturity Date	Interest Rate	Balance June 30, 2011
Magruder Elementary	07/15/91	07/15/11	4.00%	$ 100,000

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

Year	Governmental Activities Principal	Governmental Activities Interest
2012	$ 100,000	$ 4,000

7. LONG-TERM DEBT, Continued

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, 2011 of the primary government governmental activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2011
2001	Refinance COPS Series 1990 and 1992	11/01/01	03/01/12	3.00-4.13%	$ 165,000
2003	800 mhz system, equipment, parking garage	12/01/03	06/15/23	2.00-4.50%	11,980,000
2008	Sports Field Complex, fire station additions	12/01/08	10/01/29	3.125-5.327%	16,690,000
					$ 28,835,000

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

Year	Governmental Activities Principal	Governmental Activities Interest
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	1,585,000	1,076,163
2017 - 2021	9,075,000	4,244,688
2022 - 2026	7,300,000	2,089,268
2027 - 2031	4,890,000	522,995
	$ 28,835,000	$ 12,792,316

Note Payable

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

Year	Governmental Activities Principal	Governmental Activities Interest
2012	$ 322,388	$ 71,140
2013	346,653	46,874
2014	372,740	20,784
	$ 1,041,781	$ 138,798

7. LONG-TERM DEBT, Continued

Revenue Bonds

The County anticipates that the amounts required for the payment of interest and principal on the bonds will be provided by the respective enterprise funds revenues. During fiscal year 2011, the County issued $15,280,000 of sewer system revenue bonds to fund various sewer projects. Revenue bonds at June 30, 2011 of the primary government business-type activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2011
1992	Lackey sewer system	05/14/92	05/14/32	5.00%	$ 457,310
2005	Sewer system refunding	06/08/05	06/01/29	3.00-5.00%	7,715,000
2010	Sewer systems	12/01/10	06/01/40	2.00-6.607%	15,280,000
					$ 23,452,310

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

	Business-type Activities	
Year	Principal	Interest
2012	$ 442,715	$ 1,272,623
2013	458,359	1,259,567
2014	464,035	1,245,519
2015	504,746	1,231,258
2016	520,493	1,215,686
2017 - 2021	2,875,052	5,796,221
2022 - 2026	3,505,272	5,169,746
2027 - 2031	4,372,560	4,218,022
2032 - 2036	5,264,078	2,733,606
2037 - 2041	5,045,000	850,322
	$ 23,452,310	$ 24,992,570

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, 2011 was $13,010,000. 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%.

7. LONG-TERM DEBT, Continued

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, 2011, 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, 2011, the outstanding principal balance on the note payable was $350,024.

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

	Community Development Authority	
Year	**Principal**	**Interest**
2012	$ -	$ 1,737,506
2013	5,325,000	1,601,719
2014	3,150,000	1,385,606
2015	3,430,000	1,208,813
2016	3,790,000	1,005,750
2017 - 2019	15,985,000	1,527,891
	$ 31,680,000	$ 8,467,285

8. FUND BALANCE (DEFICIT)

Fund balance (deficit) is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

8. FUND BALANCE (DEFICIT), Continued

The constraints placed on fund balance (deficit) for the major governmental funds and all other governmental funds are presented below:

Purpose	General	Tourism	Yorktown Capital Imps	County Capital	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid expenditures	$ 403,314	$ -	$ -	$ -	$ 44,857	$ 448,171
Advances	10,702,841	8,150,000	-	-	-	18,852,841
Total nonspendable	$ 11,106,155	$ 8,150,000	$ -	$ -	$ 44,857	$ 19,301,012
Restricted:						
Public safety	$ 784,864	$ -	$ -	$ 1,269,340	$ -	$ 2,054,204
Commonwealth's attorney	24,631	-	-	-	-	24,631
Community services	40,896	-	-	-	-	40,896
Tourism	-	214,784	-	-	-	214,784
Law Library	-	-	-	-	12,807	12,807
Head Start	-	-	-	-	7,613	7,613
Other purposes	7,970	-	-	-	-	7,970
Total restricted	$ 858,361	$ 214,784	$ -	$ 1,269,340	$ 20,420	$ 2,362,905
Committed:						
School reversion	$ 390,564	$ -	$ -	$ -	$ -	$ 390,564
Payment to health insurance reserve	300,000	-	-	-	-	300,000
Chesapeake Bay and Wetlands remediation	3,887	-	-	-	-	3,887
Meals tax for drainage projects	-	-	-	-	1,101,066	1,101,066
Workers' Compensation	1,851,796	-	-	-	-	1,851,796
Post employment benefits for School Division	4,434,210	-	-	-	-	4,434,210
Intergovernmental revenue shortfalls for School Division	5,465,994	-	-	-	-	5,465,994
Total committed	$ 12,446,451	$ -	$ -	$ -	$ 1,101,066	$ 13,547,517
Assigned:						
Registrar and Electoral Board	$ 109,135	$ -	$ -	$ -	$ -	$ 109,135
Victim-witness	172,134	-	-	-	-	172,134
Public safety	583,135	-	-	1,854,822	-	2,437,957
Environmental and Development services	108,889	-	-	465,377	-	574,266
Finance and Planning	936,872	-	-	-	-	936,872
Education and Educational services	50,287	-	-	-	-	50,287
General services	179,846	-	-	747,915	-	927,761
Community services	678,211	-	-	105,024	-	783,235
Other post-employment benefits	3,463,414	-	-	-	-	3,463,414
Capital outlay	1,975,592	-	-	4,488,623	-	6,464,215
Environmental and transportation improvements	-	-	-	4,890,482	-	4,890,482
Head Start and Social Services programs	-	-	-	-	1,613,331	1,613,331
Other purposes	61,842	-	-	-	-	61,842
Total assigned	$ 8,319,357	$ -	$ -	$ 12,552,243	$ 1,613,331	$ 22,484,931
Unassigned	$ 21,491,918	$ (8,150,000)	$ (7,516,704)	$ -	$ -	$ 5,825,214
Total fund balances (deficit)	$ 54,222,242	$ 214,784	$ (7,516,704)	$ 13,821,583	$ 2,779,674	$ 63,521,579

9. LEASES

County as Lessee

The County leases certain land, equipment and office space under noncancellable operating lease agreements. A summary of future minimum rental payments under these noncancellable operating leases as of June 30, 2011 is as follows:

Year	Primary Government	Discretely Presented Component Unit - School Division
2012	$ 413,160	197,292
2013	411,039	153,572
2014	400,109	71,621
2015	361,290	66,997
2016	360,324	56,243
2017-2021	1,670,307	-
2022-2026	1,145,593	-
2027-2031	1,145,200	-
2032-2036	1,145,200	-
2037-2041	1,145,200	-
2042-2046	870,149	-
Total minimum lease payments	$ 9,067,571	$ 545,725

Rental expenditures for the year ended June 30, 2011 for all operating leases were $535,267 and $141,049 for the County and Discretely Presented Component Unit - School Division, respectively.

County as Lessor

The County leases the usage of its communication towers under operating lease agreements. The towers are included in capital assets as communications equipment with a cost of $9,392,690 and accumulated depreciation of $6,077,672, for a carrying amount of $3,315,018 at June 30, 2011. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2011 is as follows:

Year	Primary Government	Discretely Presented Component Unit - School Division
2012	$ 427,628	$ 326,913
2013	316,482	326,724
2014	320,881	327,047
2015	309,849	326,554
2016	294,020	326,573
2017-2021	1,517,625	-
2022-2026	1,239,577	-
2027-2031	895,666	-
2032-2036	720,742	-
2037-2041	720,710	-
2042-2046	655,559	-
Total minimum lease payments	$ 7,418,739	$ 1,633,811

9. **LEASES**, Continued

Rental revenue receipts for all operating leases were $647,363 for the County and $326,866 for the School Division for the year ended June 30, 2011.

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, 2011 is as follows:

	Primary Government	
Year	Governmental Activities	Business-type Activities
2012	$ 217,602	$ 540,625
2013	217,604	337,825
2014	213,463	337,824
2015	525,744	337,825
2016	525,743	337,825
2017-2021	2,416,483	-
Total minimum lease payments	4,116,639	1,891,924
Less amount representing interest	(800,045)	(186,629)
Present value of principal	$ 3,316,594	$ 1,705,295

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - $4,145,507 (equipment) and Business-type Activities - $1,183,701 (buildings) and $2,038,931 (equipment).

10. **DEFINED BENEFIT PENSION PLANS**

Plan Descriptions

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

The County payroll for employees covered by the VRS for the year ended June 30, 2011 was $35,812,380 out of the total payroll of $39,534,227.

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, 2011 was $61,396,807 and the total payroll was $62,054,481. 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, 2011 was $6,164,768 and the total payroll was $7,621,572.

10. DEFINED BENEFIT PENSION PLANS, Continued

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

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

> Plan 1: Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or age 50 with at least five years of service credit.
>
> Plan 2: Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

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

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation.

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

10. DEFINED BENEFIT PENSION PLANS, Continued

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

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

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

Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All of the 5% member contribution has been assumed by the County and by the School Division. 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 2011 was 13.97% of annual covered payroll. The School Division's contribution rate for employees for fiscal year ended 2011 was 11.64% of annual covered payroll.

Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of $5,002,989 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
6/30/2011	$ 5,002,989	100%	-
6/30/2010	4,809,039	100%	-
6/30/2009	4,723,525	100%	-

10. DEFINED BENEFIT PENSION PLANS, Continued

The required contribution for VRS was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases ranging from 3.75% - 5.60% per year for general government employees and 3.50% - 4.75% for employees eligible for enhanced benefits for available law enforcement officers, firefighters and sheriffs, and (c) 2.5% 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 $5,482,734 for fiscal year 2011 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
6/30/2011	$	5,482,734	100%	-
6/30/2010		7,043,137	100%	-
6/30/2009		8,711,674	100%	-

For fiscal year 2011, the School Division's annual pension cost for the non-professional employees of $717,579 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
6/30/2011	$	717,579	100%	-
6/30/2010		743,242	100%	-
6/30/2009		753,611	100%	-

The School Division's annual required contributions for the optional plan were $45,923, $37,710 and $55,838, and actual contributions were $100,000, $200,000 and $200,000 for 2011, 2010 and 2009 respectively.

Three-Year Trend Information - School Division

Fiscal Year		Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	$	45,923	100%	-
6/30/2010		37,710	100%	-
6/30/2009		55,838	100%	-

The actuarial accrued liability for the optional plan was determined as part of an actuarial valuation on June 30, 2011 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%.

10. DEFINED BENEFIT PENSION PLANS, Continued

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 79.26% funded. The actuarial accrued liability for benefits was $146,492,079, and the actuarial value of assets was $116,108,792, resulting in an unfunded actuarial accrued liability (UAAL) of $30,383,287. The covered payroll (annual payroll of active employees covered by the plan) was $36,442,031, and the ratio of the UAAL to the covered payroll was 83.37%.

As of June 30, 2010, the most recent actuarial valuation date, the School Division's plan for its non-professional employees was 85.24% funded. The actual accrued liability for benefits was $16,705,389, and the actuarial value of assets was $14,238,936, resulting in an unfunded actuarial accrued liability (UAAL) of $2,466,453. The covered payroll (annual payroll of active employees covered by the plan) was $6,308,288, and the ratio of the UAAL to the covered payroll was 39.10%.

As of June 30, 2011, the most recent actuarial valuation date, the School Division's optional plan was 89.17% funded. The actual accrued liability for benefits was $2,137,314, and the actuarial value of assets was $1,905,910, resulting in an unfunded actuarial accrued liability (UAAL) of $231,404. The covered payroll was $646,369 and the ratio of the UAAL to the covered payroll was 35.80%.

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

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Descriptions

The County's OPEB plan is a single-employer defined benefit plan administered by York County. Employees retiring after January 1, 2002 and having twenty or more years of service with the County and receiving a VRS annuity will qualify for a health insurance premium contribution from the County. The retiree's Virginia Retirement System (VRS) annuity may be either a full or reduced benefit. The amount of the County's contribution shall be equal to 50% of the retiree's total monthly health insurance premium subject to the following 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, 2011, 52 retirees were participating in this program. For the School Division, 71 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, 2011, one retiree was participating in this program.

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

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 2011, 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 2011, the County provided the annual required contribution of $1,228,354, and benefit payments made on behalf of retirees for claims, net of retiree contributions, were $177,927.

The School Division opted not to advance-fund or establish a funding methodology for its OPEB costs or net OPEB obligation. For fiscal year 2011, the School Division provided an annual contribution of $344,342, and the annual required contribution was $561,211.

Annual OPEB Cost

The County's and School Division's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year 2011, 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	$ 590,903	$ 310,264
Amortization of unfunded accrued liability	577,746	226,780
Interest	52,589	24,167
Annual required contribution	1,221,238	561,211
Interest on net OPEB obligation (NOO)	47,006	8,149
Amortization of NOO	(39,890)	(6,915)
Annual OPEB cost	1,228,354	562,445
Actual contribution towards OPEB cost	(570,243)	(344,342)
Increase in NOO	658,111	218,103
NOO, beginning of year	1,279,709	181,080
NOO, end of year	$ 1,937,820	$ 399,183

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

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
6/30/2011	$ 1,228,354	46%	$ 1,937,820
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)
6/30/2011	$ 562,445	61%	$ 399,183
6/30/2010	530,853	59%	181,080
6/30/2009	449,146	108%	(36,651)

Funded Status and Funding Progress

As of June 30, 2011, the County's actuarial accrued liability for benefits was $14,538,417, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $14,538,417. The covered payroll (annual payroll of active employees covered by the plan) was $35,815,826, and the ratio of the UAAL to the covered payroll was 40.59%.

As of June 30, 2011, the School Division's actuarial accrued liability for benefits was $5,854,702, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $5,854,702. The covered payroll (annual payroll of active employees covered by the plan) was $69,023,976, $74,140,073 and $74,222,736 for fiscal years 2011, 2010, and 2009 respectively and the ratio of the UAAL to the covered payroll was 8.5%, 7.59% and 6.3% for fiscal years 2011, 2010 and 2009.

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (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.

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

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, 2011 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 9.5% initially, grading to a rate of 5% for fiscal year ending June 30, 2016. 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, 2011 actuarial valuation.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the participants. Investments are managed by the plan's trustee under one or a combination of 50 investment options. The participants make the choice of the investment options.

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

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

13. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2011 were as follows:

Project	Spent-to-date	Remaining Commitment
Falcon-Loblolly sewer construction	$ 215,295	$ 1,912,553
Edgehill North stormwater construction	-	991,829
Emergency Communications wireless technology	126,250	446,105
Emergency Communications radio rebanding project	1,605,535	382,785
Waterview sewer architect and engineering fees	290,292	240,055
Waterview and Hornsbyville Road land acquisition	21,000	190,000
Fire stations bay additions	1,909,303	167,048
Griffin Yeates Center roof replacement	60,789	159,880
Queens Lake sewer architect and engineering fees	874,909	157,486
Wormley Creek sewer architect and engineering fees	172,875	150,298
	$ 5,276,248	$ 4,798,039

Risk Management

The County and the School Division are exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County reports all of its risk management activities in its General Fund and pays all claims for retained risks from General Fund resources.

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

The General and School Operating Funds retain the full risk for unemployment compensation; up to $250,000 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 three fiscal years.

13. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

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 $1,111,814 for health care claims and $1,851,796 for workers' compensation claims at June 30, 2011, 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, 2009 resulted from the following:

	2011	2010
Accrued liability/designated fund balance, beginning of fiscal year	$ 2,515,522	$ 3,188,916
Claims and changes in estimates	8,097,709	7,494,873
Claims payment	(7,649,621)	(8,168,267)
Accrued liability/committed fund balance, end of fiscal year	$ 2,963,610	$ 2,515,522

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 $4,092,077 for health care claims and $3,309,690 for workers' compensation claims at June 30, 2011, 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, 2009 resulted from the following:

	2011	2010
Accrued liability/designated fund balance, beginning of fiscal year	$ 7,698,954	$ 6,301,368
Claims and changes in estimates	11,664,403	12,109,628
Claims payment	(11,961,590)	(10,712,042)
Accrued liability/committed fund balance, end of fiscal year	$ 7,401,767	$ 7,698,954

Landfill Post-Closure

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

Consent Order

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

13. COMMITMENTS AND CONTINGENT LIABILITIES, Continued

With the data collected and inspection results, each party to the Order by Consent has to submit to the Commonwealth of Virginia, Department of Environmental Quality, a Condition Assessment Report of each sanitary sewer basin and develop a comprehensive Rehabilitation Plan, with costs and associated schedule.

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.

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

Debt service on the bonds for fiscal year 2012 total $1,737,506. Incremental tax revenues are projected to be insufficient to meet current debt service requirements. Special assessments of the property owners currently total $5,875,240, but are not considered collectible in the short-term.

In response to this potential 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." 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.

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

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.

The debt service due on the Bonds on September 1, 2011 was paid with a transfer of $217,232 from the Revenue Fund and a transfer of $651,521 from the Reserve Fund. Section 6.3 of the Indenture allows project funds to be used solely for project costs, or, upon completion, for redemption of bonds.

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General property taxes:				
Real property taxes	$ 58,785,000	$ 58,785,000	$ 57,760,151	$ (1,024,849)
Real and personal property taxes-public service corporation	2,700,000	2,700,000	2,930,459	230,459
Personal property taxes	11,062,100	11,062,100	10,575,724	(486,376)
Machinery and tools taxes	4,600,000	4,600,000	4,418,406	(181,594)
Boat taxes > 5 tons	40,000	40,000	79,858	39,858
Penalties and interest	725,000	725,000	655,232	(69,768)
Total general property taxes	77,912,100	77,912,100	76,419,830	(1,492,270)
Other local taxes:				
Local sales and use taxes	9,000,000	9,000,000	8,457,783	(542,217)
Hotel and motel room taxes	1,160,000	1,160,000	1,261,944	101,944
Restaurant food taxes	5,000,000	5,125,620	5,251,240	125,620
Business license taxes	5,275,000	5,275,000	5,646,110	371,110
Consumer utility taxes	280,000	280,000	250,587	(29,413)
Communications sales taxes	1,375,000	1,375,000	1,370,049	(4,951)
Vehicle registration fees	1,285,000	1,285,000	1,485,763	200,763
Bank stock taxes	175,000	175,000	313,441	138,441
Franchise taxes	-	-	502	502
Taxes on recordation and wills	1,616,000	1,616,000	1,238,123	(377,877)
Rental taxes	90,000	90,000	76,754	(13,246)
Total other local taxes	25,256,000	25,381,620	25,352,296	(29,324)
From the Federal Government:				
Payments in lieu of taxes	12,700	12,700	9,578	(3,122)
Categorical aid:				
Civil Defense grant	45,000	45,000	45,529	529
Violence Against Women Formula grant	23,932	23,932	25,649	1,717
Crime Victim Assistance grant	-	68,418	69,757	1,339
Community-Defined Solutions to Violence Against Women grant	-	-	185,010	185,010
DMV Traffic Enforcement grant	-	31,200	29,437	(1,763)
Community Development Block grant (Barlow Road)	-	-	259,368	259,368
Family Self Sufficiency Coordinator Funding	-	-	39,032	39,032
Section 8 Housing Choice Vouchers program	133,000	136,000	118,798	(17,202)
Housing Counseling Assistance program	-	3,200	2,750	(450)
Citizen Corps grant	-	-	66,250	66,250
Emergency Management Performance grant	-	-	9,000	9,000
Preventing Unintentional Injuries grant	-	-	5,785	5,785
Injury Prevention and Control Research grant	-	884	851	(33)
Public Health Emergency Preparedness	-	29,245	-	(29,245)
State Homeland Security Program Hazmat grants	-	38,000	16,541	(21,459)
State Homeland Security Program Pet Sheltering grant	-	58,793	-	(58,793)
Indirect Cost Allocation reimbursement	-	-	90,553	90,553
State Criminal Alien Assistance program	-	13,160	13,160	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	47,779	17,814	(29,965)
Bulletproof Vest Partnership program	-	8,500	7,545	(955)
Bureau of Justice Assistance grant	-	12,053	14,053	2,000
Drug Asset	-	21,065	21,065	-
Total categorical aid	201,932	537,229	1,037,947	500,718
Total revenues from the Federal Government	214,632	549,929	1,047,525	497,596
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	13,000	13,000	19,523	6,523
Rolling stock taxes	15,000	15,000	5,233	(9,767)
Personal property tax relief	8,741,680	8,741,680	8,741,680	-
Local Aid To Commonwealth	(230,000)	(230,000)	(245,521)	(15,521)
Total non-categorical aid	8,539,680	8,539,680	8,520,915	(18,765)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	472,199	510,609	525,232	14,623
Sheriff	2,411,742	2,411,742	2,481,886	70,144
Commissioner of the Revenue	179,847	179,847	184,256	4,409
Treasurer	143,126	143,126	146,239	3,113
Registrar	43,763	43,763	39,400	(4,363)
Electoral Board	8,500	8,500	7,563	(937)
Clerk of the Circuit Court	418,139	451,998	464,670	12,672
Total shared expenses	3,677,316	3,749,585	3,849,246	99,661

(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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other categorical aid:				
Emergency services grant	$ 25,000	$ 42,000	$ 42,000	$ -
Fire and life safety grants	-	1,747	1,747	-
Fire program funds	155,317	162,552	162,552	-
Four for Life funds	53,423	61,414	61,414	-
VA Dept of Emergency Management HazMat Donation	-	20,000	20,000	-
Wireless E911 services	225,000	225,000	283,469	58,469
Rescue Squad Assistance Fund 911 grant	-	-	38,204	38,204
Rescue Squad Assistance Fund Engel Coolers	-	-	2,157	2,157
Crime Victim Assistance grant	85,568	22,805	23,252	447
VA Juvenile Community Crime Control Act grant	70,784	54,343	54,343	-
VA Supreme Court extradition	-	13,422	13,422	-
Emergency Home Repair grant	5,510	6,856	6,856	-
Arts Commission grant	-	5,000	5,000	-
Library Aid	150,000	150,220	150,220	-
Litter control grant	8,250	8,250	-	(8,250)
Drug Asset	-	8,103	8,103	-
Court services postage reimbursement	10,200	11,266	11,266	-
Total other categorical aid	789,052	792,978	884,005	91,027
Total categorical aid	4,466,368	4,542,563	4,733,251	190,688
Total revenues from the Commonwealth of Virginia	13,006,048	13,082,243	13,254,166	171,923
Permits, privilege fees and regulatory licenses:				
Animal licenses	30,000	30,000	48,482	18,482
Permits and other licenses	551,613	570,610	423,053	(147,557)
Total permits, privilege fees and regulatory licenses	581,613	600,610	471,535	(129,075)
Fines and forfeitures	326,650	326,650	359,937	33,287
Revenues from use of money and property:				
Use of money	181,000	181,055	94,644	(86,411)
Use of property	386,700	386,700	428,955	42,255
Total revenues from use of money and property	567,700	567,755	523,599	(44,156)
Charges for services:				
Court costs	210,400	210,400	122,234	(88,166)
Charges for Commonwealth's Attorney	7,000	7,000	9,419	2,419
Charges for Victim Witness	-	7,029	7,028	(1)
Charges for fiscal accounting services	-	-	2,910	2,910
Charges for law enforcement and traffic control	86,100	148,576	160,408	11,832
Charges for fire and rescue services	-	1,875	1,875	-
Charges for emergency medical services	1,000,000	1,000,000	1,038,543	38,543
Charges for parks and recreation	415,950	418,405	514,669	96,264
Charges for library	67,200	67,200	65,801	(1,399)
Charges for mosquito control	16,300	16,300	16,660	360
Charges for computer support services	9,000	9,000	11,465	2,465
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	276,400	276,400	252,923	(23,477)
Charges for video services	83,100	83,100	78,042	(5,058)
Charges for radio maintenance services	85,720	85,720	85,720	-
Charges for other	250	250	208	(42)
Total charges for services	3,426,142	3,499,977	3,536,627	36,650
Miscellaneous:				
Miscellaneous	135,500	194,945	418,939	223,994
Sale of surplus property	2,500	2,500	16,263	13,763
Total miscellaneous revenues	138,000	197,445	435,202	237,757
Recovered costs:				
York County School Division for Other Post Employment Benefits	-	-	455,000	455,000
City of Poquoson shared court services	363,931	363,931	368,804	4,873
City of Poquoson E911 services	296,500	296,500	296,500	-
City of Williamsburg E911 services	512,439	512,439	502,389	(10,050)
Assistance for Fire & Life Safety training	-	3,463	3,463	-
E911 banquet	-	14,883	14,883	-
Fiscal agent fees	162,500	162,500	183,474	20,974
Streetlight operations	35,000	35,000	14,953	(20,047)
Commissioner of Accounts' postage and phone reimbursement	900	900	557	(343)
Economic Development Authority's postage reimbursement	100	100	1	(99)
Total recovered costs	1,371,370	1,389,716	1,840,024	450,308
Total revenues	122,800,255	123,508,045	123,240,741	(267,304)
Other financing sources:				
Sale of land	-	-	482,720	482,720
Insurance recovery	-	2,684	5,363	2,679
Transfers in	589,405	589,405	589,405	-
Total other financing sources	589,405	592,089	1,077,488	485,399
Total revenues and other financing sources	$ 123,389,660	$ 124,100,134	$ 124,318,229	$ 218,095

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Legislative Department:				
Board of Supervisors	$ 309,408	$ 309,408	$ 284,211	$ 25,197
Executive Department:				
County Administrator	425,756	425,756	415,352	10,404
Public Information and Community Relations	244,410	244,410	225,007	19,403
Video Services	353,716	353,716	336,401	17,315
County Attorney	386,967	386,967	382,448	4,519
Registrar	225,219	225,219	211,810	13,409
Electoral Board	168,134	168,134	59,978	108,156
Total General Government	2,113,610	2,113,610	1,915,207	198,403
Judicial Services:				
Circuit Court	91,780	91,780	61,082	30,698
General District Court	34,300	34,570	28,803	5,767
Juvenile and Domestic Relations Court	16,625	17,421	14,368	3,053
Clerk of the Circuit Court	902,629	933,117	844,735	88,382
Colonial Group Home Commission	438,102	421,661	418,690	2,971
Magistrate	2,600	2,600	1,562	1,038
Commonwealth's Attorney	1,035,639	1,076,391	1,034,744	41,647
Victim/Witness	545,429	558,113	375,706	182,407
Domestic Violence	47,689	47,689	45,857	1,832
Total Judicial Services	3,114,793	3,183,342	2,825,547	357,795
Public Safety:				
Sheriff General Operations	1,479,364	1,544,147	1,416,516	127,631
Law Enforcement	4,896,828	4,972,958	4,764,615	208,343
Investigations	1,433,593	1,492,970	1,446,264	46,706
Civil Operations/Court Security	1,320,299	1,337,877	1,305,309	32,568
Adult Corrections	2,649,967	2,663,127	2,752,906	(89,779)
School Resource Officers	320,474	325,079	304,719	20,360
Fire and Life Safety Administration	270,290	293,458	211,932	81,526
Fire and Rescue Operations	11,014,630	11,015,560	10,292,797	722,763
Technical Services and Special Operations	695,574	744,317	517,718	226,599
Prevention and Community Safety	321,105	332,880	321,566	11,314
Juvenile Corrections	341,825	341,825	315,502	26,323
Animal Control	273,047	274,794	243,029	31,765
Emergency Management	367,067	502,420	291,896	210,524
Emergency Communications/911	2,613,791	2,535,980	2,685,616	(149,636)
Radio Maintenance	225,671	226,898	220,073	6,825
Total Public Safety	28,223,525	28,604,290	27,090,458	1,513,832
Environmental and Development Services:				
Administration	216,045	216,045	201,464	14,581
Building Regulation	1,126,750	1,126,750	953,281	173,469
Stormwater Maintenance	849,370	849,370	805,697	43,673
Stormwater Management	495,552	495,552	484,161	11,391
Litter Control	30,600	32,800	32,025	775
Mosquito Control	310,386	310,386	302,716	7,670
Board of Zoning/Subdivision Appeals	5,225	5,225	2,801	2,424
Development and Compliance	728,873	728,873	704,614	24,259
Wetlands and Chesapeake Bay Boards	16,140	16,140	6,014	10,126
Total Environmental and Development Services	3,778,941	3,781,141	3,492,773	288,368
Finance and Planning:				
Administration	232,535	232,535	112,480	120,055
Computer Support Services	1,854,095	1,857,466	1,675,716	181,750
Human Resources	564,795	564,795	543,146	21,649
Budget and Financial Reporting	432,970	432,970	427,050	5,920
Fiscal Accounting Services	715,924	717,924	655,870	62,054
Commissioner of the Revenue	1,032,167	1,032,167	1,006,225	25,942
Treasurer	855,145	855,145	773,271	81,874
Real Estate Assessment	581,444	584,344	567,177	17,167
Central Purchasing	397,175	397,175	387,781	9,394
Central Administrative Services	384,908	382,008	162,440	219,568
Central Insurance	454,124	454,124	324,705	129,419
Transportation Safety Commission	950	950	498	452

(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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning	$ 409,005	$ 409,005	$ 391,430	$ 17,575
Planning Commission	24,900	24,900	15,017	9,883
Regional Planning	52,482	52,482	52,482	-
Economic Development	474,265	474,265	333,960	140,305
Office of Economic Development	379,852	379,852	370,870	8,982
Total Finance and Planning	8,846,736	8,852,107	7,800,118	1,051,989
Education:				
County of York Public School Division - Local	45,731,110	45,731,110	45,040,546	690,564
Library Services	2,574,348	2,581,154	2,492,072	89,082
Cooperative Extension	53,560	53,560	37,160	16,400
Total Education	48,359,018	48,365,824	47,569,778	796,046
Human Services:				
Health Services	409,934	409,934	376,782	33,152
Colonial Behavorial Health - Local	731,434	731,434	731,434	-
Social Services - payments to Board members	1,440	1,440	678	762
Contributions	250,532	250,532	250,532	-
Total Human Services	1,393,340	1,393,340	1,359,426	33,914
General Services:				
Administration	213,911	209,303	164,074	45,229
Engineering and Facility Maintenance	2,413,542	2,417,807	2,254,495	163,312
Facility/Utility Charges	1,183,518	1,187,118	998,341	188,777
Telecommunications	279,441	279,441	271,741	7,700
Grounds Maintenance and Construction	3,426,703	3,429,503	3,133,522	295,981
Total General Services	7,517,115	7,523,172	6,822,173	700,999
Community Services:				
Administration	270,735	270,735	255,270	15,465
Special Programs	258,967	259,022	234,017	25,005
Housing - Administration	218,270	221,210	218,502	2,708
Housing - Rental Assistance	137,210	140,410	122,318	18,092
Housing - Rehabilitation	1,137,836	1,139,742	491,934	647,808
Public Transportation	23,000	23,000	22,396	604
Parks and Recreation	2,155,112	2,164,423	1,868,864	295,559
Tourism and Events	82,936	82,936	82,398	538
Total Community Services	4,284,066	4,301,478	3,295,699	1,005,779
Non-departmental:				
Employee benefits	3,726,530	3,726,530	238,111	3,488,419
Contributions	653,032	658,032	646,803	11,229
Appropriated reserves	100,000	100,000	17,848	82,152
Total Non-departmental	4,479,562	4,484,562	902,762	3,581,800
Capital Outlay	2,283,701	2,447,313	671,716	1,775,597
Debt Service:				
Principal retirement	57,519	57,519	57,519	-
Interest and fiscal charges	538	538	538	-
Total debt service	58,057	58,057	58,057	-
Total expenditures	114,452,464	115,108,236	103,803,714	11,304,522
Other Financing Uses:				
Transfers out	18,353,818	18,408,370	17,753,089	655,281
Total other financing uses	18,353,818	18,408,370	17,753,089	655,281
Total expenditures and other financing uses	$ 132,806,282	$ 133,516,606	$ 121,556,803	$ 11,959,803

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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 2,860,000	$ 3,012,918	$ 3,002,742	$ (10,176)
Use of money and property	8,000	8,000	2,792	(5,208)
Miscellaneous	-	-	3	3
Total revenues	2,868,000	3,020,918	3,005,537	(15,381)
EXPENDITURES				
Current:				
Finance and planning	1,268,470	1,268,470	1,258,294	10,176
Community services	950,783	888,979	842,337	46,642
Debt service - principal retirement	27,464	27,464	28,530	(1,066)
Total expenditures	2,246,717	2,184,913	2,129,161	55,752
Excess (deficiency) of revenues over (under) expenditures	621,283	836,005	876,376	40,371
OTHER FINANCING SOURCES (USES)				
Transfers out	(920,135)	(1,134,857)	(960,444)	174,413
Total other financing sources and uses	(920,135)	(1,134,857)	(960,444)	174,413
Net change in fund balances	(298,852)	(298,852)	(84,068)	214,784
Fund balances, beginning of year	298,852	298,852	298,852	-
Fund balances, end of year	$ -	$ -	$ 214,784	$ 214,784

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, 2011

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, 2010	$ 116,108,792	$ 146,492,079	$ 30,383,287	79.26%	$ 36,442,031	83.37%
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%
		Other Post-Employment Benefits (OPEB)				
June 30, 2011	$ -	$ 14,538,417	$ 14,538,417	0.00%	$ 35,815,826	40.59%
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, 2010	$ 14,238,936	$ 16,705,389	$ 2,466,453	85.24%	$ 6,308,288	39.10%
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%
		Single Employer Defined Benefit Pension - Optional Plan				
June 30, 2011	$ 1,905,910	$ 2,137,314	$ 231,404	89.17%	$ 646,369	35.80%
June 30, 2010	1,727,814	1,963,084	235,270	88.02%	706,736	33.29%
June 30, 2009	1,607,917	2,119,957	512,040	75.85%	804,245	63.67%
June 30, 2008	1,795,341	2,147,410	352,069	83.60%	1,028,939	34.22%
June 30, 2007	1,754,350	2,094,391	340,041	83.76%	1,147,012	29.65%
June 30, 2006	1,174,665	2,140,987	966,332	54.87%	1,155,330	83.64%
		Other Post-Employment Benefits (OPEB)				
June 30, 2011	$ -	$ 5,854,702	$ 5,854,702	0.00%	$ 69,023,976	8.48%
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%

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, 2011

PRIMARY GOVERNMENT

Other Post-Employment Benefits (OPEB)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	$ 1,228,354	46.00%
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
2011	$ 45,923	100.00%
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%

Other Post-Employment Benefits (OPEB)

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	$ 562,445	61.00%
2010	530,853	59.00%
2009	449,146	108.00%

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, 2011, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the general fund, which is appropriated at the functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations and any such transfer may not result in a change in the total appropriated for personnel or non-personnel costs within the function.

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

The general, special revenue, debt service, 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, 2011

	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	$ 871,120	$ -	$ 12,807	$ 176,075	$ 1,210,777	$ 2,270,779
Receivables, net	2,330	476,026	-	93,931	7,782	580,069
Due from other funds	-	650,733	-	-	52,492	703,225
Prepaid expenditures	14,618	30,239	-	-	-	44,857
Total assets	$ 888,068	$ 1,156,998	$ 12,807	$ 270,006	$ 1,271,051	$ 3,598,930
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 26,402	$ 58,485	$ -	$ -	$ 119,985	$ 204,872
Salaries, taxes and benefits payable	90,669	203,709	-	-	-	294,378
Deferred revenue	-	-	-	-	50,000	50,000
Due to component unit - CDA	-	-	-	270,006	-	270,006
Total liabilities	117,071	262,194	-	270,006	169,985	819,256
Fund balances:						
Nonspendable	14,618	30,239	-	-	-	44,857
Restricted	7,613	-	12,807	-	-	20,420
Committed	-	-	-	-	1,101,066	1,101,066
Assigned	748,766	864,565	-	-	-	1,613,331
Total fund balances	770,997	894,804	12,807	-	1,101,066	2,779,674
Total liabilities and fund balances	$ 888,068	$ 1,156,998	$ 12,807	$ 270,006	$ 1,271,051	$ 3,598,930

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	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	$ -	$ -	$ -	$ 96,332	$ -	$ -	$ -	$ 96,332
Other local taxes	-	-	-	718,855	-	-	-	718,855
Intergovernmental								
Federal	971,884	2,310,675	-	-	-	53,360	-	3,335,919
State	-	1,501,387	-	-	-	-	-	1,501,387
Use of money and property	5,139	-	68	984	11	-	8,903	15,105
Charges for services	14,914	1,993	7,546	-	-	-	550	25,003
Miscellaneous	4,088	-	-	-	-	372,220	-	376,308
Recovered costs	-	218,303	-	-	-	505,662	-	723,965
Total revenues	996,025	4,032,358	7,614	816,171	11	931,242	9,453	6,792,874
EXPENDITURES								
Current:								
Judicial services	-	-	5,826	-	-	-	-	5,826
Public safety	-	-	-	-	3,035,627	-	-	3,035,627
Education	-	-	-	-	-	1,104,638	-	1,104,638
Human services	1,198,012	5,663,995	-	-	-	-	-	6,862,007
Nondepartmental	-	-	-	526,766	-	-	-	526,766
Capital outlay	-	-	-	-	-	-	3,249,941	3,249,941
Debt service:								
Principal retirement	-	-	-	-	1,749,812	4,724,823	-	6,474,635
Interest and fiscal charges	-	-	-	-	1,378,545	2,904,083	-	4,282,628
Other costs of debt issuance	-	-	-	-	-	24,257	-	24,257
Total expenditures	1,198,012	5,663,995	5,826	526,766	6,163,984	8,757,801	3,249,941	25,566,325
Excess (deficiency) of revenues over (under) expenditures	(201,987)	(1,631,637)	1,788	289,405	(6,163,973)	(7,826,559)	(3,240,488)	(18,773,451)
OTHER FINANCING SOURCES (USES)								
Transfers in	224,125	1,629,734	-	-	3,128,346	6,706,559	2,040,124	13,728,888
Issuance of debt	-	-	-	-	-	1,120,000	-	1,120,000
Capital lease	-	-	-	-	3,035,627	-	-	3,035,627
Transfers out	-	-	-	(289,405)	-	-	-	(289,405)
Total other financing sources and uses	224,125	1,629,734	-	(289,405)	6,163,973	7,826,559	2,040,124	17,595,110
Net change in fund balances	22,138	(1,903)	1,788	-	-	-	(1,200,364)	(1,178,341)
Fund balances, beginning of year	748,859	896,707	11,019	-	-	-	2,301,430	3,958,015
Fund balances, end of year	$ 770,997	$ 894,804	$ 12,807	$ -	$ -	$ -	$ 1,101,066	$ 2,779,674

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	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	$ 915,115	$ 956,085	$ 971,884	$ 15,799	$ 2,537,535	$ 2,537,535	$ 2,310,675	$ (226,860)
State	-	-	-	-	1,647,360	1,647,360	1,501,387	(145,973)
Use of money and property	10,000	10,000	5,139	(4,861)	-	-	-	-
Charges for services	13,100	13,100	14,914	1,814	-	-	1,993	1,993
Miscellaneous	2,208	3,833	4,088	255	-	-	-	-
Recovered costs	-	-	-	-	200,000	200,000	218,303	18,303
Total revenues	940,423	983,018	996,025	13,007	4,384,895	4,384,895	4,032,358	(352,537)
EXPENDITURES								
Current:								
Human services	1,310,405	1,353,000	1,198,012	154,988	6,550,306	6,550,306	5,663,995	886,311
Total expenditures	1,310,405	1,353,000	1,198,012	154,988	6,550,306	6,550,306	5,663,995	886,311
Excess (deficiency) of revenues over (under) expenditures	(369,982)	(369,982)	(201,987)	167,995	(2,165,411)	(2,165,411)	(1,631,637)	533,774
OTHER FINANCING SOURCES (USES)								
Transfers in	344,125	344,125	224,125	(120,000)	2,160,483	2,160,483	1,629,734	(530,749)
Total other financing sources and uses	344,125	344,125	224,125	(120,000)	2,160,483	2,160,483	1,629,734	(530,749)
Net change in fund balances	(25,857)	(25,857)	22,138	47,995	(4,928)	(4,928)	(1,903)	3,025
Fund balances, beginning of year	748,859	748,859	748,859	-	896,707	896,707	896,707	-
Fund balances, end of year	$ 723,002	$ 723,002	$ 770,997	$ 47,995	$ 891,779	$ 891,779	$ 894,804	$ 3,025

	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	$ -	$ -	$ -	$ -	$ 2,641,502	$ 2,641,502	$ 96,332	$ (2,545,170)
Other local taxes	-	-	-	-	592,000	592,000	718,855	126,855
Use of money and property	300	300	68	(232)	3,500	3,500	984	(2,516)
Charges for services	9,000	9,000	7,546	(1,454)	-	-	-	-
Total revenues	9,300	9,300	7,614	(1,686)	3,237,002	3,237,002	816,171	(2,420,831)
EXPENDITURES								
Current:								
Judicial services	9,300	9,300	5,826	3,474	-	-	-	-
Nondepartmental	-	-	-	-	2,947,597	2,947,597	526,766	2,420,831
Total expenditures	9,300	9,300	5,826	3,474	2,947,597	2,947,597	526,766	2,420,831
Excess (deficiency) of revenues over (under) expenditures	-	-	1,788	1,788	289,405	289,405	289,405	-
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	(289,405)	(289,405)	(289,405)	-
Total other financing sources and uses	-	-	-	-	(289,405)	(289,405)	(289,405)	-
Net change in fund balances	-	-	1,788	1,788	-	-	-	-
Fund balances, beginning of year	11,019	11,019	11,019	-	-	-	-	-
Fund balances, end of year	$ 11,019	$ 11,019	$ 12,807	$ 1,788	$ -	$ -	$ -	$ -

	Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
General property taxes	$ 2,641,502	$ 2,641,502	$ 96,332	$ (2,545,170)
Other local taxes	592,000	592,000	718,855	126,855
Intergovernmental				
Federal	3,452,650	3,493,620	3,282,559	(211,061)
State	1,647,360	1,647,360	1,501,387	(145,973)
Use of money and property	13,800	13,800	6,191	(7,609)
Charges for services	22,100	22,100	24,453	2,353
Miscellaneous	2,208	3,833	4,088	255
Recovered costs	200,000	200,000	218,303	18,303
Total revenues	8,571,620	8,614,215	5,852,168	(2,762,047)
EXPENDITURES				
Current:				
Judicial services	9,300	9,300	5,826	3,474
Human services	7,860,711	7,903,306	6,862,007	1,041,299
Nondepartmental	2,947,597	2,947,597	526,766	2,420,831
Total expenditures	10,817,608	10,860,203	7,394,599	3,465,604
Excess (deficiency) of revenues over (under) expenditures	(2,245,988)	(2,245,988)	(1,542,431)	703,557
OTHER FINANCING SOURCES (USES)				
Transfers in	2,504,608	2,504,608	1,853,859	(650,749)
Transfers out	(289,405)	(289,405)	(289,405)	-
Total other financing sources and uses	2,215,203	2,215,203	1,564,454	(650,749)
Net change in fund balances	(30,785)	(30,785)	22,023	52,808
Fund balances, beginning of year	1,656,585	1,656,585	1,656,585	-
Fund balances, end of year	$ 1,625,800	$ 1,625,800	$ 1,678,608	$ 52,808

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Debt Service Funds
For the Year Ended June 30, 2011

	County				Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE								
Intergovernmental - Federal	$ -	$ -	$ -	$ -	$ -	$ 53,360	$ 53,360	$ -
Use of money and property	-	11	11	-	-	-	-	-
Miscellaneous	-	-	-	-	-	372,221	372,220	(1)
Recovered costs	-	-	-	-	505,663	505,663	505,662	(1)
Total revenue	-	11	11	-	505,663	931,244	931,242	(2)
EXPENDITURES								
Public safety	-	3,035,627	3,035,627	-	-	-	-	-
Education	-	-	-	-	-	1,104,638	1,104,638	-
Debt service:								
Principal retirement	1,900,270	1,749,813	1,749,812	1	4,659,823	4,724,822	4,724,823	(1)
Interest and fiscal charges	1,945,141	1,931,986	1,378,545	553,441	2,852,577	2,904,085	2,904,083	2
Other costs of issuance	-	-	-	-	-	24,257	24,257	-
Total expenditures	3,845,411	6,717,426	6,163,984	553,442	7,512,400	8,757,802	8,757,801	1
Excess (deficiency) of revenues over (under) expenditures	(3,845,411)	(6,717,415)	(6,163,973)	553,442	(7,006,737)	(7,826,558)	(7,826,559)	(1)
OTHER FINANCING SOURCES (USES)								
Transfers in	3,845,411	3,681,788	3,128,346	(553,442)	7,006,737	6,706,558	6,706,559	1
Issuance of debt	-	-	-	-	-	1,120,000	1,120,000	-
Capital lease	-	3,035,627	3,035,627	-	-	-	-	-
Total other financing sources and uses	3,845,411	6,717,415	6,163,973	(553,442)	7,006,737	7,826,558	7,826,559	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				
Intergovernmental - Federal	$ -	$ 53,360	$ 53,360	$ -
Use of money and property	-	11	11	-
Miscellaneous	-	372,221	372,220	(1)
Recovered costs	505,663	505,663	505,662	(1)
Total revenue	505,663	931,255	931,253	(2)
EXPENDITURES				
Public safety	-	3,035,627	3,035,627	-
Education	-	1,104,638	1,104,638	-
Debt service:				
Principal retirement	6,560,093	6,474,635	6,474,635	-
Interest and fiscal charges	4,797,718	4,836,071	4,282,628	553,443
Other costs of issuance	-	24,257	24,257	-
Total expenditures	11,357,811	15,475,228	14,921,785	553,443
Excess (deficiency) of revenues over (under) expenditures	(10,852,148)	(14,543,973)	(13,990,532)	553,441
OTHER FINANCING SOURCES (USES)				
Transfers in	10,852,148	10,388,346	9,834,905	(553,441)
Issuance of debt	-	1,120,000	1,120,000	-
Capital lease	-	3,035,627	3,035,627	-
Total other financing sources and uses	10,852,148	14,543,973	13,990,532	(553,441)
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, 2011

	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)
Use of money and property	$ 30,000	$ 30,000	$ 8,903	$ (21,097)	$ -	$ -	$ 22,341	$ 22,341
Charges for services	17,000	8,000	550	(7,450)	-	-	-	-
Total revenues	47,000	38,000	9,453	(28,547)	-	-	22,341	22,341
EXPENDITURES								
Capital outlay	8,224,743	8,215,743	3,249,941	4,965,802	307,655	307,655	33,297	274,358
Total expenditures	8,224,743	8,215,743	3,249,941	4,965,802	307,655	307,655	33,297	274,358
Excess (deficiency) of revenues over (under) expenditures	(8,177,743)	(8,177,743)	(3,240,488)	4,937,255	(307,655)	(307,655)	(10,956)	296,699
OTHER FINANCING SOURCES (USES)								
Transfers in	650,000	650,000	2,040,124	1,390,124	100,000	100,000	400,000	300,000
Total other financing sources and uses	650,000	650,000	2,040,124	1,390,124	100,000	100,000	400,000	300,000
Net change in fund balances	(7,527,743)	(7,527,743)	(1,200,364)	6,327,379	(207,655)	(207,655)	389,044	596,699
Fund balances (deficit), beginning of year	2,301,430	2,301,430	2,301,430	-	(7,905,748)	(7,905,748)	(7,905,748)	-
Fund balances (deficit), end of year	$ (5,226,313)	$ (5,226,313)	$ 1,101,066	$ 6,327,379	$ (8,113,403)	$ (8,113,403)	$ (7,516,704)	$ 596,699

	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	$ -	$ 550,000	$ 361,971	$ (188,029)	$ -	$ 550,000	$ 361,971	$ (188,029)
State	-	-	200,000	200,000	-	-	200,000	200,000
Use of money and property	200,000	200,000	79,413	(120,587)	230,000	230,000	110,657	(119,343)
Charges for services	-	-	-	-	17,000	8,000	550	(7,450)
Miscellaneous	-	-	320	320	-	-	320	320
Recovered costs	45,000	45,000	45,000	-	45,000	45,000	45,000	-
Total revenues	245,000	795,000	686,704	(108,296)	292,000	833,000	718,498	(114,502)
EXPENDITURES								
Education	1,193,263	1,193,263	131,513	1,061,750	1,193,263	1,193,263	131,513	1,061,750
Capital outlay	15,579,550	14,764,550	5,013,893	9,750,657	24,111,948	23,287,948	8,297,131	14,990,817
Total expenditures	16,772,813	15,957,813	5,145,406	10,812,407	25,305,211	24,481,211	8,428,644	16,052,567
Excess (deficiency) of revenues over (under) expenditures	(16,527,813)	(15,162,813)	(4,458,702)	10,704,111	(25,013,211)	(23,648,211)	(7,710,146)	15,938,065
OTHER FINANCING SOURCES (USES)								
Transfers in	1,193,263	1,193,263	1,493,442	300,179	1,943,263	1,943,263	3,933,566	1,990,303
Transfers out	(300,000)	(1,665,000)	(1,665,000)	-	(300,000)	(1,665,000)	(1,665,000)	-
Total other financing sources and uses	893,263	(471,737)	(171,558)	300,179	1,643,263	278,263	2,268,566	1,990,303
Net change in fund balances	(15,634,550)	(15,634,550)	(4,630,260)	11,004,290	(23,369,948)	(23,369,948)	(5,441,580)	17,928,368
Fund balances (deficit), beginning of year	18,451,843	18,451,843	18,451,843	-	12,847,525	12,847,525	12,847,525	-
Fund balances (deficit), end of year	$ 2,817,293	$ 2,817,293	$ 13,821,583	$ 11,004,290	$ (10,522,423)	$ (10,522,423)	$ 7,405,945	$ 17,928,368

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, 2011

	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	$ 45,251	$ 212	$ -	$ 247,676	$ 2,890,720	$ -	$ 269,047	$ 3,452,906
Restricted cash	-	-	-	226,870	-	-	-	226,870
Receivables, net	13,295	-	-	491,193	28,370	-	190,313	723,171
Due from other funds	-	-	-	700,000	104,985	-	-	804,985
Due from component unit - EDA	26,725	-	-	-	-	-	-	26,725
Prepaid expenses	-	-	-	10,200	-	-	-	10,200
Total current assets	85,271	212	-	1,675,939	3,024,075	-	459,360	5,244,857
Noncurrent assets:								
Deferred charges	-	-	-	76,645	-	-	-	76,645
Less accumulated amortization	-	-	-	(66,430)	-	-	-	(66,430)
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	413,902	-	251,854	-	3,445,402
Construction in progress	-	-	-	31,380	38,676	-	2,199,111	2,269,167
Depreciable capital assets:								
Buildings and improvements	-	783,982	-	1,845,905	-	2,699,159	-	5,329,046
Infrastructure	-	2,254,362	767,391	163,209	281,553	19,956,345	-	23,422,860
Equipment	-	446,216	-	27,766	-	453,831	-	927,813
Vehicles	-	-	-	666,921	-	-	-	666,921
Less accumulated depreciation	-	(2,658,132)	(436,137)	(2,023,146)	(32,191)	(15,709,874)	-	(20,859,480)
Total noncurrent assets	2,707,736	864,344	365,248	1,136,152	288,038	7,651,315	2,199,111	15,211,944
Total assets	$ 2,793,007	$ 864,556	$ 365,248	$ 2,812,091	$ 3,312,113	$ 7,651,315	$ 2,658,471	$ 20,456,801
LIABILITIES								
Current liabilities:								
Accounts payable	$ 2,510	$ -	$ -	$ 278,542	$ 38,731	$ -	$ 1,820	$ 321,603
Salaries, taxes and benefits payable	-	-	-	64,583	-	-	-	64,583
Unearned revenue	23	-	-	-	-	-	-	23
Accrued interest payable	-	-	-	1,279	-	-	-	1,279
Capital leases - current	-	-	-	195,000	-	-	-	195,000
Compensated absences -current	-	-	-	680	-	-	-	680
Total current liabilities	2,533	-	-	540,084	38,731	-	1,820	583,168
Noncurrent liabilities:								
Compensated absences - net current	-	-	-	23,763	-	-	-	23,763
Advance from other fund	2,750,000	-	-	-	-	-	-	2,750,000
Total noncurrent liabilities	2,750,000	-	-	23,763	-	-	-	2,773,763
Total liabilities	2,752,533	-	-	563,847	38,731	-	1,820	3,356,931
NET ASSETS								
Invested in capital assets, net of related debt	2,707,736	864,344	365,248	941,152	288,038	7,651,315	2,199,111	15,016,944
Restricted for debt service	-	-	-	226,870	-	-	-	226,870
Unrestricted	(2,667,262)	212	-	1,080,222	2,985,344	-	457,540	1,856,056
Total net assets	40,474	864,556	365,248	2,248,244	3,273,382	7,651,315	2,656,651	17,099,870
Total liabilities and net assets	$ 2,793,007	$ 864,556	$ 365,248	$ 2,812,091	$ 3,312,113	$ 7,651,315	$ 2,658,471	$ 20,456,801

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

	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	$ 40,541	$ -	$ -	$ -	$ -	$ -	$ 1,035,880	$ 1,076,421
Charges for services	57,378	-	-	3,520,553	351,955	-	-	3,929,886
Miscellaneous	-	-	-	10,940	542	-	-	11,482
Total operating revenues	97,919	-	-	3,531,493	352,497	-	1,035,880	5,017,789
Operating Expenses								
Personal services	-	-	-	689,417	-	-	-	689,417
Contractual services	113,977	-	-	3,388,092	14,110	-	1,749,906	5,266,085
Materials and supplies	3,391	-	-	107,941	341,371	-	23,361	476,064
Depreciation	-	45,141	15,748	122,651	6,592	378,169	-	568,301
Amortization	-	-	-	7,665	-	-	-	7,665
Total operating expenses	117,368	45,141	15,748	4,315,766	362,073	378,169	1,773,267	7,007,532
Operating income loss	(19,449)	(45,141)	(15,748)	(784,273)	(9,576)	(378,169)	(737,387)	(1,989,743)
Nonoperating Revenues (Expenses)								
Grant income	-	-	-	11,612	-	-	-	11,612
Interest income	543	-	-	3,376	12,363	-	5,809	22,091
Interest expense	-	-	-	(14,462)	-	-	-	(14,462)
Loss on disposal of capital assets	-	-	-	(74,146)	-	-	-	(74,146)
Total nonoperating revenues (expenses)	543	-	-	(73,620)	12,363	-	5,809	(54,905)
Income (loss) before contributions and transfers	(18,906)	(45,141)	(15,748)	(857,893)	2,787	(378,169)	(731,578)	(2,044,648)
Capital Contributions	-	-	-	-	95,930	-	2,171,096	2,267,026
Donated Land to Component Unit - EDA	-	-	-	(16,950)	-	-	-	(16,950)
Transfers In	-	10	-	700,000	1,050,248	-	827,544	2,577,802
Change in net assets	(18,906)	(45,131)	(15,748)	(174,843)	1,148,965	(378,169)	2,267,062	2,783,230
Total net assets, beginning of year	59,380	909,687	380,996	2,423,087	2,124,417	8,029,484	389,589	14,316,640
Total net assets, end of year	$ 40,474	$ 864,556	$ 365,248	$ 2,248,244	$ 3,273,382	$ 7,651,315	$ 2,656,651	$ 17,099,870

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

	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	$ 128,523	$ -	$ -	$ 3,551,580	$ 378,450	$ -	$ 868,740	$ 4,927,293
Other receipts	-	-	-	10,940	542	-	-	11,482
Payments to suppliers for goods and services	(116,442)	-	-	(3,458,327)	(336,016)	-	(1,780,757)	(5,691,542)
Payments to employees for services	-	-	-	(694,768)	(20,356)	-	-	(715,124)
Payments for interfund activity	(50,000)	-	-	(700,000)	(1,334)	-	-	(751,334)
Net cash provided by (used in) operating activities	(37,919)	-	-	(1,290,575)	21,286	-	(912,017)	(2,219,225)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Operating grant	-	-	-	11,612	-	-	-	11,612
Transfers in	-	-	-	700,000	-	-	827,544	1,527,544
Net cash provided by noncapital financing activities	-	-	-	711,612	-	-	827,544	1,539,156
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Transfers in	-	10	-	-	1,050,248	-	-	1,050,258
Capital grant	-	-	-	-	-	-	157,713	157,713
Acquisition and construction of capital assets	-	-	-	(14,146)	(30,403)	-	(2,169,116)	(2,213,665)
Principal paid on capital debt	-	-	-	(185,000)	-	-	-	(185,000)
Interest paid on capital debt	-	-	-	(15,675)	-	-	-	(15,675)
Net cash provided by (used in) capital and related financing activities	-	10	-	(214,821)	1,019,845	-	(2,011,403)	(1,206,369)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	543	-	-	3,376	12,363	-	5,809	22,091
Net cash provided by investing activities	543	-	-	3,376	12,363	-	5,809	22,091
Net increase (decrease) in cash and cash equivalents	(37,376)	10	-	(790,408)	1,053,494	-	(2,090,067)	(1,864,347)
Cash and cash equivalents, beginning of year	82,627	202	-	1,264,954	1,837,226	-	2,359,114	5,544,123
Cash and cash equivalents, end of year	$ 45,251	$ 212	$ -	$ 474,546	$ 2,890,720	$ -	$ 269,047	$ 3,679,776
Reconciliation of cash and cash equivalents to the Statement of Net Assets:								
Cash and investments	$ 45,251	$ 212	$ -	$ 247,676	$ 2,890,720	$ -	$ 269,047	3,452,906
Restricted cash - escrows	-	-	-	226,870	-	-	-	226,870
Cash and cash equivalents, end of year	$ 45,251	$ 212	$ -	$ 474,546	$ 2,890,720	$ -	$ 269,047	$ 3,679,776
Reconciliation of operating loss to net cash used in operating activities:								
Operating loss	$ (19,449)	$ (45,141)	$ (15,748)	$ (784,273)	$ (9,576)	$ (378,169)	$ (737,387)	$ (1,989,743)
Adjustments to reconcile operating loss to net cash used in operating activities:								
Depreciation	-	45,141	15,748	122,651	6,592	378,169	-	568,301
Amortization	-	-	-	7,665	-	-	-	7,665
(Increase) decrease in:								
Receivables	(1,244)	-	-	31,027	26,495	-	(167,140)	(110,862)
Due from other funds	-	-	-	(700,000)	(1,334)	-	-	(701,334)
Due from component unit - EDA	31,849	-	-	-	-	-	-	31,849
Prepaid expenses	-	-	-	(8,818)	533	-	-	(8,285)
Increase (decrease) in:								
Accounts payable	926	-	-	37,706	19,465	-	(7,490)	50,607
Salaries, taxes and benefits payable	-	-	-	6,126	(18,059)	-	-	(11,933)
Unearned revenue	(1)	-	-	-	-	-	-	(1)
Compensated absences	-	-	-	(2,659)	(2,830)	-	-	(5,489)
Advance from other fund	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	$ (37,919)	$ -	$ -	$ (1,290,575)	$ 21,286	$ -	$ (912,017)	$ (2,219,225)
Noncash investing, capital, and financing activities:								
Contributions of capital assets	$ -	$ -	$ -	$ -	$ 95,930	$ -	$ -	$ 95,930
Donated land to component unit - EDA	$ -	$ -	$ -	$ (16,950)	$ -	$ -	$ -	$ (16,950)

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, 2011

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 2,670,143	$ 2,359,354	$ 5,029,497
Receivable, net	101,451	1,472	102,923
Prepaid expenses	8,776	-	8,776
Total current assets	2,780,370	2,360,826	5,141,196
Noncurrent assets:			
Depreciable capital assets:			
Land improvements	221,446	-	221,446
Equipment	1,310,264	-	1,310,264
Vehicles	5,065,744	-	5,065,744
Less accumulated depreciation	(3,213,320)	-	(3,213,320)
Total noncurrent assets	3,384,134	-	3,384,134
Total assets	$ 6,164,504	$ 2,360,826	$ 8,525,330
LIABILITIES			
Current liabilities:			
Accounts payable	$ 52,468	$ -	$ 52,468
Salaries, taxes and benefits payable	60,051	29,931	89,982
Due to other funds	-	393,075	393,075
Compensated absences - current	2,440	-	2,440
Total current liabilities	114,959	423,006	537,965
Noncurrent liabilities:			
Compensated absences - net current	76,610	-	76,610
Net OPEB obligation	-	1,937,820	1,937,820
Total noncurrent liabilities	76,610	1,937,820	2,014,430
Total liabilities	191,569	2,360,826	2,552,395
NET ASSETS			
Invested in capital assets, net of related debt	3,384,134	-	3,384,134
Unrestricted	2,588,801	-	2,588,801
Total net assets	5,972,935	-	5,972,935
Total liabilities and net assets	$ 6,164,504	$ 2,360,826	$ 8,525,330

COUNTY OF YORK, VIRGINIA

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

Internal Service Funds

For the Year Ended June 30, 2011

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
Operating Revenues			
Charges for services	$ 3,966,729	$ -	$ 3,966,729
Miscellaneous	39,208	-	39,208
Total operating revenues	4,005,937	-	4,005,937
Operating Expenses			
Personal services	781,793	836,038	1,617,831
Contractual services	387,417	-	387,417
Materials and supplies	2,083,576	-	2,083,576
Depreciation	565,239	-	565,239
Total operating expenses	3,818,025	836,038	4,654,063
Operating income (loss)	187,912	(836,038)	(648,126)
Nonoperating Revenues (Expenses)			
Interest income	11,901	7,875	19,776
Gain on disposal of capital assets	33,007	-	33,007
Total nonoperating revenues (expenses)	44,908	7,875	52,783
Income (loss) before contributions and transfers	232,820	(828,163)	(595,343)
Capital Contributions	423,921	-	423,921
Transfers In	37,522	828,163	865,685
Change in net assets	694,263	-	694,263
Total net assets, beginning of year	5,278,672	-	5,278,672
Total net assets, end of year	$ 5,972,935	$ -	$ 5,972,935

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	Vehicle Maintenance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 3,938,578	$ -	$ 3,938,578
Receipts from interfund activity	-	222,557	222,557
Other receipts	39,208	-	39,208
Payments to employees for services	(772,325)	(179,669)	(951,994)
Payments to suppliers for goods and services	(2,587,999)	-	(2,587,999)
Payments for interfund activity	(1,905)	-	(1,905)
Net cash provided by operating activities	615,557	42,888	658,445
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	828,163	828,163
Net cash provided by noncapital financing activities	-	828,163	828,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in	37,522	-	37,522
Acquisition and construction of capital assets	(672,098)	-	(672,098)
Net proceeds from the disposal of capital assets	151,195	-	151,195
Net cash used in capital and related financing activities	(483,381)	-	(483,381)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	11,859	7,473	19,332
Net cash provided by investing activities	11,859	7,473	19,332
Net increase in cash and cash equivalents	144,035	878,524	1,022,559
Cash and cash equivalents, beginning of year	2,526,108	1,480,830	4,006,938
Cash and cash equivalents, end of year	$ 2,670,143	$ 2,359,354	$ 5,029,497
Reconciliation of cash and cash equivalents to the Statement of Net Assets:			
Cash and investments	$ 2,670,143	$ 2,359,354	$ 5,029,497
Cash and cash equivalents, end of year	$ 2,670,143	$ 2,359,354	$ 5,029,497
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 187,912	$ (836,038)	$ (648,126)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	565,239	-	565,239
Decrease (increase) in:			
Receivables	(28,151)	1,485	(26,666)
Prepaid expenses	(7,583)	-	(7,583)
Increase (decrease) in:			
Accounts payable	(117,006)	-	(117,006)
Salaries, taxes and benefits payable	8,644	(3,227)	5,417
Due to other funds	(1,905)	222,557	220,652
Compensated absences	8,407	-	8,407
Net OPEB obligation	-	658,111	658,111
Net cash provided by operating activities	$ 615,557	$ 42,888	$ 658,445
Noncash investing, capital, and financing activities:			
Contributions of capital assets	$ 423,921	$ -	$ 423,921

AGENCY FUNDS

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

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

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

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

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

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

COUNTY OF YORK, VIRGINIA

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2011

	Colonial Behavioral Health	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
ASSETS						
Cash and investments	$ 3,196,091	$ 307,349	$ 40,847	$ -	$ 155,370	$ 3,699,657
Other receivables	103,147	12,223	-	28,384	1	143,755
Total assets	$ 3,299,238	$ 319,572	$ 40,847	$ 28,384	$ 155,371	$ 3,843,412
LIABILITIES						
Accounts payable	$ 419,837	$ 8,103	$ -	$ 28,384	$ 291	$ 456,615
Salaries, taxes and benefits payable	559,084	82,104	-	-	-	641,188
Amounts held for others	2,320,317	229,365	40,847	-	155,080	2,745,609
Total liabilities	$ 3,299,238	$ 319,572	$ 40,847	$ 28,384	$ 155,371	$ 3,843,412

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2011

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Behavioral Health				
ASSETS				
Cash and investments	$ 3,524,577	$ 13,418,476	$ 13,746,962	$ 3,196,091
Other receivables	11,843	103,147	11,843	103,147
Total assets	$ 3,536,420	$ 13,521,623	$ 13,758,805	$ 3,299,238
LIABILITIES				
Accounts payable	$ 369,552	$ 419,837	$ 369,552	$ 419,837
Salaries, taxes and benefits payable	399,642	249,311	89,869	559,084
Amounts held for others	2,767,226	12,852,475	13,299,384	2,320,317
Total liabilities	$ 3,536,420	$ 13,521,623	$ 13,758,805	$ 3,299,238
Colonial Group Home Commission				
ASSETS				
Cash and investments	$ 441,345	$ 1,567,949	$ 1,701,945	$ 307,349
Other receivables	3,965	732,178	723,920	12,223
Total assets	$ 445,310	$ 2,300,127	$ 2,425,865	$ 319,572
LIABILITIES				
Accounts payable	$ 8,630	$ 8,103	$ 8,630	$ 8,103
Salaries, taxes and benefits payable	74,437	41,314	33,647	82,104
Amounts held for others	362,243	2,250,710	2,383,588	229,365
Total liabilities	$ 445,310	$ 2,300,127	$ 2,425,865	$ 319,572
Special Welfare				
ASSETS				
Cash and investments	$ 46,481	$ 210,011	$ 215,645	$ 40,847
Other receivables	29,800	-	29,800	-
Total assets	$ 76,281	$ 210,011	$ 245,445	$ 40,847
LIABILITIES				
Accounts payable	$ 24,118	$ -	$ 24,118	$ -
Amounts held for others	52,163	210,011	221,327	40,847
Total liabilities	$ 76,281	$ 210,011	$ 245,445	$ 40,847
Regional Projects				
ASSETS				
Cash and investments	$ -	$ 272,056	$ 272,056	$ -
Other receivables	84,624	28,384	84,624	28,384
Total assets	$ 84,624	$ 300,440	$ 356,680	$ 28,384
LIABILITIES				
Accounts payable	$ 84,624	$ 28,384	$ 84,624	$ 28,384
Amounts held for others	-	272,056	272,056	-
Total liabilities	$ 84,624	$ 300,440	$ 356,680	$ 28,384
Other Funds				
ASSETS				
Cash and investments	$ 206,546	$ 10,248	$ 61,424	$ 155,370
Other receivables	1	1	1	1
Total assets	$ 206,547	$ 10,249	$ 61,425	$ 155,371
LIABILITIES				
Accounts payable	$ -	$ 291	$ -	$ 291
Amounts held for others	206,547	9,958	61,425	155,080
Total liabilities	$ 206,547	$ 10,249	$ 61,425	$ 155,371
Totals - All Agency Funds				
ASSETS				
Cash and investments	$ 4,218,949	$ 15,478,740	$ 15,998,032	$ 3,699,657
Other receivables	130,233	863,710	850,188	143,755
Total assets	$ 4,349,182	$ 16,342,450	$ 16,848,220	$ 3,843,412
LIABILITIES				
Accounts payable	$ 486,924	$ 456,615	$ 486,924	$ 456,615
Salaries, taxes and benefits payable	474,079	290,625	123,516	641,188
Amounts held for others	3,388,179	15,595,210	16,237,780	2,745,609
Total liabilities	$ 4,349,182	$ 16,342,450	$ 16,848,220	$ 3,843,412

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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:

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

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

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.

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

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 Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:									
Invested in capital assets,									
net of related debt	$ 58,572,877	$ 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	10,669	10,723	1,713,484	17,605	26,547	306,867	1,416,039	6,768,508	1,329,505
Unrestricted	10,664,551	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	$ 69,248,097	$ 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	$ 92,794,535	$ 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	403,421	314,833	314,693	313,785	312,456	457,985	419,025	372,366	481,700
Unrestricted	10,366,477	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	$ 103,564,433	$ 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	$ 151,367,412	$ 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	414,090	325,556	2,028,177	331,390	339,003	764,852	1,835,064	7,140,874	1,811,205
Unrestricted	21,031,028	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	$ 172,812,530	$ 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 Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental activities:									
General government	$ 4,756,990	$ 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	3,114,416	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	29,749,782	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	7,360,263	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	9,957,090	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	48,896,509	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	8,375,011	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	7,159,338	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	5,934,513	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 deb	4,263,014	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	129,566,926	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	9,983,893	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	362,073	596,782	7,100,039	637,020	768,276	526,428	461,341	1,005,858	2,784,714
Solid Waste	4,407,178	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	117,368	122,537	137,837	214,489	197,646	373,209	232,920	547,092	36,444
Sanitary Districts	439,058	455,094	534,583	469,312	483,459	611,426	578,398	578,398	557,550
Regional Radio System	1,773,267	1,524,079	58,246	32,826	-	-	-	-	-
Total business-type activities	17,082,837	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	$ 146,649,763	$ 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	$ 78,310	$ 112,626	$ 93,000	$ 91,605	$ 94,418	$ 67,823	$ 57,907	$ 43,829	$ 268
Judicial services	783,767	939,549	1,001,882	1,001,023	996,492	1,027,313	848,452	868,874	724,657
Public safety	3,238,055	1,773,303	1,081,644	980,923	566,118	550,938	310,781	311,082	93,295
Environmental and development services	412,451	529,167	657,892	822,526	1,015,870	874,000	904,135	610,078	705,600
Finance and planning	400,466	244,008	79,754	213,526	84,449	64,964	82,787	79,682	72,991
Education	521,282	944,383	671,289	375,062	664,019	775,129	491,438	67,918	76,316
Human services	362,963	371,921	423,252	373,751	252,905	239,712	120,518	81,202	92,189
General services	1,200,451	1,238,374	1,254,539	1,291,090	1,319,800	1,162,455	1,005,432	992,962	31,925
Community services	516,414	497,008	458,100	428,373	380,418	343,696	344,049	419,184	459,413
Operating grants and contributions	10,738,996	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	2,562,616	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	20,815,771	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	7,209,582	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	351,955	360,297	718,736	790,208	723,962	919,793	591,514	689,201	1,028,343
Solid Waste	3,520,553	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	97,919	141,836	335,753	324,592	76,636	53,718	10,554	-	4
Regional Radio System	1,035,880	903,155	200,053	125,620	-	-	-	-	-
Operating grants and contributions	149,502	10,070	-	455	573,544	-	-	-	-
Capital grants and contributions	2,595,686	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	14,961,077	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	$ 35,776,848	$ 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	$ (108,751,155)	$ (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	(2,121,760)	(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	$ (110,872,915)	$ (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	77,433,934	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	9,043,325	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	4,336,193	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	5,322,721	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	5,770,095	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	1,516,710	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	1,238,123	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	2,045,667	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	8,496,159	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	234,060	256,284	1,070,698	2,331,247	2,659,404	1,767,067	829,682	445,578	649,878
Miscellaneous	813,341	683,799	1,037,292	550,278	1,016,178	875,600	750,914	639,664	672,757
Gain on sale of capital assets	33,007	-	-	-	-	-	-	-	-
Transfers	(3,562,226)	(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	112,721,109	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	68,299	125,061	289,168	463,923	559,177	441,818	270,832	116,428	140,400
Miscellaneous	21,822	62,956	142,591	28,893	316,362	299,952	10,684	66,078	38,206
Gain on sale of capital assets	-	917	-	-	-	-	-	-	-
Transfers	3,562,226	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	3,652,347	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	$ 116,373,456	$ 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	$ 3,969,954	$ (805,426)	$ 3,175,846	$ 13,630,045	$ 399,542	$ (4,416,160)	$ 11,255,648	$ 7,150,840	$ 293,502
Business-type activities	1,530,587	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	$ 5,500,541	$ 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 Nine Fiscal Years

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Property tax	$ 77,433,934	$ 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	9,043,325	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	4,336,193	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	5,322,721	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	5,770,095	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	1,516,710	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	1,238,123	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	2,045,667	2,011,290	1,997,715	2,371,898	1,248,928	619,655	586,268	628,340	623,136
Total	$ 106,706,768	$ 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*

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	$ 11,106,155	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	858,361	-	-	-	-	-	-	-	-	-
Committed	12,446,451	-	-	-	-	-	-	-	-	-
Assigned	8,319,357	-	-	-	-	-	-	-	-	-
Unassigned	21,491,918	-	-	-	-	-	-	-	-	-
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
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
Total general fund	$ 54,222,242	$ 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
All Other Governmental Funds										
Nonspendable	$ 8,194,857	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	1,504,544	-	-	-	-	-	-	-	-	-
Committed	1,101,066	-	-	-	-	-	-	-	-	-
Assigned	14,165,574	-	-	-	-	-	-	-	-	-
Unassigned	(15,666,704)	-	-	-	-	-	-	-	-	-
Reserved	-	12,413,276	11,633,657	7,297,735	2,315,408	2,741,390	3,410,368	5,822,775	1,275,312	451,446
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
Debt service funds	-	-	-	-	-	-	-	-	-	703
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
Total all other governmental funds	$ 9,299,337	$ 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

*Fiscal year 2011 reflects the adoption of GASB 54, "*Fund Balance Reporting and Governmental Fund Type Definitions.*"

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
General property taxes	$ 76,516,162	$ 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
Other local taxes	29,073,893	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
Intergovernmental	19,700,968	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
Permits, fees and licenses	471,535	598,252	735,562	831,243	1,046,764	913,332	930,640	638,530	728,015	655,530
Fines and forfeitures	359,937	371,169	358,110	345,100	327,126	327,745	304,214	281,112	203,218	220,598
Use of money and property	643,250	623,904	1,384,103	2,579,157	2,924,334	2,052,750	1,296,955	743,322	939,010	1,363,315
Charges for services	3,561,630	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
Miscellaneous	811,833	581,827	611,039	484,469	753,369	874,117	393,477	433,621	376,807	573,861
Recovered costs	2,608,989	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
Total revenue	133,748,197	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
Expenditures										
General government	1,915,207	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
Judicial services	2,831,373	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
Public safety	30,126,085	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
Environmental and development services	3,492,773	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
Finance and planning	9,058,412	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
Education	48,805,929	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
Human services	8,221,433	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
General services	6,822,173	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
Community services	4,138,036	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
Non-departmental	1,429,528	1,913,583	1,881,882	1,667,624	1,939,030	1,400,428	1,013,420	819,901	850,293	816,495
Capital outlay	8,968,847	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
Debt service:										
Principal	6,560,684	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
Interest and fiscal charges	4,283,166	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
Other costs of debt issuance	24,257	52,621	328,015	-	4,339	7,355	-	180,583	6,619	567,059
Total expenditures	136,677,903	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
Excess (deficiency) of revenues over (under) expenditures	(2,929,706)	(714,339)	(5,973,953)	882,306	(848,972)	(9,060,127)	(9,339,666)	(5,471,735)	(2,633,276)	34,030,026
Other Financing Sources (Uses)										
Insurance recovery	5,363	206,459	34,680	78,629	188,175	30,465	40,170	7,249	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	18,390,000
Bonds issued	1,120,000	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	3,035,627	-	151,400	148,428	286,890	971,921	-	-	-	65,560
Sale of capital and other assets	482,720	12,723	347,464	-	-	-	-	-	-	-
Transfers In	16,211,735	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
Transfers Out	(20,667,938)	(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)
Total other financing sources (uses)	187,507	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)
Extraordinary Item - Hurricane	-	-	-	-	-	-	-	(674,702)	-	-
Net change in fund balances	$ (2,742,199)	$ (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
Debt service as a percentage of noncapital expenditures (1)	8.3%	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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Property tax	$ 76,516,162	$ 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
Local sales and use tax	9,043,325	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
Hotel and motel room taxes	4,264,686	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
Restaurant food taxes	5,260,568	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
Business license taxes	5,770,095	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
Communications sales tax	1,370,049	1,376,864	1,371,148	1,509,095	647,120	-	-	-	-	-
Motor vehicle licenses	1,485,763	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
Franchise taxes	502	259	41	-	364,516	703,762	652,046	595,181	567,661	571,645
Taxes on recordation and wills	1,238,123	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
Emergency telephone service taxes	-	-	-	-	352,343	717,810	728,098	745,135	780,394	765,825
Other local taxes	640,782	598,227	583,052	484,138	492,629	516,037	486,036	458,635	462,947	463,187
Total	$ 105,590,055	$ 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

COUNTY OF YORK, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

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

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)
2011	0.6575	4.00	0.6575	0.526
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

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

(2) The amount designated for school operating is $0.507 for fiscal year 2011.

(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 2010 and Nine Years Prior*

Taxpayer	Description	2010 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2001 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	$ 379,602,613	1	3.78%	$ 349,348,606	1	7.72%
Western Refining Yorktown Inc.	Refinery	193,263,805	2	1.92%	81,432,885	3	1.80%
Lawyers Title/Fairfield Resorts	Timeshare condominiums	187,579,815	3	1.87%	90,609,160	2	2.00%
Great Wolf Lodge of Williamsburg, LLC	Hotel and water park	84,425,890	4	0.84%			
City of Newport News	Water system	75,864,300	5	0.75%	62,481,700	4	1.38%
Kings Creek Plantation	Timeshare condominiums	73,321,625	6	0.73%			
Busch Entertainment	Water park	49,390,485	7	0.49%	43,798,915	5	0.97%
Wal-Mart	Retail sales	38,875,975	8	0.39%			
Premier Properties	Marquis shopping center	35,324,200	9	0.35%			
Phillip Morris USA Inc.	Manufacturer	18,157,300	10	0.18%	12,654,930	10	0.28%
Verizon Virginia, Inc.	Telephone company				25,759,042	6	0.57%
Virginia Natural Gas	Natural gas company				20,376,359	7	0.45%
Kiln Creek Shopping Center	Retail sales				18,249,300	8	0.40%
1991 Ashe Partnership	Developer				16,195,320	9	0.36%
Total		$1,135,806,008		11.30%	$ 720,906,217		15.94%

*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
2011	$ 78,309,524	$ 74,202,547	94.76%	$ -	$ 74,202,547	94.76%
2010	79,967,238	74,592,412	93.28%	975,884	75,568,296	94.50%
2009	77,519,190	74,221,594	95.75%	1,570,511	75,792,105	97.77%
2008	72,552,762	70,122,593	96.65%	1,967,726	72,090,319	99.36%
2007	69,290,160	67,367,845	97.23%	1,337,686	68,705,531	99.16%
2006	67,054,087	64,874,238	96.75%	1,555,487	66,429,725	99.07%
2005	65,863,726	63,315,662	96.13%	1,645,898	64,961,560	98.63%
2004	60,823,449	58,099,636	95.52%	2,012,461	60,112,097	98.83%
2003	57,471,361	55,137,811	95.94%	1,878,873	57,016,684	99.21%
2002	53,335,585	51,353,839	96.28%	1,664,945	53,018,784	99.41%

(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	Lease Revenue Bonds	Note Payable	General Obligation Bonds	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2011	$ 55,305,000	$ 100,000	$ 3,316,594	$ 28,835,000	$ 1,041,781	$ -	$ 23,452,310	$ 1,705,295	$ 113,755,980	3.24%	$ 1,718
2010	58,510,000	200,000	694,180	30,565,000	1,341,604	-	8,484,413	2,159,605	101,954,802	2.93%	1,557
2009	58,395,000	300,000	914,834	31,715,000	1,620,440	-	8,785,933	2,598,931	104,330,138	3.02%	1,608
2008	56,910,000	400,000	953,896	15,595,000	1,879,758	-	9,071,898	730,000	85,540,552	2.46%	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

(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)
2011	$ 55,305,000	$ -	$ 55,305,000	0.56%	$ 835
2010	58,510,000	-	58,510,000	0.59%	893
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

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

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

COUNTY OF YORK, VIRGINIA
Pledged Revenue Coverage (1)
Last Ten Fiscal Years

Fiscal Year	Net Revenues (2)	Capacity Fees	Meals Tax	Unrestricted Reserves	Total Debt Service	Coverage Test 1 (3)	Coverage Test 2a (4)	Coverage Test 2b (4)
2011	$ 1,239,891	$ 515,932	$ 1,050,248	N/A	$ 1,059,085	1.17	0.93	1.68
2010	1,275,578	274,900	N/A	5,731,287	664,878	1.92	1.71	5.82
2009	2,104,996	876,754	N/A	7,531,006	662,328	3.18	2.52	7.54
2008	2,270,177	973,743	N/A	5,993,299	664,278	3.42	2.68	6.46
2007	3,480,661	1,492,611	N/A	8,262,475	665,828	5.23	4.11	9.19
2006	3,373,471	1,408,337	N/A	8,905,523	668,169	5.05	3.99	9.61
2005	2,721,522	1,011,881	N/A	11,859,790	706,695	3.85	3.14	10.81
2004	2,842,790	980,017	N/A	11,438,400	704,533	4.03	3.34	10.76
2003	3,620,135	1,739,576	N/A	11,585,415	707,133	5.12	3.89	10.85
2002	4,792,985	3,102,598	N/A	11,276,970	704,258	6.81	4.60	10.41

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

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

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

(4) Either (a) the ratio of net revenues less 50% of capacity fees divided by 100% of total debt service must exceed 1.0; or for fiscal year 2011, (b) the ratio of net revenues plus meals tax revenues less 100% of capacity fees divided by 100% of annual debt service must exceed 1.50; for fiscal years 2010 - 2002, (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)
2011	66,200	$ 3,509,964	$ 47,922	40.60	13.00	12,477	5.70%
2010	65,500	3,482,686	47,207	40.50	13.00	12,533	5.60%
2009	64,900	3,455,621	47,380	39.90	13.00	12,732	5.50%
2008	64,600	3,480,680	47,553	39.80	13.00	12,745	3.50%
2007	63,800	3,317,909	45,244	39.20	13.00	12,649	2.60%
2006	63,300	3,129,664	42,858	38.70	13.00	12,797	2.80%
2005	62,400	2,924,556	40,209	38.70	13.00	12,442	2.90%
2004	61,800	2,642,660	36,743	38.30	12.80	12,363	2.80%
2003	60,600	2,525,203	35,352	38.00	12.80	12,184	3.00%
2002	59,400	2,376,118	33,576	37.40	12.80	12,010	2.80%

Source:
(1) U.S. Census Bureau (2011); County Planning Division - estimated (2010-2002).
(2) County Planning Division - estimated (2011 - 2010); U.S. Bureau of Economic Analysis - includes City of Poquoson (2009 - 2002).
(3) County Planning Division - estimated (2011); U.S. Census Bureau (2010 - 2002).
(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

	2011			2002		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Naval Weapons Station/ Cheatham Annex	2,998	1	13.44%	3,177	1	18.05%
York County School Division	1,808	2	8.11%	1,636	2	9.30%
U.S. Coast Guard Station	1,399	3	6.27%	787	5	4.47%
Wal-Mart	962	4	4.31%	914	3	5.19%
Water Country	954	5	4.28%	814	4	4.63%
York County Government	732	6	3.28%	595	6	3.38%
Sentara Williamsburg Regional Medical Center	671	7	3.01%			
Great Wolf Lodge	505	8	2.26%			
Windham Vacation Ownership	281	9	1.26%			
Kings Creek Plantation	199	10	0.89%	239	9	1.36%
Fairfield Resorts				326	7	1.85%
K-Mart				267	8	1.52%
Giant				199	10	1.13%
Total	10,509		47.13%	8,954		50.88%

Source: County Office of Economic Development.

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

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General government	20.00	20.50	20.50	20.50	21.50	21.00	21.00	20.50	20.00	19.50
Judicial services	32.75	32.75	31.50	31.50	30.50	29.00	29.00	28.50	26.50	25.75
Public safety	299.50	300.25	286.75	279.75	266.00	259.50	254.50	238.50	227.50	222.50
Environmental and development services	54.00	54.00	54.00	53.00	52.00	51.00	46.00	44.00	44.00	43.00
Finance and planning	89.25	89.25	89.25	86.50	85.25	84.75	82.25	82.25	84.00	81.00
Education (Library)	33.50	33.50	33.50	33.50	34.00	32.50	32.50	32.50	32.50	31.50
General services	81.00	81.00	80.00	67.00	65.00	68.00	67.00	66.00	66.00	66.00
Community services	54.20	54.20	54.20	53.20	53.20	52.20	51.60	52.60	55.10	50.45
Sewer	55.50	54.00	53.00	53.00	54.00	51.00	53.00	49.00	47.00	45.00
Water	-	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	12.00	10.50	10.50	8.75
	731.70	732.95	716.20	691.45	674.95	662.45	650.35	625.85	614.60	594.95

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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government										
Elections - Registered voters	44,814	44,353	44,962	42,906	41,203	40,667	39,485	38,619	37,047	36,557
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	1,903	2,022	1,730	1,607	1,900	2,101	1,908	1,908	1,956	1,993
Land records filed	21,059	28,413	26,790	30,111	31,223	32,842	29,895	33,757	33,614	24,632
Sheriff										
Physical arrests	2,197	2,210	1,684	1,328	1,231	1,054	1,082	1,216	1,081	1,290
Parking violations	130	109	467	399	143	121	40	39	349	220
Traffic violations	3,395	3,712	4,390	2,694	3,292	3,575	3,446	3,129	3,545	4,271
Fire and Life Safety										
Number of calls	8,842	8,677	8,717	9,161	8,709	15,140	14,600	13,260	11,627	10,871
Fire dispatches	3,552	3,482	3,497	3,999	3,695	7,887	7,785	6,481	5,745	5,509
Rescue dispatches	5,290	5,195	5,220	5,162	5,014	7,253	6,815	6,779	5,882	5,362
Environmental and Development Services										
Building Permits Issued	3,751	3,676	3,881	4,859	5,606	5,297	6,113	6,691	6,110	5,361
Building Permit Value	$ 50,093,788	$ 76,376,378	$ 113,550,581	$ 153,900,889	$ 194,087,943	$ 174,039,300	$ 161,305,773	$ 158,120,247	$ 137,403,318	$ 124,367,758
Education										
Library book circulation	576,134	623,015	647,845	658,982	645,851	680,584	693,601	676,857	679,983	542,428
Library registered patrons	72,915	69,064	77,612	71,578	65,019	66,660	60,412	51,862	48,156	43,788
School Division cost per pupil	$ 9,292	$ 9,736	$ 9,506	$ 8,996	$ 8,888	$ 8,117	$ 7,664	$ 6,930	$ 6,545	$ 6,268
Community services										
Recreation program participation	119,314	113,653	130,137	82,284	57,328	45,508	40,392	42,461	42,654	53,913
Sewer										
New connections	158	166	251	442	530	760	841	214	1,256	624
Water										
New connections	N/A	N/A	8	12	10	7	8	11	2	14
Consumption	N/A	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
Solid Waste										
Refuse collections (tons)	95,671	103,842	110,282	115,738	132,544	152,493	141,635	136,792	125,065	131,219
Recyclables collected (tons)	17,302	29,780	27,200	30,136	21,527	17,424	16,591	38,047	18,772	15,581

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

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Function										
Sheriff										
Patrol units	54	55	54	51	49	48	46	46	43	45
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	26	26	25	25	25	24	24	24	23	22
Community services										
Park acreage	786	786	786	847	840	847	847	660	650	650
Parks	11	11	11	11	11	11	11	10	9	9
Tennis courts	36	36	36	32	30	32	32	32	32	32
Basketball courts	38	38	38	36	36	36	36	36	35	35
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	73	60	60	60	60	60	59	59
Education										
School facilities	19	19	19	19	19	19	19	19	19	18
Sewer										
Sanitary sewer (miles)	294	337	288	287	384	214	211	204	202	191
Water										
Mains (miles)	N/A	N/A	21.00	20.00	19.50	16.00	15.00	14.00	14.00	13.00
Fire hydrants	N/A	N/A	208	232	152	114	108	97	97	80
Maximum daily capacity	N/A	N/A	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.

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, 2011, and have issued our report thereon dated November 9, 2011. 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 9, 2011

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, 2011. 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, 2011.

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 9, 2011

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, 2011, and have issued our report thereon dated November 9, 2011.

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 9, 2011

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

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		$ 89,999
Pass-through payments:			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-06)	10.561	$ 487,084	
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-06)	10.561	12,840	
Total SNAP Cluster			499,924
Department of Agriculture: Donated Foods	10.555	306,954	
Department of Education:			
School Breakfast Program (197-179-01)	10.553	144,915	
National School Lunch Program (197-179-01)	10.555	920,523	
Department of Juvenile Justice: National School Lunch Program (777-360-03)	10.555	5,785	
Total Child Nutrition Cluster			1,378,177
Department of Defense:			
Direct payments:			
Naval Junior ROTC Program	12.000		124,179
National Defense Authorization Act	12.000		734,580
Department of Housing and Urban Development:			
Pass-through payments:			
Department of Housing and Community Development:			
Community Development Block Grants/State's Program (165-533-05)	14.228		263,662
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257		134,214
Virginia Housing Development Authority:			
Housing Counseling Assistance Program	14.169		848
Section 8 Housing Choice Vouchers	14.871		157,830
Department of the Interior: Direct payment: Payments in Lieu of Taxes	15.226		9,578
Department of Justice:			
Direct payments:			
Edward Byrne Memorial Formula Grant Program	16.579		8,586
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		17,814
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		185,919
State Criminal Alien Assistance Program	16.606		13,160
Bulletproof Vest Partnership Program	16.607		7,545
Edward Byrne Memorial Justice Assistance Grant Program	16.738		14,053
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		25,649
Department of Transportation:			
Pass-through payment: Department of Transportation			
ARRA - Highway Planning and Construction	20.205		1,384,000
Pass-through payment: Department of Motor Vehicles			
State and Community Highway Safety (530-605-07)	20.600		29,437
Department of Education:			
Direct payments:			
Impact Aid	84.041		8,377,364
Pass-through payments:			
Department of Education (197-179-01):			
Adult Education - Basic Grants to States	84.002		35,662
Title I Grants to Local Educational Agencies	84.010		401,944
Special Education and Rehabilitative Services:			
Special Education - Grants to States	84.027	2,121,120	
Special Education - Preschool Grants	84.173	46,224	
ARRA - Special Education - Grants to States, Recovery Act	84.391	1,361,964	
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	45,768	
Total Special Education Cluster (IDEA)			3,575,076

(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, 2011

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):			
Vocational and Adult Education:			
Career and Technical Education - Basic Grants to States	84.048		96,110
Safe and Drug-Free Schools and Communities - State Grants	84.186		7,805
Education Technology State Grants	84.318		7,048
English Language Acquisition Grants	84.365		29,196
Improving Teacher Quality State Grants	84.367		239,198
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387		830
ARRA - State Fiscal Stabilization Fund (SFSF), Education State Grants, Recovery Act	84.394		957,506
ARRA - Education Jobs Fund	84.410		1,238,500
Department of Health and Human Services:			
Direct payments: Administration for Children, Youth and Families			
Head Start	93.600	866,087	
ARRA - Head Start	93.708	15,798	
Total Head Start Cluster			881,885
Pass-through payments:			
Department of Social Services:			
Promoting Safe and Stable Families (765-460-06; 765-469-01)	93.556		38,847
Temporary Assistance for Needy Families (765-452-01; 765-452-12; 765-460-03; 765-460-06)	93.558		384,496
Refugee and Entrant Assistance - State Administered Programs (765-460-03; 765-460-06; 765-491-02)	93.566		2,688
Low-Income Home Energy Assistance (765-460-03; 765-460-06)	93.568		21,423
Child Care and Development Block Grant (765-452-15)	93.575	301,841	
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	170,971	
ARRA - Child Care and Development Block Grant (765-452-14; 765-452-15)	93.713	25,136	
Total Child Care and Development Fund Cluster			497,948
Chafee Education and Training Vouchers Program (ETV) (765-469-01)	93.599		24
Stephanie Tubbs Jones Child Welfare Services Program (765-460-03; 765-460-06)	93.645		2,044
Foster Care - Title IV-E (765-460-03; 765-460-06; 765-469-01; 765-453-01)	93.658		238,054
ARRA - Foster Care - Title IV-E (765-469-01)	93.658		2,871
Adoption Assistance (765-460-03; 765-460-06; 765-469-03)	93.659		107,846
ARRA - Adoption Assistance (765-469-03)	93.659		6,284
Social Services Block Grant (765-460-03; 765-460-06; 765-468-02; 765-469-01)	93.667		286,475
Chafee Foster Care Independence Program (765-460-06; 765-469-01)	93.674		4,704
Children's Health Insurance Program (765-460-03; 765-460-06)	93.767		14,486
Medical Assistance Program (765-460-03; 765-460-06)	93.778	293,116	
Department of Medical Assistance Services: Medical Assistance Program	93.778	46,800	
Total Medicaid Cluster			339,916
Department of Health:			
Pass-through payments:			
Department of Public Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136		851
Preventive Health and Health Services Block Grant	93.991		1,977
Department of Homeland Security:			
Pass-through payments:			
Department of Emergency Services:			
Non-Profit Security Program (127-775-01)	97.008		75,223
Emergency Management Performance Grants (127-775-01)	97.042		54,529
State Homeland Security Program (SHSP) (127-775-01)	97.073		345,991
Total			$ 23,423,712

See accompanying notes to Schedule of Expenditures of Federal Awards.

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. SUBRECIPIENTS

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

Program Title	Federal Catalogue Number	Amount Provided to Subrecipient
Community Development Block Grants/State's Program	14.228	$ 262,511

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

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 Transportation:	
American Recovery and Reinvestment Act - Highway Planning and Construction	20.205
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
American Recovery and Reinvestment Act - Education Jobs Fund	84.410
Department of Housing and Urban Development:	
American Recovery and Reinvestment Act - Homelessness Prevention and Rapid Re-Housing Program	14.257

Dollar threshold to distinguish between Types A and B Programs:	**$702,711**
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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