Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

York County
VIRGINIA
America's Future Since 1781

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2015

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

Deborah L. Morris, CPA
Controller

Carolyn T. Cuthrell
Chief, Division of Accounting and Financial Reporting

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COUNTY OF YORK, VIRGINIA
Comprehensive Annual Financial Report
June 30, 2015

Table of Contents

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	A-1 - A-8
Certificate of Achievement for Excellence in Financial Reporting	A-9
Organizational Diagram of York County Government	A-10
Principal Officials	A-11
FINANCIAL SECTION	
Report of Independent Auditor	B-1 - B-3
Management's Discussion and Analysis	C-1 - C-14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	D-1
Statement of Activities	D-2
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	E-1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	E-2
Statement of Revenues, Expenditures and Changes in Fund Balances	E-3
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E-4
Proprietary Funds Financial Statements:	
Statement of Net Position	E-5
Statement of Revenues, Expenses and Changes in Fund Net Position	E-6
Statement of Cash Flows	E-7
Fiduciary Financial Statements:	
Statement of Assets and Liabilities - Agency Funds	E-8
Notes to Basic Financial Statements	F-1 - F-63
Required Supplementary Information Other Than Management's Discussion and Analysis:	
Budgetary Comparison Schedule, General Fund - Revenues and Other Financing Sources	G-2 - G-3
Budgetary Comparison Schedule, General Fund - Expenditures and Other Financing Uses	G-4 - G-5
Budgetary Comparison Schedule, Tourism Fund	G-7
Schedule of Changes in Employer's Net Pension Liability and Relate Ratios	G-8
Schedule of Employer's Share of Net Pension Liability	G-9
Schedule of Employer Contributions	G-10
Schedule of Funding Progress and Employer Contributions (Unaudited)	G-11
Notes to Required Supplementary Information	G-12 - G-13
Other Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	H-2
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H-3
Budgetary Comparison Schedule - Nonmajor Special Revenue Funds	H-4
Budgetary Comparison Schedule - Debt Service Funds	H-5
Budgetary Comparison Schedule - Capital Project Funds	H-6
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	I-2
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	I-3
Combining Statement of Cash Flows	I-4
Internal Service Funds:	
Combining Statement of Net Position	J-2
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	J-3
Combining Statement of Cash Flows	J-4
Agency Funds:	
Combining Statement of Assets and Liabilities	K-2
Combining Statement of Changes in Assets and Liabilities	K-3

COUNTY OF YORK, VIRGINIA
Comprehensive Annual Financial Report
June 30, 2015

Table of Contents, Continued

	Page
STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position By Component - Accrual Basis of Accounting - Last Ten Fiscal Years	L-3
Changes in Net Position - Accrual Basis of Accounting - Last Ten Fiscal Years	L-4
Governmental Activities Tax Revenues By Source - Accrual Basis of Accounting - Last Ten Fiscal Years	L-5
Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting - Last Ten Fiscal Years	L-6
Changes in Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting - Last Ten Fiscal Years	L-7
General Government Tax Revenues By Source - Modified Accrual Basis of Accounting - Last Ten Fiscal Years	L-8
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Calendar Years	L-9
Property Tax Rates - Last Ten Fiscal Years	L-10
Principal Property Taxpayers - Calendar Year 2014 and Nine Years Prior	L-11
Property Tax Levies and Collections - Last Ten Fiscal Years	L-12
Debt Capacity:	
Ratio of Outstanding Debt By Type - Last Ten Fiscal Years	L-13
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	L-14
Pledged Revenue Coverage - Last Ten Fiscal Years	L-15
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Ten Fiscal Years	L-16
Principal Employers - Current and Nine Years Prior	L-17
Operating Information:	
Full-time Equivalent County Employees By Function - Last Ten Fiscal Years	L-18
Operating Indicators By Function - Last Ten Years	L-19
Capital Asset Statistics By Function - Last Ten Years	L-20
COMPLIANCE SECTION	
Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	M-1 - M-2
Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	M-3 - M-4
Schedule of Expenditures of Federal Awards	M-6 - M-7
Notes to Schedule of Expenditures of Federal Awards	M-8
Schedule of Findings and Questioned Costs	M-9

COUNTY ADMINISTRATOR
Neil A. Morgan

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

November 29, 2015

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, 2015, as required by the Code of Virginia. The Department of Financial and Management Services has prepared this report in accordance with accounting principles generally accepted in the United States of America (GAAP), the standards of financial reporting prescribed by the Governmental Accounting Standards Board, and the Auditor of Public Accounts of the Commonwealth of Virginia. The independent certified public accounting firm of Cherry Bekaert LLP has audited the financial statements, and their opinions are contained within this report.

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

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

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

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

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A Hampton Roads Community

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

During the year ended June 30, 2015, York County continued to feel the impact of the area's slow economic recovery, although the military presence in the region and the significant tourism base allowed the County to fare better than many other communities. Careful monitoring of revenues and expenditures ensured that the County ended the fiscal year in sound financial condition.

At $133.4 million, the fiscal year 2016 General Fund adopted budget is .7% higher than the fiscal year 2015 budget. The 2016 General Fund budget is balanced and it does not propose to use any of the unassigned fund balance. We believe that the conservative fiscal policy of the Board of Supervisors and County management will enable the continued provision of the same high level of government service that has come to be expected of York County. Further, these conservative policies will enable York County to emerge from the recovery in a strong financial position.

MAJOR INITIATIVES

During the formulation of the fiscal year 2016 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 2035*, is the long-range plan for the physical development of the County. The plan was adopted in September 2013 after an extensive review process involving citizens and civic and business groups, the Planning Commission, and the Board of Supervisors. The goals and initiatives discussed in the current plan include encouraging a balance of quality residential and commercial growth, supporting the County's School division, developing new recreational facilities, beautifying major entrances and commercial corridors including placing existing overhead utilities underground, constructing bicycle and pedestrian improvements leveraged with local funding, and continuing the modernization and improvement of the County's emergency response and management capabilities.

Economic Development

York County's economy showed significant growth in FY2015, as the total commercial building permit values grew from $23.4 million to $36.2 million. Building permits were issued for 37 new commercial structures compared to 15 in FY2014. Residential building permit valuation remained almost unchanged moving from $54.6 million in FY2014 to $55.3 million in FY2015.

The economic development fiscal year peaked on May 13th with the grand opening of Kroger in Kiln Creek and the ground breaking ceremony for Baeplex in Lightfoot. Facilitated in part by a grant from the Economic Development Authority (EDA), Kroger invested $16 million in renovating the former 90,000 square foot K-Mart grocery space for one of their new high end, prototype stores and gas station.

The new store will employ over 230 and provide a strong anchor presence for the York County portion of the Kiln Creek retail area. At the other end of the county, Baeplex a family oriented, martial arts, fitness and wellness company broke ground for a new three building campus. Located off Mooretown Road next to Michael Commons Office Park, Baeplex will fit perfectly with Sentara Williamsburg Regional Medical Center and the Wilkinson Family YMCA in the Lightfoot health corridor.

The light industrial activity in FY2015 was highlighted by Atlantic Emergency Solutions (AES) acquisition of the 17,840 square foot Riverside Brick building in Victory Industrial Park. A premier provider of fire and emergency vehicles, AES brought 25 excellent jobs to the county along with a significant capital investment in equipment. The EDA sold five acres in the York River Commerce Park to Spain Commercial in May for the construction of new 18,000 square foot, light industrial flex building. Spain already owns a similar building in the park that has attracted excellent technology companies like Marine Sonic and Avid Aerospace.

The Office of Economic Development (OED) and the EDA continued to focus on improving the County's entrepreneurial eco system and accelerating business growth. The EDA was a major sponsor of the "START Peninsula" 3.0 endeavor held at the College of William & Mary's Mason School of Business. For the third consecutive year Start Peninsula provided over 25 entrepreneurs an opportunity to compete for $10,000 towards their venture and free time in an area business incubator. On a parallel track the EDA jointly with the EDA's of Williamsburg and James City County agreed to retool our business incubator and relocate it in first class professional space in New Town.

The OED, in concert with the Marquis Community Development Authority (CDA), worked cooperatively with Todd Interests, the owner of the Marquis, to sell Sam's Club a 13.49 acre tract. This sale required Todd Interests to extend water, sewer, storm water treatment and Marquis Parkway to the site. This work was completed in September of 2015. As part of this same agreement, the CDA issued additional bonds to support the Sam's project.

Capital Improvements Program

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

The Stormwater Maintenance Program continues to address ongoing drainage maintenance within County easements. The Stormwater Capital Improvements Program includes: Cook Road/Falcon Road, Tabb Lakes/Kings Bottom, Goodwin Neck/Rosewood, Claxton Creek, Marlbank Cove Ravine, Poquoson Headwaters, Route 134/Bayberry, Larkin Woods (Stream Restoration), Queens Lakes Ravines, Seige Lane, Middlewood Lane and the Chesapeake Bay TMDL Retrofit Engineering study.

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

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

The York County School Division has several major repair/replacement and classroom addition projects 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 are a joint venture with James City County and Gloucester County.

FINANCIAL INFORMATION

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

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

All internal accounting control evaluations occur within the above framework. We believe that 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/SIGNIFICANT CHANGES

The Governmental Accounting Standards Board (GASB) Statement #68 is effective for fiscal year 2015 financial reporting. Accordingly, the County's net pension liability and its proportionate share of pension expense as a participant in the Virginia Retirement System (VRS) appears as line items in the FY2015 CAFR.

Several policy decisions related to the economic situation continued to have a significant impact on financial operations in 2015. The postponement of most major capital projects (excluding sewer projects, whereby the revenue source is user fees) continued. Among the projects approved were minimal maintenance projects (the delay of which may have resulted in more costly repairs), voting machine replacement, and fire apparatus replacement.

Fiscal year 2015 saw the unexpected passing of long-time County Administrator, James McReynolds (Mac). J. Mark Carter, Deputy County Administrator, served as interim until June when the new County Administrator started work.

INDEPENDENT AUDIT

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

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

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the County of York, Virginia, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This was the 29th 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, 2014. This was the 12th consecutive year that the County has achieved this prestigious award.

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

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

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, in particular the divisions of Accounting and Financial Reporting, Budget, and Fiscal Accounting Services, as well as the Office of the Treasurer, the School Division, and 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,

Neil A. Morgan
County Administrator

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

Deborah L. Morris, CPA
Finance Director

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

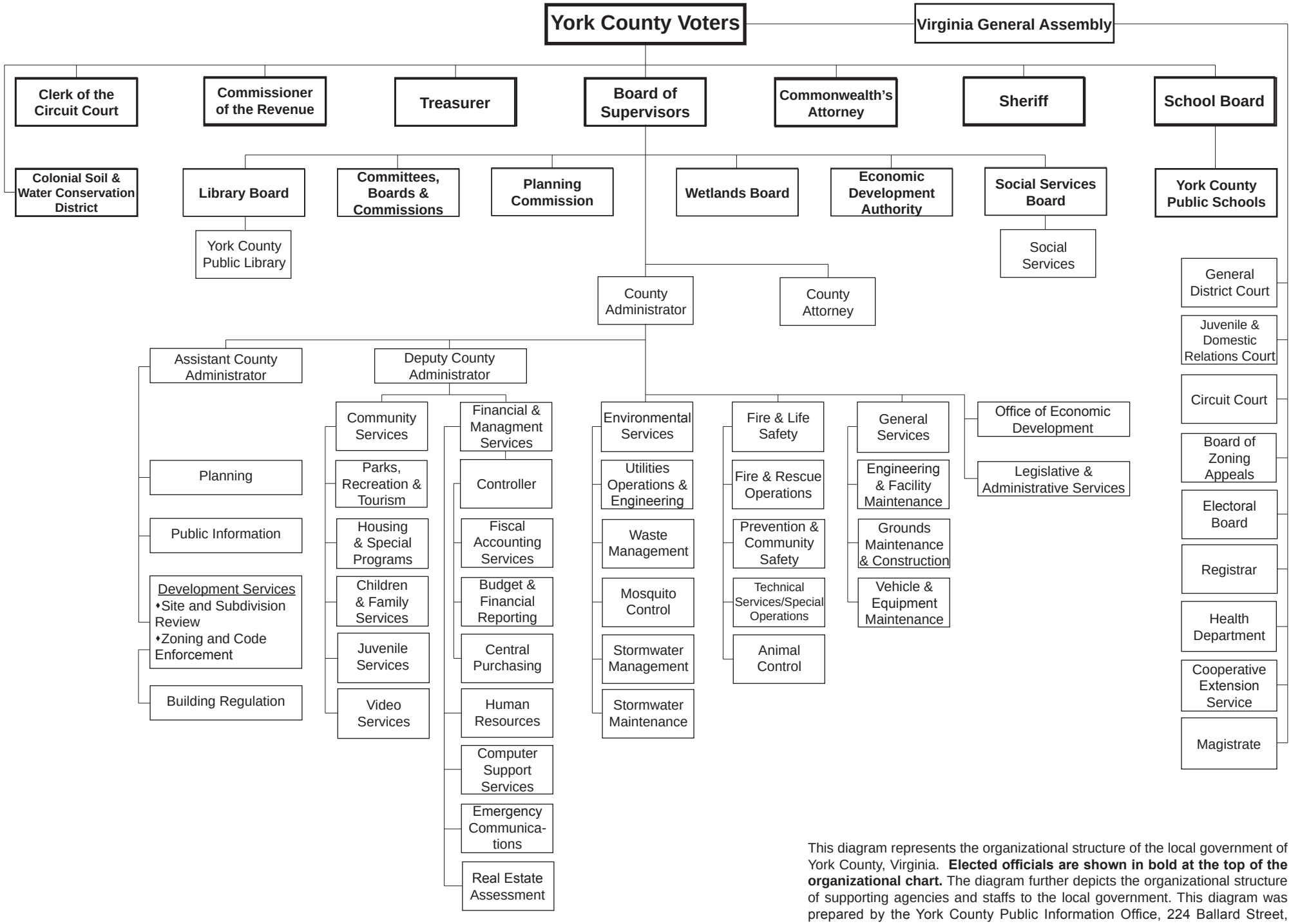
Presented to

County of York
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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. Updated November 2014

COUNTY OF YORK, VIRGINIA

Principal Officials

For the Fiscal Year Ended June 30, 2015

Board of Supervisors

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

Constitutional Officers

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

County Officials

County Administrator	Neil Morgan
County Attorney	James E. Barnett
Deputy County Administrator	J. Mark Carter
Deputy County Administrator	Vivian Calkins-McGettigan
Director of Community Services	Laurie Blanton-Coleman
Interim Director of Environmental Services	Brian K. Woodward
Director of General Services	Mark L. Bellamy, Jr.
Fire Chief	Stephen P. Kopczynski
Controller	Deborah L. Morris

School Board

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

School Officials

Superintendent of Schools	Dr. Victor D. Shandor
Chief Academic Officer	Dr. Stephanie L. Guy
Chief Financial Officer	Dennis R. Jarrett, CPA, CPFO, SFO
Chief Operations Officer	Dr. Carl L. James
Chief Human Resources Officer	Dr. James E. Carroll
Director of Accountability & Instructional Services	Dr. Lisa L. Pennycuff
Director of Elementary Instruction	Candi L. Skinner
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 LLP
CPAs & Advisors

Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement

As described in Note 14 to the financial statements, effective July 1, 2014, the County adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board ("GASB") Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Fund Reclassification

As described in Note 14 to the financial statements, effective July 1, 2014 the County has reclassified the beginning fund balance of Governmental Activities to create a new health and dental insurance internal service fund. Our opinions are not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages C-1 through C-14 and G-2 through G-10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of York, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Virginia Beach, Virginia
November 29, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of York's (the "County's") comprehensive annual financial report presents management's discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2015. 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 2015 (FY2015)

- The assets and deferred outflows of the County on a government-wide basis excluding component units, exceeded its liabilities and deferred inflows as of June 30, 2015 by $158,296,162 (net position). Under Virginia law, School Divisions hold title to all school property and local governments incur financial obligations for school property. The assets are reported on the School Division's Statement of Net Position and the related debt is reported on the County's Statement of Net Position. Consequently, the County reports $53,270,668 in school debt without the related assets.

- The County's total net position decreased by ($4,416,234). Governmental activities decreased by ($8,770,631), primarily due to expenditures related to a debt borrowing for school capital projects as well as the return to the School Division of funds for health and dental insurance refunds that had previously been reported in the County's General Fund. Business-type activities increased by $4,354,397, mainly attributable to increases in charges for services revenues.

- As of June 30, 2015, the County's governmental funds reported combined ending fund balances of $63,509,498, a decrease of ($5,697,468) from the prior year. Unassigned fund balance totaled $9,488,937 and is available for spending at the County's discretion. This amount reflects a General Fund unassigned fund balance of $16,126,447, or 14.1% of total General Fund expenditures and an unassigned fund deficit of ($6,637,510) in the Yorktown Capital Improvements Fund, attributable to a long-term advance payable to another fund.

- The County's noncurrent liabilities at June 30, 2015 were $130,465,012, which is an increase of $19,638,289 from the prior year. The key factor in this increase was the issuance of new debt for the School Division capital projects and the GASB 68 requirement to report net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

The County has three kinds of funds:

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

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

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

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

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

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

  The County uses three internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the County's other programs and activities. The Vehicle Maintenance Fund provides for the accumulation of resources to replace capital equipment and maintenance services for the County's vehicle fleet. The Other Post-Employment Benefits Fund (OPEB) accounts for subsidy payments for eligible retirees of the County towards health insurance coverage in a plan sponsored by the County. The Health and Dental Insurance fund provides for the revenues and expenses of the health and dental programs. 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-61 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Statement of Net Position - As of June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	FY2015	Restated FY2014	FY2015	Restated FY2014	FY2015	Restated FY2014
Current and other assets	$ 98,637,970	$ 101,541,591	$ 12,791,298	$ 11,136,912	$ 111,429,268	$ 112,678,503
Capital assets	81,547,963	83,027,162	123,843,997	123,294,606	205,391,960	206,321,768
Deferred outflows	4,574,320	4,381,658	813,918	849,738	5,388,238	5,231,396
Total assets and deferred outflows	$ 184,760,253	$ 188,950,411	$ 137,449,213	$ 135,281,256	$ 322,209,466	$ 324,231,667
Current and other liabilities	$ 20,094,658	$ 18,077,180	$ 2,311,451	$ 3,630,745	$ 22,406,109	$ 21,707,925
Long-term liabilities	106,734,335	103,222,900	23,730,677	24,597,823	130,465,012	127,820,723
Deferred inflows	10,259,110	11,207,550	783,073	783,073	11,042,183	11,990,623
Total liabilities and deferred inflows	137,088,103	132,507,630	26,825,201	29,011,641	163,913,304	161,519,271
Net position:						
Net investment in capital assets	55,705,954	55,437,501	103,815,937	102,477,564	159,521,891	157,915,065
Restricted	1,901,161	1,476,281	177,154	177,139	2,078,315	1,653,420
Unrestricted (deficit)	(9,934,965)	(471,001)	6,630,921	3,614,912	(3,304,044)	3,143,911
Total net position	47,672,150	56,442,781	110,624,012	106,269,615	158,296,162	162,712,396
Total liabilities and net position	$ 184,760,253	$ 188,950,411	$ 137,449,213	$ 135,281,256	$ 322,209,466	$ 324,231,667

Capital assets decreased by ($929,808) from the prior year. This is primarily related to the disposal of equipment and vehicles.

The County's net position totaled $158,296,162, a decrease of ($4,616,234). This result is comprised of a decrease of net position in governmental activities of ($8,770,631), and an increase of $4,354,397 in business-type activities. The decrease in governmental activities was primarily due to expenditures related to a debt borrowing for school capital projects as well as the return to the School Division of funds for health and dental insurance refunds that had previously been reported in the County's General Fund. The increase for business-type activities was primarily attributable to capital contributions for the sewer infrastructure and to increases in charges for services revenues.

Approximately 0.65% of net position represented resources that are subject to external restrictions. Restrictions do not significantly affect the availability of fund resources for future use. The majority of the County's net position reflected its investment in capital assets, less any related debt used to acquire those assets that were still outstanding. These assets are used to provide services to citizens and consequently are not available for future spending. At June 30, 2015, the County reported unrestricted net position (deficit) of ($3,304,044).

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 Position and the related debt or liability are reported on the County's Statement of Net Position. Consequently, the County reports $53,270,668 in school debt without the related assets.

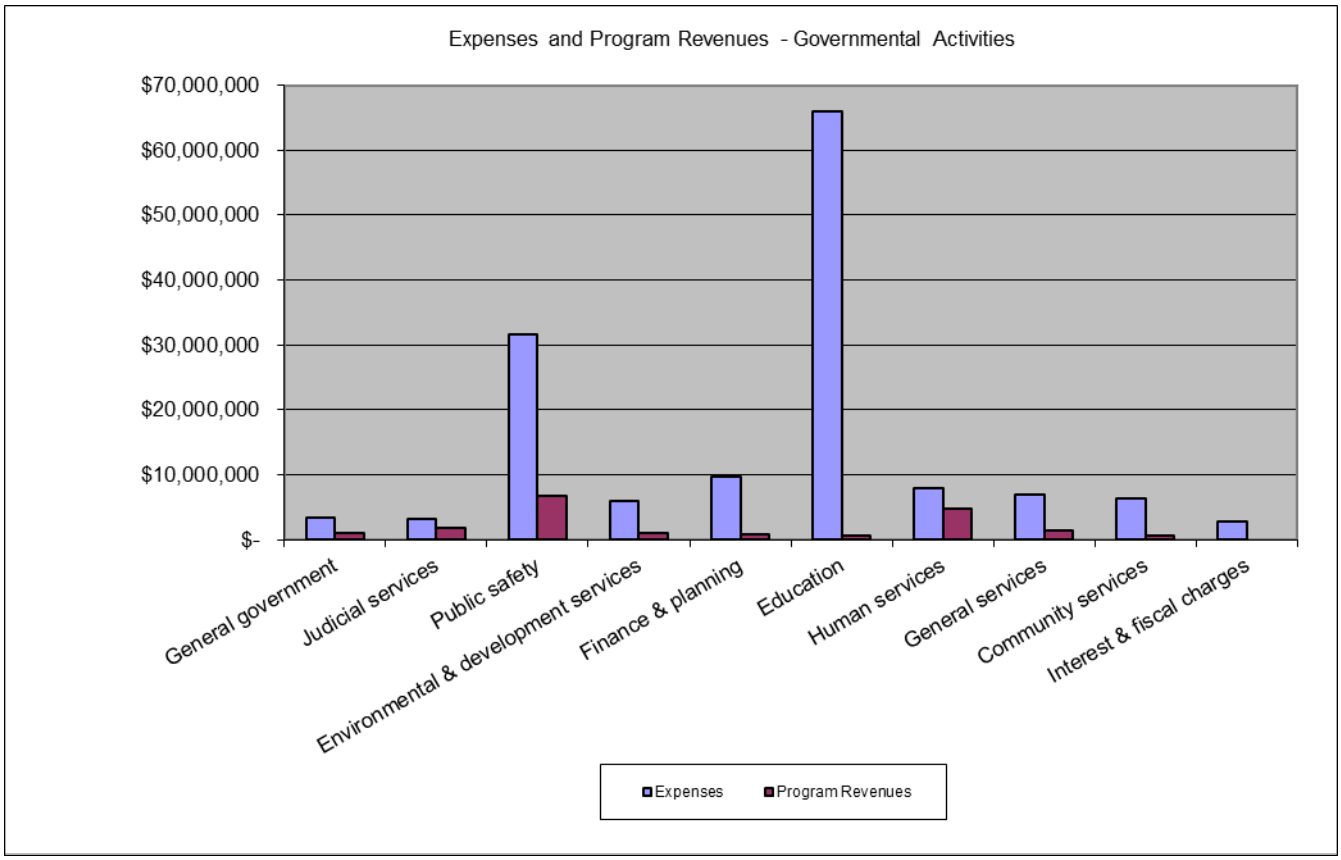
Summary of Changes in Net Position - Years Ended June 30, 2015 and 2014

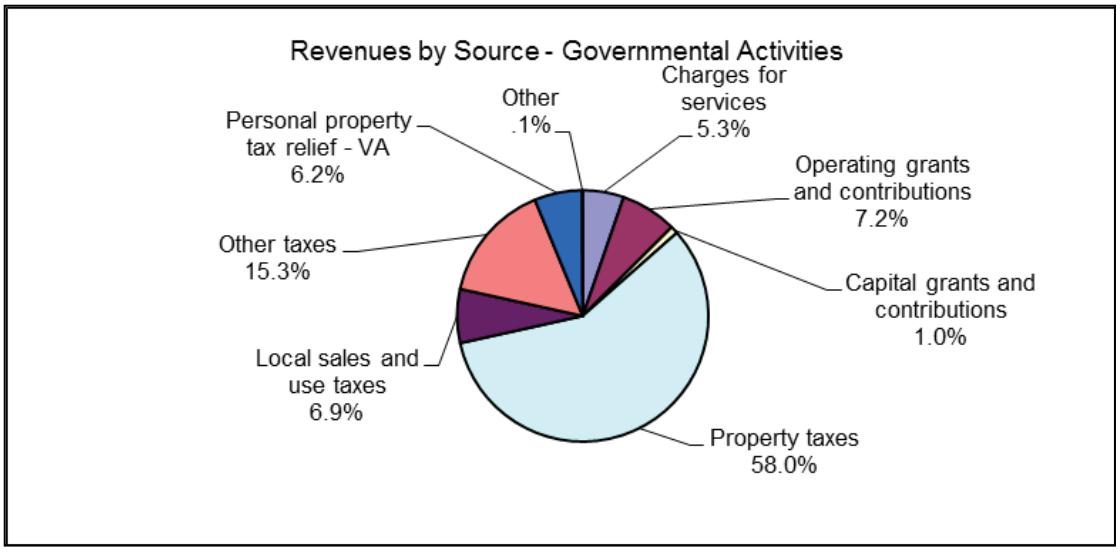
	Governmental Activities		Business-type Activities		Total	
	FY2015	Restated FY2014	FY2015	Restated FY2014	FY2015	Restated FY2014
Revenues:						
Program revenues:						
Charges for services	$ 7,428,142	$ 7,309,628	$ 18,186,333	$ 16,932,754	$ 25,614,475	$ 24,242,382
Operating grants and contributions	10,188,235	10,521,429	289,674	295,108	10,477,909	10,816,537
Capital grants and contributions	1,369,785	317,128	925,950	1,371,580	2,295,735	1,688,708
General revenues:						
Property taxes	81,767,345	80,907,792	-	-	81,767,345	80,907,792
Other taxes	31,337,281	30,901,829	-	-	31,337,281	30,901,829
Commonwealth of Virginia, net Local Aid to Commonwealth	8,665,120	8,741,680	-	-	8,665,120	8,741,680
Unrestricted investment earnings	149,037	216,877	12,167	37,303	161,204	254,180
Miscellaneous	79,766	1,256,436	17,684	43,003	97,450	1,299,439
Gain (loss) on sale of capital assets	(118,576)	22,306	573	-	(118,003)	22,306
Total revenues	140,866,135	140,195,105	19,432,381	18,679,748	160,298,516	158,874,853
Expenses:						
Governmental activities:						
General government	3,408,038	9,523,453	-	-	3,408,038	9,523,453
Judicial services	3,256,745	4,657,237	-	-	3,256,745	4,657,237
Public safety	31,565,116	42,205,101	-	-	31,565,116	42,205,101
Environmental and development services	5,921,822	5,711,333	-	-	5,921,822	5,711,333
Finance and planning	9,776,644	14,110,928	-	-	9,776,644	14,110,928
Education	68,436,746	50,106,127	-	-	68,436,746	50,106,127
Human services	7,854,783	10,149,091	-	-	7,854,783	10,149,091
General services	6,884,634	8,768,018	-	-	6,884,634	8,768,018
Community services	6,449,967	7,125,258	-	-	6,449,967	7,125,258
Interest and fiscal charges on noncurrent debt	2,735,422	3,898,226	-	-	2,735,422	3,898,226
Business-type activities:						
Sewer Utility	-	-	10,705,774	12,322,217	10,705,774	12,322,217
Water Utility	-	-	339,656	349,496	339,656	349,496
Solid Waste	-	-	4,249,485	5,195,937	4,249,485	5,195,937
Yorktown Operations	-	-	77,434	82,725	77,434	82,725
Sanitary Districts	-	-	418,133	418,133	418,133	418,133
Regional Radio System	-	-	2,634,351	2,494,441	2,634,351	2,494,441
Total expenses	146,289,917	156,254,772	18,424,833	20,862,949	164,714,750	177,117,721
Change in net position, before transfers	(5,423,782)	(16,059,667)	1,007,548	(2,183,201)	(4,416,234)	(18,242,868)
Transfers	(3,346,849)	(3,262,639)	3,346,849	3,262,639	-	-
Change in net position	(8,770,631)	(19,322,306)	4,354,397	1,079,438	(4,416,234)	(18,242,868)
Net position, beginning - restated	56,442,781	75,765,087	106,269,615	105,190,177	162,712,396	180,955,264
Net position, ending	$ 47,672,150	$ 56,442,781	$ 110,624,012	$ 106,269,615	$ 158,296,162	$ 162,712,396

Governmental Activities - For the fiscal year ended June 30, 2015, revenues from governmental activities totaled $140,866,135. Real estate tax revenue, the County's largest revenue source, was $68,374,019. The County's assessed real property tax base for calendar year 2015 was $9,229,617,816. The County reported current year collections of $21,397,903 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 $76,560 of local aid returned to the Commonwealth.

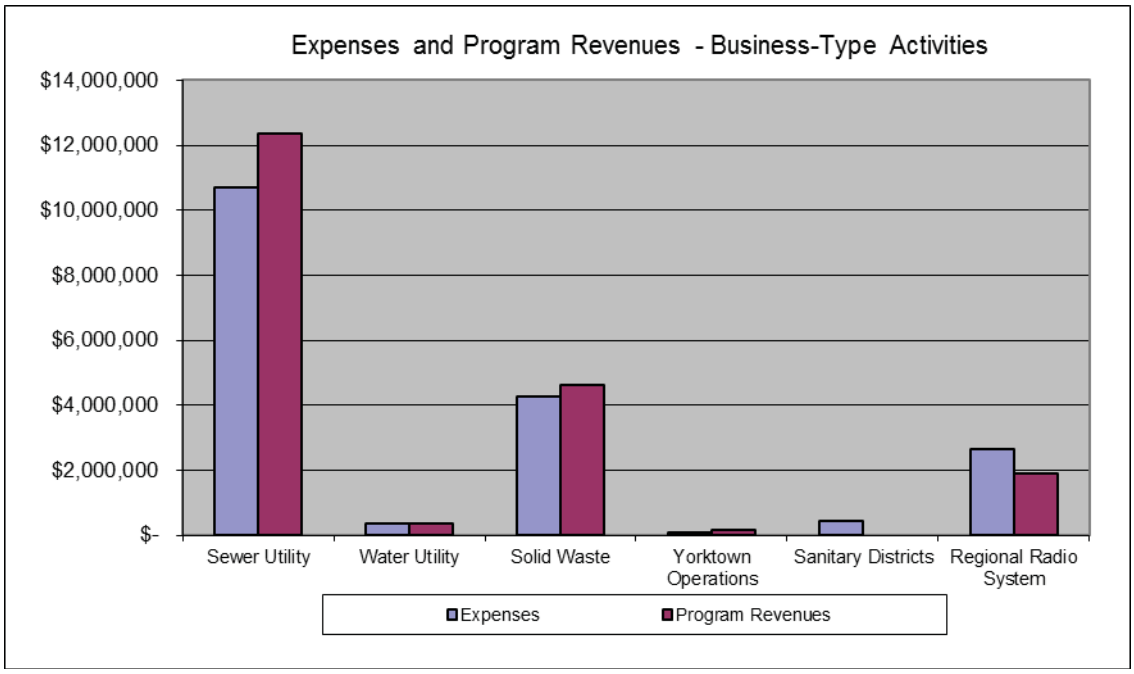
Other taxes increased by $435,452 from the prior year as a result of increases in business licenses, local sales and use tax revenue, hotel and motel room tax revenue and restaurant food tax revenue. Most of the overall increase of $1,052,657 in capital grants and contributions relate to grants for Stormwater projects.

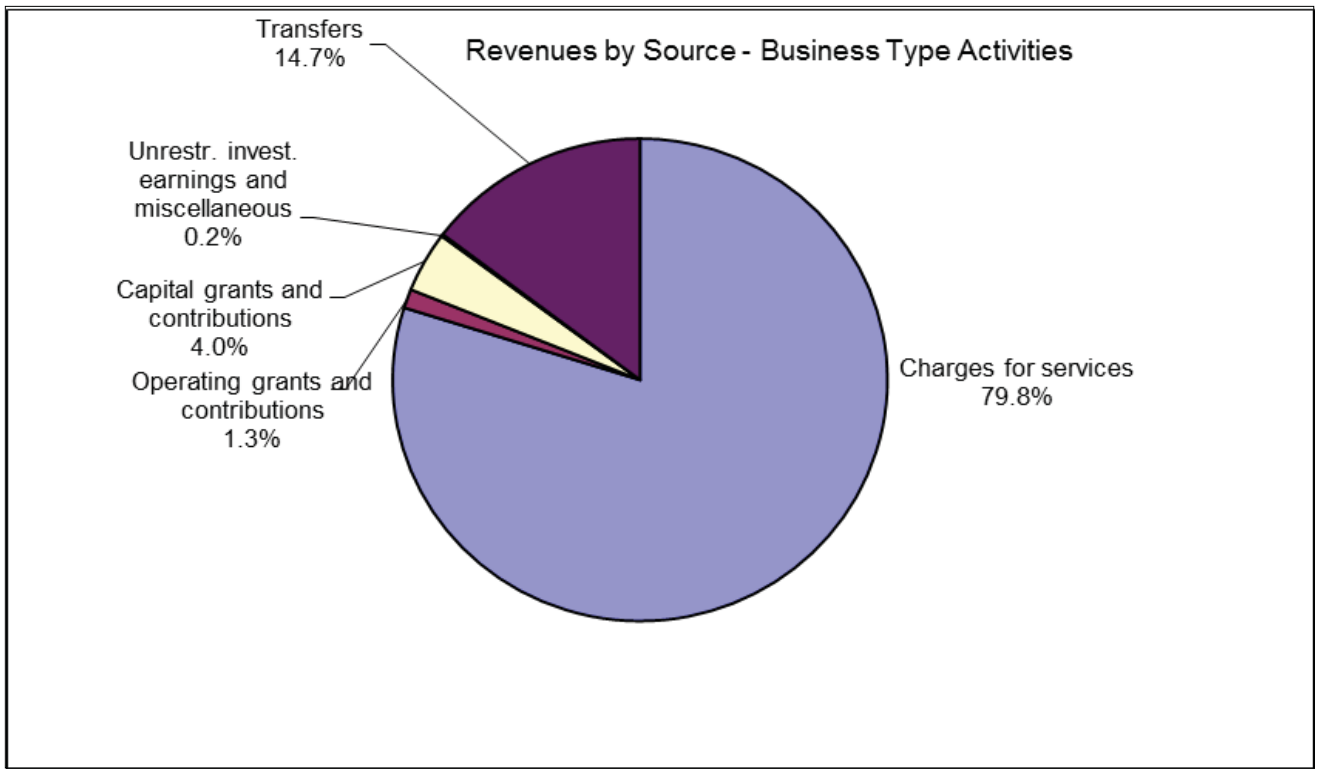
For the fiscal year ended June 30, 2015, expenses for governmental activities totaled $146,289,917, including the following payments to the component unit - School Division: $53,625,295 for operations; the component unit - Economic Development Authority: $46,250 for operations, and the component unit - Community Development Authority: $1,029,926 in incremental taxes.





Business-Type Activities - Business-type activities increased the County's net position by $4,354,397 for the fiscal year ended June 30, 2015. This increase is primarily attributable to capital contributions and increase in sewer fees. Significant transfers include $1,872,798 of meals tax to support capital projects in the Sewer Utility Fund, $448,906 of meals tax to support a capital project in the Water Utility Fund and $1,007,930 for the maintenance on the emergency radio system in the Regional Radio System Fund.



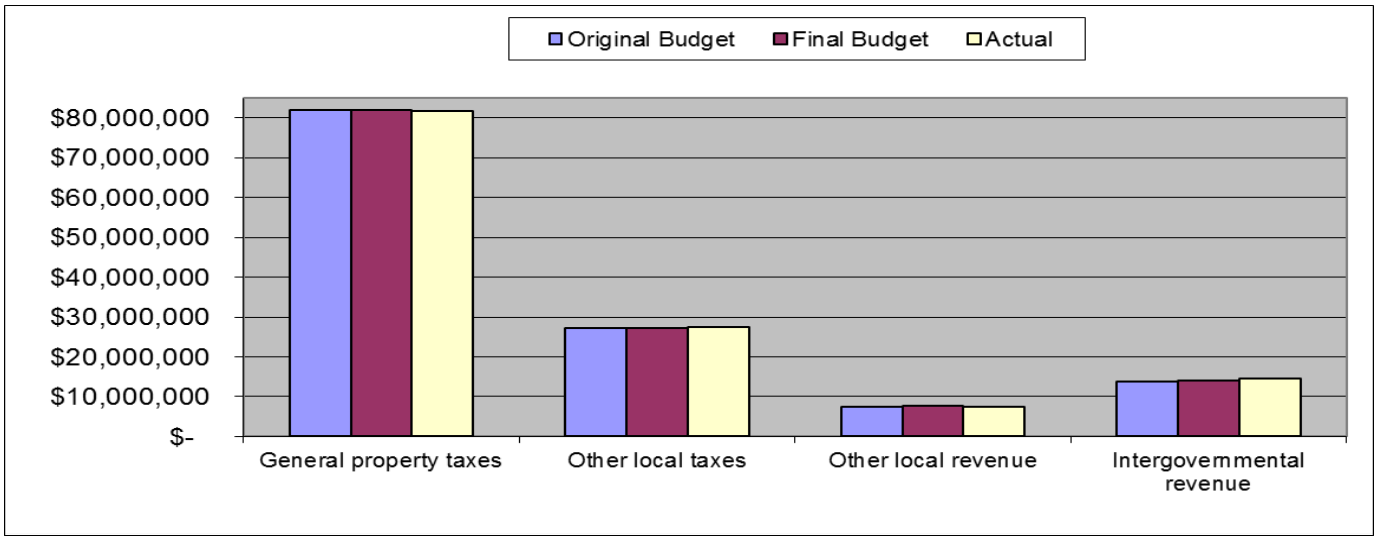


GENERAL FUND

As of June 30, 2015, the County's governmental funds reported combined ending fund balances of $63,509,498, a decrease of ($5,697,468) from the prior year. Unassigned fund balance totaled $9,488,937 and is available for spending at the County's discretion. Of the remainder of fund balance, $9,743,740 is nonspendable, $1,901,161 is restricted, $17,367,773 is committed and $25,007,887 is assigned. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $16,126,447, and total fund balance was $53,438,422. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.1% of total General Fund expenditures while total fund balance represents 46.6% of the same amount.

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

General Fund Revenue - Comparison of Budget to Actual



The total General Fund final budgeted revenues were $644,616 or 0.49% over the original budget. The majority of the increase was driven by federal and state grants appropriated during the year.

The total General Fund actual revenues were ($45,067) or (0.03%) under the final budget. Significant variances include the following:

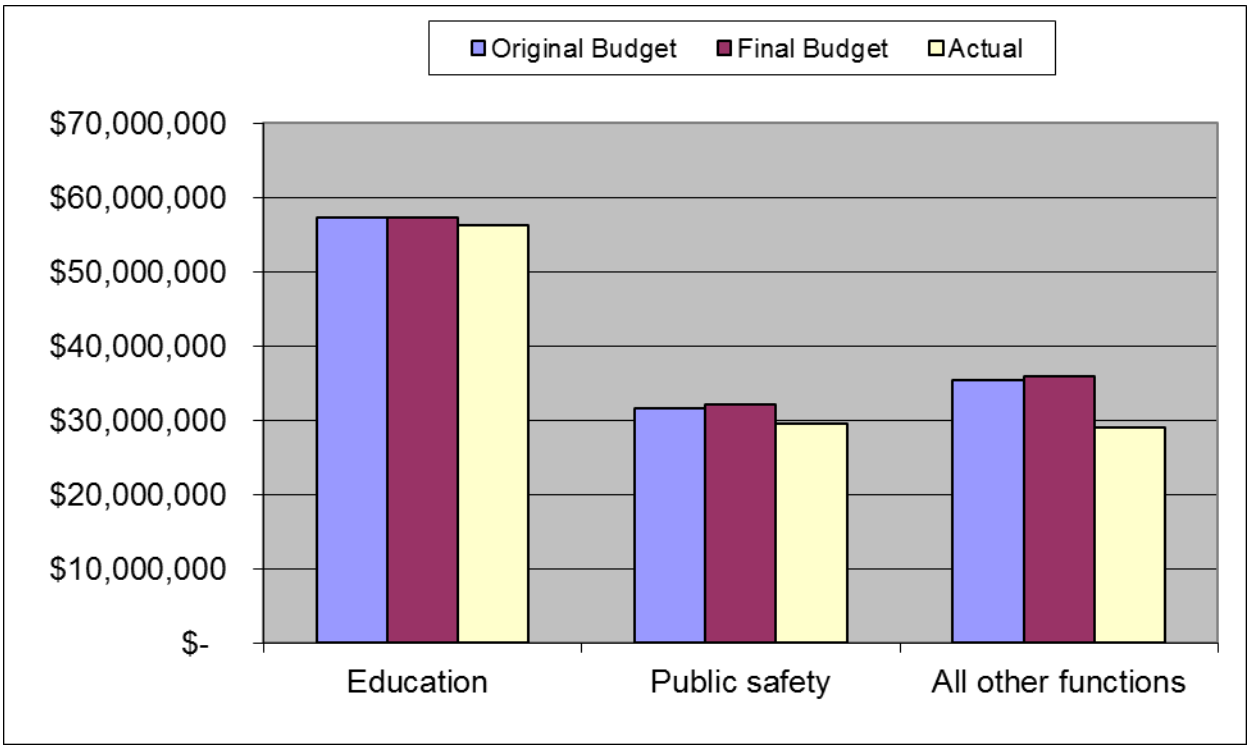
- General property taxes were lower than the final budget by ($481,136) or (0.59%), which was primarily driven by lower than anticipated real property tax collections.

- Charges for services were less than the final budget by ($372,635) or (9.31%), mainly due to decreases in collections from medic recovery fees, court costs and parks and recreation programs.

- Recovered costs increased by $250,140 or 15.71% from the final budget. The majority of the increase was a contribution from the York Public School Division for other post-employment benefits.

- Intergovernmental revenue was $360,384 or 2.5% above the final budget. The main contributors to the increase were as follows: the Assistance to Firefighters and Violence Against Women grants were budgeted in the previous year however, the revenue is reimbursement-based and there were expenditures in the current year.

General Fund Expenditures - Comparison of Budget to Actual



The total General Fund final budgeted expenditures were $1,013,163 or 0.67% over the original budget. The majority of the increase was driven by federal and state grants and donations appropriated during the year.

The total General Fund actual expenditures were $16,070,877 or 10.59% under the final budget. A portion of the variance, $355,679, is attributable to outstanding encumbrances at June 30, 2015, which are not reflected in the budgetary comparison schedule. Other significant variances include the following:

- Education: the payment to the School Division is under budget due to the return of unspent funds to the County per State code and savings from vacant positions and turnover in Library Services.

- Public Safety: the department was under budget due to grants and donations that had not been fully expended at year-end. In addition, personnel savings were realized as a result of turnover. Various amendments to the original budget resulted from donations and the award of grants.

- All Other Functions with significant variances:
    - General Government: With the unexpected passing of the County Administrator in October 2014, the position was filled in the interim with the Deputy County Administrator and a new County Administrator began in June 2015, thus a decrease in personnel costs. The Electoral Board was under budget because there were no significant withdrawals from the voting machine replacement reserve during the year.

    - Judicial Services: The Circuit Court, the Clerk of the Court, and the Commonwealth's Attorney were under budget as a result of vacancies. The Commonwealth's Attorney office also realized savings due to grants not fully expended at year-end.

- Environmental and Development Services: the department was under budget due to vacancies and unspent funds set aside for the demolition of structures.

- Finance and Planning: the department was under budget due to vacancies and savings from funds set aside for economic development incentives as well as time-keeping, AS400, network and technology enhancements yet to occur.

- General Services: this department realized savings in operations and personnel due to vacancies. Also, utility charges for electricity, heating, water and sewer usage came in below budget.

- Community Services: the department had savings from unspent work-as-required funds and non-personnel savings in parks and recreation programs.

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

- Transfers Out: savings resulted from lower than budgeted local match transfers for Social Services and Head Start programs and budgeted funds set aside for future payments toward other post-employment benefits and capital projects.

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

The General Fund decreased by ($4,520,274) primarily because of funds that had been returned to the school division for health insurance premiums which had reverted to the County in FY2014 and were returned to the school division in FY2015. There was also an increase in the amount transferred to the debt service fund for a debt borrowing for school capital projects.

The Tourism Fund accounts for transactions related to the lodging tax restricted by the State for tourism activities. The Yorktown Capital Improvements and County Capital Funds account for major capital improvements. The Education Debt Service Fund accounts for debt service payments for School Division capital projects for which debt was issued.

For fiscal year ended June 30, 2015, the Tourism Fund had an increase in fund balance of $376,524. The Yorktown Capital Improvements Fund had an increase in fund balance of $215,272, mainly due to transfers in, and a year-end deficit of ($6,637,510). The County Capital Fund had a decrease in fund balance of ($1,220,082), due to capital outlays of $4,375,973.

PROPRIETARY FUNDS

The County currently operates eight enterprise funds and three 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, for subsidy payments for eligible retirees towards health insurance coverage and for health and dental insurance programs.

The Sewer Utility Fund earned $11,144,763 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 newly established internal service fund, Health and Dental Insurance Fund, accounts for the health and dental insurance claims, payments to the insurance providers and the IRS as required by the Affordable Care Act, and the contributions from the County and employees.

The enterprise funds in the aggregate had an increase in net position during the fiscal period of $4,354,397, and the internal service funds reported an increase in net position of $691,852. The net position for the enterprise funds and internal service funds were $110,624,012 and $7,665,872, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015, the County's investment in capital assets for its governmental and business-type activities amounts to $205,391,960 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, land improvements, buildings and improvements, infrastructure, equipment, vehicles and computer software. The decrease in governmental activities is mainly attributable to the disposal of vehicles 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 position of the component unit School Division, while the related debt is reflected in the statement of net position 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 Waterview, and the additional phases of the Hornsbyville/Waterview and Bruton High Sewer projects, captured in construction in progress.

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

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Land	$ 11,958,341	$ 10,813,025	$ 3,936,755	$ 3,936,755	$ 15,895,096	$ 14,749,780
Easements	562,004	553,875	474,824	454,079	1,036,828	1,007,954
Construction in progress	500,869	831,549	6,107,470	12,356,457	6,608,339	13,188,006
Land improvements	10,457,250	11,703,536	22,582	24,441	10,479,832	11,727,977
Buildings and improvements	33,740,256	33,681,256	8,802,712	9,492,527	42,542,968	43,173,783
Infrastructure	9,346,528	9,813,515	102,670,208	94,834,890	112,016,736	104,648,405
Equipment	6,810,298	7,690,256	1,306,684	1,603,767	8,116,982	9,294,023
Vehicles	7,703,858	7,409,780	498,987	556,851	8,202,845	7,966,631
Computer software	468,559	530,370	23,775	34,839	492,334	565,209
Total	$ 81,547,963	$ 83,027,162	$ 123,843,997	$ 123,294,606	$ 205,391,960	$ 206,321,768

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 2015, $208,992 was transferred to the Yorktown Capital Improvements Fund from the Tourism Fund to pay down an advance. This fund had a ($6,637,510) deficit at June 30, 2015, resulting from advances from the Tourism Fund.

County Capital Fund

For fiscal year 2015, a transfer of $3,313,532 was from the General Fund for future projects. Capital expenditures of $4,375,973 included the following: property acquisition for a replacement fire station; medic unit replacements; biomedical equipment replacement; heating, ventilation and air conditioning repairs/replacement; roof, building, parking lot and grounds repairs/maintenance.

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

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

At the end of the fiscal year, the County had total bonded debt of $98,511,819. Capital leases, the School Division's note payable to the Virginia Retirement System, compensated absences, net pension liability and net OPEB obligation are not included in these figures.

	Governmental Activities		Business-type Activities		Total	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
Bonds payable	$ 76,815,391	$ 74,467,300	$ 21,696,428	$ 22,207,989	$ 98,511,819	$ 96,675,289
Total	$ 76,815,391	$ 74,467,300	$ 21,696,428	$ 22,207,989	$ 98,511,819	$ 96,675,289

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 2015, the County paid debt service of $5,430,000 and $2,172,256 for education related principal and interest and fiscal charges, respectively, through the Education Debt Service Fund.

The County continues to maintain an excellent bond rating for local governmental jurisdictions of its type and size. The rating assigned by Standard & Poor's Corporation is AAA and Moody's is Aa3 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 2016 budget. The fiscal year 2016 approved budget for the General Fund is $133,401,281, a 0.7% increase from the fiscal year 2015 budget. Local revenue, which includes property tax, sales, lodging, and occupational license taxes were expected to increase from fiscal year 2015 by 0.7%. State and federal revenues comprise about 10.4% of the total. State revenues are expected to be up by $107,485 or 0.8%. Federal revenues are projected to decrease by ($5,148) or (1.4%).

The final approved budget resulted in a $950,151 General Fund increase, most of which is expected to be generated by increased property tax and other tax collections. The fiscal year 2016 budget provides no new initiatives and focuses on maintaining County services. It provides an increase of $361,000 in funding to the York County School Division and includes a 2.5% compensation package market adjustment. It also delays General Fund capital projects for another year, with critical maintenance projects funded from the County Capital Fund.

REQUESTS FOR INFORMATION

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

COUNTY OF YORK, VIRGINIA
Statement of Net Position
June 30, 2015

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Community Development Authority
ASSETS						
Cash and investments	$ 80,666,312	$ 11,030,892	$ 91,697,204	$ 22,465,385	$ 529,746	$ -
Restricted cash	100,691	1,705,154	1,805,845	-	13,936	1,410,046
Receivables, net	14,212,390	2,952,696	17,165,086	2,273,342	13,657	140
Due from component unit - EDA	-	5,509	5,509	-	-	-
Due from primary government	-	-	-	10,441,588	-	310,954
Prepaid expenses	731,465	24,159	755,624	1,162,300	19	-
Other assets	-	-	-	-	2,142,280	-
Internal balances	2,927,112	(2,927,112)	-	-	-	-
Net pension asset	-	-	-	304,393	-	-
Capital assets:						
Nondepreciable/nonamortizable	13,021,214	10,519,049	23,540,263	10,182,135	9,604	20,886,800
Depreciable/amortizable	127,133,426	172,930,970	300,064,396	208,092,166	850,913	9,000
Less accumulated depreciation/amortization	(58,606,677)	(59,606,022)	(118,212,699)	(80,583,229)	(101,293)	(9,000)
Total assets	180,185,933	136,635,295	316,821,228	174,338,080	3,458,862	22,607,940
DEFERRED OUTFLOWS OF RESOURCES						
Debt refundings resulting in loss transactions, net of accumulated amortization	563,396	465,669	1,029,065	-	-	144,079
Pension costs	4,010,924	348,249	4,359,173	10,326,781	-	-
Total deferred outflows of resources	4,574,320	813,918	5,388,238	10,326,781	-	144,079
Total assets and deferred outflows of resources	$ 184,760,253	$ 137,449,213	$ 322,209,466	$ 184,664,861	$ 3,458,862	$ 22,752,019
LIABILITIES						
Accounts payable	$ 2,713,024	$ 813,830	$ 3,526,854	$ 8,333,652	$ 4,497	$ 92,439
Retainage payable	106,369	54,355	160,724	81,750	-	-
Deposits payable	2,360,414	147,489	2,507,903	-	66,671	-
Salaries, taxes and benefits payable	519,526	43,147	562,673	11,677,736	-	-
Unearned revenue	1,017,209	1,152,047	2,169,256	1,469,963	55,254	-
Due to component unit - School Division	10,441,588	-	10,441,588	-	-	-
Due to component unit - CDA	310,954	-	310,954	-	-	-
Due to primary government	-	-	-	-	5,509	-
Accrued interest payable	1,662,551	100,583	1,763,134	-	-	409,600
Claims payable	963,023	-	963,023	2,000,000	-	-
Noncurrent liabilities:						
Due within one year	5,617,646	864,094	6,481,740	1,525,000	20,000	-
Due in more than one year	101,116,689	22,866,583	123,983,272	106,200,339	136,667	30,093,750
Total liabilities	126,828,993	26,042,128	152,871,121	131,288,440	288,598	30,595,789
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue - prepaid taxes, fees and receivables	1,411,183	-	1,411,183	-	-	-
Pension costs	8,847,927	783,073	9,631,000	16,212,468	-	-
Total deferred inflows of resources	10,259,110	783,073	11,042,183	16,212,468	-	-
NET POSITION						
Net investment in capital assets	55,705,954	103,815,937	159,521,891	137,691,072	759,224	(6,615,123)
Restricted for:						
Public safety	933,990	-	933,990	-	-	-
Tourism	890,763	-	890,763	-	-	-
Judical services	47,658	-	47,658	-	-	-
Community services	22,518	-	22,518	-	-	-
Other purposes	6,232	-	6,232	-	-	-
Debt service	-	177,154	177,154	-	-	1,908
Food service	-	-	-	686,016	-	-
Unrestricted (deficit)	(9,934,965)	6,630,921	(3,304,044)	(101,213,135)	2,411,040	(1,230,555)
Total net position	47,672,150	110,624,012	158,296,162	37,163,953	3,170,264	(7,843,770)
Total liabilities, deferred inflows of resources, and net position	$ 184,760,253	$ 137,449,213	$ 322,209,466	$ 184,664,861	$ 3,458,862	$ 22,752,019

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, 2015

		Program Revenues			Net (Expenses) Revenue and Changes in Net Position					
					Primary Government			Discretely Presented Component Units		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**School Division**	**Economic Development Authority**	**Community Development Authority**
Primary government:										
Governmental activities:										
General government	$ 3,408,038	$ 141,697	$ 46,007	$ 863,395	$ (2,356,939)	$ -	$ (2,356,939)	$ -	$ -	$ -
Judicial services	3,256,745	496,240	1,333,352	-	(1,427,153)	-	(1,427,153)	-	-	-
Public safety	31,565,116	3,146,553	3,499,679	42,315	(24,876,569)	-	(24,876,569)	-	-	-
Environmental and development services	5,921,822	816,746	20,419	138,486	(4,946,171)	-	(4,946,171)	-	-	-
Finance and planning	9,776,644	447,610	364,734	-	(8,964,300)	-	(8,964,300)	-	-	-
Education	68,436,746	311,851	161,174	180,989	(67,782,732)	-	(67,782,732)	-	-	-
Human services	7,854,783	277,393	4,582,120	-	(2,995,270)	-	(2,995,270)	-	-	-
General services	6,884,634	1,289,908	3,625	144,590	(5,446,511)	-	(5,446,511)	-	-	-
Community services	6,449,967	500,144	177,125	10	(5,772,688)	-	(5,772,688)	-	-	-
Interest and fiscal charges on noncurrent debt	2,735,422	-	-	-	(2,735,422)	-	(2,735,422)	-	-	-
Total governmental activities	146,289,917	7,428,142	10,188,235	1,369,785	(127,303,755)	-	(127,303,755)	-	-	-
Business-type activities:										
Sewer Utility	10,705,774	11,144,763	277,209	925,950	-	1,642,148	1,642,148	-	-	-
Water Utility	339,656	349,594	-	-	-	9,938	9,938	-	-	-
Solid Waste	4,249,485	4,626,082	12,465	-	-	389,062	389,062	-	-	-
Yorktown Operations	77,434	164,106	-	-	-	86,672	86,672	-	-	-
Sanitary Districts	418,133	-	-	-	-	(418,133)	(418,133)	-	-	-
Regional Radio System	2,634,351	1,901,788	-	-	-	(732,563)	(732,563)	-	-	-
Total business-type activities	18,424,833	18,186,333	289,674	925,950	-	977,124	977,124	-	-	-
Total primary government	$ 164,714,750	$ 25,614,475	$ 10,477,909	$ 2,295,735	(127,303,755)	977,124	(126,326,631)	-	-	-
Component units:										
School Division	$ 133,855,132	$ 8,516,563	$ 63,298,465	$ -	-	-	-	$ (62,040,104)	$ -	$ -
Economic Development Authority	663,339	383,896	-	-	-	-	-	-	(279,443)	-
Community Development Authority	1,917,051	-	-	946	-	-	-	-	-	(1,916,105)
Total component units	$ 136,435,522	$ 8,900,459	$ 63,298,465	$ 946	-	-	-	(62,040,104)	(279,443)	(1,916,105)
General revenues:										
Taxes:										
Property taxes					81,767,345	-	81,767,345	-	-	-
Local sales and use taxes					9,759,880	-	9,759,880	-	-	-
Hotel and motel room taxes					4,643,484	-	4,643,484	-	-	-
Restaurant food taxes					5,818,598	-	5,818,598	-	-	-
Business license taxes					6,240,330	-	6,240,330	-	-	-
Motor vehicle licenses					1,558,331	-	1,558,331	-	-	-
Taxes on recordation and wills					1,391,389	-	1,391,389	-	-	-
Other local taxes					1,925,269	-	1,925,269	-	-	-
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,665,120	-	8,665,120	-	-	-
Payment from primary government					-	-	-	59,859,842	415,250	1,029,926
Unrestricted shared intergovernmental revenues					-	-	-	12,199,662	-	-
Unrestricted investment earnings					149,037	12,167	161,204	2,338	6,373	-
Miscellaneous					79,766	17,684	97,450	124,826	15,306	-
Gain (loss) on sale of capital assets					(118,576)	573	(118,003)	-	-	-
Transfers					(3,346,849)	3,346,849	-	-	-	-
Total general revenues and transfers					118,533,124	3,377,273	121,910,397	72,186,668	436,929	1,029,926
Change in net position					(8,770,631)	4,354,397	(4,416,234)	10,146,564	157,486	(886,179)
Net position, beginning restated					56,442,781	106,269,615	162,712,396	27,017,389	3,012,778	(6,957,591)
Net position, ending					$ 47,672,150	$ 110,624,012	$ 158,296,162	$ 37,163,953	$ 3,170,264	$ (7,843,770)

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

COUNTY OF YORK, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2015

ASSETS	General	Tourism Special Revenue	Capital Project: Yorktown Capital Improvements	Capital Project: County Capital	Debt Service Education	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments	$ 55,431,955	$ 1,009,755	$ 301,832	$ 8,458,465	$ -	$ 3,391,078	$ 68,593,085
Restricted cash	100,691	-	-	-	-	-	100,691
Receivables, net	11,899,822	118,436	156,666	1,015,824	23,541	1,048,723	14,263,012
Due from other funds	545,545	-	-	3,102,862	-	137,360	3,785,767
Due from component unit - School Division	-	-	-	1,410,000	-	-	1,410,000
Prepaid expenditures	21,888	-	-	-	-	18,477	40,365
Advances to other funds	9,721,852	7,096,008	-	-	-	-	16,817,860
Total assets	$ 77,721,753	$ 8,224,199	$ 458,498	$ 13,987,151	$ 23,541	$ 4,595,638	$ 105,010,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 1,110,637	$ 260,255	$ -	$ 113,697	$ -	$ 433,102	$ 1,917,691
Retainage payable	-	-	-	3,797	-	102,572	106,369
Deposits payable	2,166,986	-	-	193,428	-	-	2,360,414
Salaries, taxes and benefits payable	459,601	1,299	-	-	-	50,182	511,082
Unearned revenue	-	30	-	-	-	137,300	137,330
Due to other funds	5,202,406	-	-	-	23,541	1,751	5,227,698
Due to component unit - School Division	11,851,588	-	-	-	-	-	11,851,588
Due to component unit - CDA	-	-	-	-	-	310,954	310,954
Advances from other funds	-	7,071,852	7,096,008	-	-	-	14,167,860
Total liabilities	20,791,218	7,333,436	7,096,008	310,922	23,541	1,035,861	36,590,986
Deferred inflows of resources:							
Unavailable revenue - property taxes, fees and grants	3,090,605	-	-	-	-	408,508	3,499,113
Unearned revenue - prepaid taxes, fees and receivables	401,508	-	-	1,009,675	-	-	1,411,183
Total deferred inflows of resources	3,492,113	-	-	1,009,675	-	408,508	4,910,296
Fund balances (deficit):							
Nonspendable	9,743,740	-	-	-	-	-	9,743,740
Restricted	991,058	890,763	-	2,317	-	17,023	1,901,161
Committed	13,315,169	-	-	1,937,178	-	2,115,426	17,367,773
Assigned	13,262,008	-	-	10,727,059	-	1,018,820	25,007,887
Unassigned	16,126,447	-	(6,637,510)	-	-	-	9,488,937
Total fund balances (deficit)	53,438,422	890,763	(6,637,510)	12,666,554	-	3,151,269	63,509,498
Total liabilities, deferred inflows of resources and fund balances	$ 77,721,753	$ 8,224,199	$ 458,498	$ 13,987,151	$ 23,541	$ 4,595,638	$ 105,010,780

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

COUNTY OF YORK, VIRGINIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2015

Fund balances - Total governmental funds		$ 63,509,498
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds.		78,596,814
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue property taxes, fees and grants	$ 3,499,113	
Less allowance for doubtful accounts, fees	(106,449)	3,392,664
Deferred outlfows and inflows of resources related to the net pension obligation are not recognized in the funds.		
Deferred outflows of resources related to pension costs	$ 3,947,183	
Deferred inflows of resources related to pension costs	(8,705,798)	(4,758,615)
Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.		
Deferred charge on refunded debt	$ 635,312	
Less accumulated amortization	(71,916)	563,396
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
Assets		
Current assets	$ 14,547,982	
Capital assets	6,956,931	
Less accumulated depreciation/amortization	(4,005,782)	
Deferred outflows of resources	63,741	
	17,562,872	
Liabilities	(9,754,871)	
Deferred inflows of resources	(142,129)	7,665,872
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable	$ (1,662,551)	
Net pension liability	(15,361,472)	
General obligation bonds, net	(53,270,668)	
Capital leases	(2,860,682)	
Lease revenue bonds, net	(23,544,723)	
Compensated absences	(4,597,383)	(101,297,479)
Total net position - Statement of Net Position		$ 47,672,150

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, 2015

			Capital Project				
REVENUES	**General**	**Tourism Special Revenue**	**Yorktown Capital Improvements**	**County Capital**	**Debt Service Education**	**Nonmajor Governmental Funds**	**Total Governmental Funds**
General property taxes	$ 81,598,864	$ -	$ -	$ -	$ -	$ 378,692	$ 81,977,556
Other local taxes	27,438,030	3,228,797	-	-	-	651,234	31,318,061
Intergovernmental:							
Federal	877,173	-	-	23,831	55,131	3,240,350	4,196,485
State	13,621,269	-	-	45,727	16,299	1,732,394	15,415,689
Permits, fees, and licenses	882,569	-	-	-	-	-	882,569
Fines and forfeitures	277,108	-	-	-	-	-	277,108
Use of money and property	487,075	-	6,280	30,612	-	15	523,982
Charges for services	3,628,324	-	-	-	-	31,487	3,659,811
Miscellaneous	293,401	60,311	-	1,594	-	5,302	360,608
Recovered costs	1,842,337	-	-	157,810	109,559	233,585	2,343,291
Total revenues	130,946,150	3,289,108	6,280	259,574	180,989	6,273,059	140,955,160
EXPENDITURES							
Current:							
General government	2,117,469	-	-	-	-	-	2,117,469
Judicial services	2,780,707	-	-	-	-	8,100	2,788,807
Public safety	29,524,373	-	-	-	-	-	29,524,373
Environmental and development services	3,420,823	-	-	-	-	-	3,420,823
Finance and planning	8,543,297	144,687	-	-	-	-	8,687,984
Education	56,260,568	-	-	-	9,487,350	-	65,747,918
Human services	1,350,540	-	-	-	-	6,608,275	7,958,815
General services	6,640,288	-	-	-	-	-	6,640,288
Community services	2,819,988	2,269,974	-	-	-	-	5,089,962
Non-departmental	1,045,865	-	-	-	-	879,926	1,925,791
Capital outlay	223,825	-	-	4,375,973	-	2,355,779	6,955,577
Debt service:							
Principal retirement	-	33,853	-	-	5,430,000	1,418,551	6,882,404
Interest and fiscal charges	-	-	-	-	2,172,256	1,164,083	3,336,339
Refunding debt issuance costs	-	-	-	-	25,822	-	25,822
Total expenditures	114,727,743	2,448,514	-	4,375,973	17,115,428	12,434,714	151,102,372
Excess (deficiency) of revenues over (under) expenditures	16,218,407	840,594	6,280	(4,116,399)	(16,934,439)	(6,161,655)	(10,147,212)
OTHER FINANCING SOURCES (USES)							
Insurance recovery	19,749	-	-	-	-	-	19,749
Transfers in	150,000	200,000	208,992	3,313,532	7,429,767	5,762,747	17,065,038
Proceeds from bonds issued	-	-	-	-	8,530,000	-	8,530,000
Refunding bonds issued	-	-	-	-	12,595,000	-	12,595,000
Premium on bonds issued	-	-	-	-	974,672	-	974,672
Deposits for refunding	-	-	-	-	(12,595,000)	-	(12,595,000)
Transfers out	(20,908,430)	(664,070)	-	(417,215)	-	(150,000)	(22,139,715)
Total other financing sources and uses	(20,738,681)	(464,070)	208,992	2,896,317	16,934,439	5,612,747	4,449,744
Net change in fund balance	(4,520,274)	376,524	215,272	(1,220,082)	-	(548,908)	(5,697,468)
Fund balance (deficit), beginning of year restated	57,958,696	514,239	(6,852,782)	13,886,636	-	3,700,177	69,206,966
Fund balance (deficit), end of year	$ 53,438,422	$ 890,763	$ (6,637,510)	$ 12,666,554	$ -	$ 3,151,269	$ 63,509,498

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, 2015

Net change in fund balances - total governmental funds		$ (5,697,468)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the loss on disposal of capital assets in the current period.		
Capital outlay expenditures	$ 4,032,562	
Depreciation and amortization expenses	(5,252,551)	
Loss on disposal of capital assets	(150,648)	(1,370,637)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenue increased by this amount in the current year.		3,520
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has an effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.		
Principal repayments	$ 6,882,404	
Issuance of debt	(21,125,000)	
Premium on issuance of noncurrent debt, net	(974,672)	
Deferred charge on refunded debt	250,847	
Deposit for refunding	12,595,000	
Amortization of premium on issuance of noncurrent debt	526,581	
Amortization of deferred charge on refunded debt	(58,185)	(1,903,025)
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 increased and compensated absences increased by the amounts provided below in the current year.		
Accrued interest payable	$ (92,504)	
Net pension liability and related outflows/inflows	2,145,644	
Compensated absences	(32,796)	2,020,344
The internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of this internal service fund is reported with governmental activities.		(1,823,365)
Change in net position of governmental activities		$ (8,770,631)

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

COUNTY OF YORK, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	$ 6,064,971	$ 4,965,921	$ 11,030,892	$ 12,073,227
Restricted cash	1,705,154	-	1,705,154	-
Receivable, net	2,075,905	876,791	2,952,696	55,827
Due from other funds	237,131	-	237,131	1,727,828
Due from component unit - EDA	-	5,509	5,509	-
Prepaid expenses	5,939	18,220	24,159	691,100
Total current assets	10,089,100	5,866,441	15,955,541	14,547,982
Noncurrent assets:				
Nondepreciable capital assets:				
Land	491,353	3,445,402	3,936,755	-
Construction in progress	3,393,960	2,713,510	6,107,470	-
Easements	455,934	18,890	474,824	-
Depreciable capital assets:				
Land improvements	37,155	-	37,155	221,446
Buildings and improvements	16,905,052	5,329,046	22,234,098	-
Infrastructure	120,085,855	23,422,860	143,508,715	-
Equipment	3,839,585	1,611,586	5,451,171	1,281,063
Vehicles	998,438	631,121	1,629,559	5,352,910
Computer software	70,272	-	70,272	101,512
Less accumulated depreciation	(36,523,746)	(23,035,779)	(59,559,525)	(3,955,027)
Less accumulated amortization	(46,497)	-	(46,497)	(50,755)
Total noncurrent assets	109,707,361	14,136,636	123,843,997	2,951,149
DEFERRED OUTFLOWS OF RESOURCES				
Debt refundings resulting in loss transactions, net of accumulated amortization	465,669	-	465,669	-
Deferred outflows related to pension costs	286,470	61,779	348,249	63,741
Total deferred outlfows	752,139	61,779	813,918	63,741
Total assets and deferred outflows of resources	$ 120,548,600	$ 20,064,856	$ 140,613,456	$ 17,562,872
LIABILITIES				
Current liabilities:				
Accounts payable	$ 529,177	$ 284,653	$ 813,830	$ 795,333
Retainage payable	54,355	-	54,355	-
Deposits payable	147,489	-	147,489	-
Salaries, taxes and benefits payable	35,288	7,859	43,147	8,444
Unearned revenue	1,122,673	29,374	1,152,047	879,879
Due to other funds	-	514,243	514,243	8,785
Accrued interest payable	100,583	-	100,583	-
Revenue bonds - current	520,493	-	520,493	-
Capital leases - current	325,301	-	325,301	-
Compensated absences - current	17,500	800	18,300	5,700
Total current liabilities	2,852,859	836,929	3,689,788	1,698,141
Noncurrent liabilities:				
Revenue bonds - net current	21,175,935	-	21,175,935	-
Compensated absences - net current	278,939	29,968	308,907	66,429
Claims payable	-	-	-	963,023
Net pension liability	1,140,984	240,757	1,381,741	250,787
Net OPEB obligation	-	-	-	6,776,491
Advance from other fund	-	2,650,000	2,650,000	-
Total noncurrent liabilities	22,595,858	2,920,725	25,516,583	8,056,730
Total liabilities	25,448,717	3,757,654	29,206,371	9,754,871
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension costs	646,629	136,444	783,073	142,129
NET POSITION				
Net investment in capital assets	89,679,301	14,136,636	103,815,937	2,951,149
Restricted for debt service	177,154	-	177,154	-
Unrestricted	4,596,799	2,034,122	6,630,921	4,714,723
Total net position	94,453,254	16,170,758	110,624,012	7,665,872
Total liabilities and net position	$ 120,548,600	$ 20,064,856	$ 140,613,456	$ 17,562,872

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

COUNTY OF YORK, VIRGINIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Use of property	$ -	$ 2,014,200	$ 2,014,200	$ -
Charges for services	11,144,763	5,027,370	16,172,133	12,931,600
Miscellaneous	5,813	11,871	17,684	118,683
Total operating revenues	11,150,576	7,053,441	18,204,017	13,050,283
Operating Expenses				
Personal services	3,401,673	787,735	4,189,408	3,093,358
Contractual services	623,695	5,874,848	6,498,543	11,064,560
Materials and supplies	1,854,004	489,587	2,343,591	1,885,532
Depreciation	3,524,860	566,889	4,091,749	576,078
Amortization	46,884	-	46,884	20,302
Total operating expenses	9,451,116	7,719,059	17,170,175	16,639,830
Operating gain (loss)	1,699,460	(665,618)	1,033,842	(3,589,547)
Nonoperating Revenues (Expenses)				
Federal subsidy for interest on debt	277,209	-	277,209	-
Grant income	-	12,465	12,465	-
Interest income	11,978	189	12,167	6,282
Amortization of debt premium	6,815	-	6,815	-
Interest and fiscal charges	(1,261,473)	-	(1,261,473)	-
Gain (loss) on disposal of capital assets	(2,057)	2,630	573	32,072
Total nonoperating revenues (expenses)	(967,528)	15,284	(952,244)	38,354
Gain (loss) before contributions and transfers	731,932	(650,334)	81,598	(3,551,193)
Capital Contributions	925,950	-	925,950	-
Transfers In	1,890,013	1,456,846	3,346,859	1,727,828
Transfers Out	(10)	-	(10)	-
Change in net position	3,547,885	806,512	4,354,397	(1,823,365)
Total net position, beginning of year, restated	90,905,369	15,364,246	106,269,615	9,489,237
Total net position, end of year	$ 94,453,254	$ 16,170,758	$ 110,624,012	$ 7,665,872

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, 2015

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 10,990,120	$ 6,853,888	$ 17,844,008	$ 15,688,565
Receipts from interfund activity	-	2,141	2,141	6,549
Other receipts	5,813	11,871	17,684	118,683
Payments to suppliers for goods and services	(2,941,376)	(6,607,886)	(9,549,262)	(9,531,363)
Payments to employees for services	(3,700,989)	(847,600)	(4,548,589)	(1,822,451)
Payments for interfund activity	(177,894)	(224,535)	(402,429)	(2,002,581)
Net cash provided by (used in) operating activities	4,175,674	(812,121)	3,363,553	2,457,402
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant income	-	12,465	12,465	-
Transfers in	1,890,013	1,456,846	3,346,859	1,727,828
Transfers out	(10)	-	(10)	-
Net cash provided by noncapital financing activities	1,890,003	1,469,311	3,359,314	1,727,828
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital	925,950	-	925,950	-
Acquisition and construction of capital assets	(4,408,262)	(254,144)	(4,662,406)	(604,706)
Net proceeds from the disposal of capital assets	2,775	8,000	10,775	148,960
Federal subsidy for interest on debt	277,209	-	277,209	-
Principal paid on capital debt	(817,987)	-	(817,987)	-
Interest paid on capital debt	(1,262,782)	-	(1,262,782)	-
Net cash used in capital and related financing activities	(5,283,097)	(246,144)	(5,529,241)	(455,746)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	11,978	189	12,167	6,282
Net cash provided by investing activities	11,978	189	12,167	6,282
Net increase (decrease) in cash and cash equivalents	794,558	411,235	1,205,793	3,735,766
Cash and cash equivalents, beginning of year	6,975,567	4,554,686	11,530,253	8,337,461
Cash and cash equivalents, end of year	$ 7,770,125	$ 4,965,921	$ 12,736,046	$ 12,073,227
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments	$ 6,064,971	$ 4,965,921	$ 11,030,892	$ 12,073,227
Restricted cash	1,705,154	-	1,705,154	-
Cash and cash equivalents, end of year	$ 7,770,125	$ 4,965,921	$ 12,736,046	$ 12,073,227
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:				
Operating gain (loss)	$ 1,699,460	$ (665,618)	$ 1,033,842	$ (3,589,547)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,524,860	566,889	4,091,749	576,078
Amortization	46,884	-	46,884	20,302
Decrease (increase) in:				
Receivables	(242,693)	7,424	(235,269)	45,769
Due from component unit - EDA	-	23,841	23,841	-
Due from other funds	(177,894)	(34,290)	(212,184)	-
Prepaid expenses	-	-	-	(691,100)
Increase (decrease) in:				
Accounts payable	(219,516)	(243,451)	(462,967)	631,589
Retainage payable	(244,161)	-	(244,161)	-
Salaries, taxes and benefits payable	(103,608)	(27,029)	(130,637)	(77,716)
Unearned revenue	88,050	(182,516)	(94,466)	879,879
Due to other funds	-	(174,535)	(174,535)	2,350,502
Net pension liablility and related outflows/inflows	(152,658)	(33,542)	(186,200)	(34,329)
Claims payable	-	-	-	963,023
Compensated absences	(43,050)	706	(42,344)	(1,075)
Advance from other fund	-	(50,000)	(50,000)	-
Net OPEB obligation	-	-	-	1,384,027
Net cash provided by operating activities	$ 4,175,674	$ (812,121)	$ 3,363,553	$ 2,457,402
Noncash investing, capital, and financing activities:				
Contributions of capital assets	$ 925,950	$ -	$ -	$ -

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, 2015

	Agency Funds
ASSETS	
Cash and investments	$ 4,170,102
Other receivables	123,460
Total assets	$ 4,293,562
LIABILITIES	
Accounts payable	$ 853,415
Salaries, taxes and benefits payable	99,542
Amounts held for others	3,340,605
Total liabilities	$ 4,293,562

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 2015, the County adopted the provisions of new GASB statements: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These Statements establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to defined benefit pension plans.

The Reporting Entity

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

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

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 discretely presented component units follows:

The **York County School Division (the School Division)** is a separate legal entity that is responsible for elementary and secondary education within the County. Since January 1, 1996, the citizens of the County have elected the members of the School Division; however 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Joint Venture Government Organizations

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

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

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, Financial Statement Presentation

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following nonmajor governmental funds:

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

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

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

The County reports the following major enterprise fund:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The County reports the following nonmajor enterprise funds:

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

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

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

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

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

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

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

The County reports the following additional fund types:

Internal Service Funds: The Vehicle Maintenance Fund accounts for the operation of the vehicle maintenance and replacement services provided to County departments on a cost reimbursement basis. The Health and Dental Insurance Fund accounts for the payment of claims and other expenses related to medical and dental benefits provided to employees and retirees. The Other Post-Employment Benefits Fund accounts for subsidy payments for eligible County retirees towards health insurance coverage in a County-sponsored plan.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property Taxes
The two major sources of property taxes are described below:

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

Real estate taxes are billed in semi-annual installments due June 25 and December 5. Liens are placed on the property on the date real estate taxes are delinquent, June 26 and December 6, and must be satisfied prior to the sale or transfer of the property. Real estate taxes reported as revenue are for the assessment due December 5, 2014 and June 25, 2015, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2014 and 2015 was $0.7515, per $100 of assessed value.

Personal Property: The County levies personal property taxes on motor vehicles and tangible personal business property. These levies are made each year as of January 1. Personal property taxes are billed in equal semi-annual installments due June 25 and December 5. Personal property taxes do not create a lien on property. The personal property taxes reported as revenue are for the levies due December 5, 2013, and June 25, 2014, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2014 and 2015 was $4.00 per $100 of assessed value.

The County's property tax collection records show that 96.55% of the property taxes due for the current tax year were collected.

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

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

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. Prepaid items are recorded as expenditures when consumed.

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

Capital Assets
Capital assets include land, land improvements, buildings and improvements, infrastructure, equipment, and vehicles. Intangible assets include easements and computer software. Infrastructure that meets the County's capitalization threshold, acquired prior to the implementation of GASB Statement No. 34 has been reported. All acquisitions of land and easements; land improvements, infrastructure, equipment, and computer software that individually costs $5,000 or more; vehicles that individually cost $10,000 or more; and buildings and improvements that individually cost $30,000 or more and with useful lives greater than one year are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if constructed or purchased. Donated capital assets are recorded at 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, 2015 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

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County's deferred outflows of resources consist of the amount by which the principal and premium of a refunding bond exceed the net carrying amount of the refunded debt and the amount related to pension costs. The deferred outflow associated with the refunded debt is being amortized over the remaining life of the refunded debt. Additionally, employer contributions subsequent to the measurement date for pensions are recorded as a deferred outflow.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Under the modified accrual basis of accounting, the County has revenues which are applicable to a future period, and will not be recognized until the period they become available. These amounts are recorded on the governmental funds balance sheet as a deferred inflow of resources. Additionally, amounts related to pension costs are recorded as a deferred inflow in the government wide financial statements.

Fund Balances

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

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

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

Use of Estimates
Management of the County has made a number of estimates and assumptions relating to the reporting of assets 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 11.80% of the County's tax base. Concentration of credit risk with respect to receivables is limited due to the large number of customers comprising the County's customer base.

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

2. DEPOSITS AND INVESTMENTS

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

2. DEPOSITS AND INVESTMENTS *(Continued)*

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.

The carrying amount of the County's cash and investments at June 30, 2015 is as follows:

	Amount
Restricted cash	$ 1,805,845
Investments	58,225,207
Deposits with financial institutions	37,637,764
Petty cash	4,335
Total cash and investments	$ 97,673,151

A reconciliation to the basic financial statements is as follows:

	Primary Government	School Division Component Unit	Economic Development Authority Component Unit	Community Development Authority Component Unit	Total
Cash and investments	$ 91,697,204	$ 22,465,385	$ 529,746	$ -	$ 114,692,335
Restricted cash	1,805,845	-	13,936	1,410,046	3,229,827
Fidiciary funds - restricted cash	-	35,451	-	-	35,451
Fidiciary funds - restricted investments	-	1,892,106	-	-	1,892,106
Agency funds - cash and investments	4,170,102	1,547,101	-	-	5,717,203
Total cash and investments	$ 97,673,151	$ 25,940,043	$ 543,682	$ 1,410,046	$ 125,566,922

Restricted Cash

The County's restricted cash of $1,805,845 at June 30, 2015 consisted of the following: $5,000 of surety deposits for junkyards held in the County and junkyards' names; $94,688 of surety deposits for developments; $1,003 of donations and grants received for specific purposes; $1,669,730 for debt payments on the 2005 and 2010 sewer revenue bonds and $35,424 for funds held in escrow for retainage.

2. DEPOSITS AND INVESTMENTS *(Continued)*

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, 2015, the County's investments as rated by Standard & Poor's were as follows:

Investment Type	AAA	AA	Unrated
Virginia LGIP	$ 7,414,572	$ -	$ -
Money market	-	-	110,707
Municipal bonds	-	301,746	3,083,965
Federal agency bonds and notes	-	38,731,725	-
Corporate obligations	-	8,582,492	-
Total investments	$ 7,414,572	$ 47,615,963	$ 3,194,672

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 24 months, unless approved by the Treasurer. As of June 30, 2015, 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	$ 7,414,572	0.02
Money market	110,707	0.02
Municipal bonds	3,385,711	2.79
Federal agency bonds and notes	38,731,725	1.28
Corporate obligations	8,582,492	2.07
Total investments	$ 58,225,207	
Weighted average of portfolio		1.75

2. DEPOSITS AND INVESTMENTS *(Continued)*

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, 2015, 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, 2015, and excluding fiduciary funds of $3,474,658 not held by the County Treasurer, the School Division had investments of $94,908 with LGIP, rated AAA by Standard and Poor's.

At June 30, 2015, the EDA had bank deposits of $395,798 ($13,936 of which was restricted for tenant security deposits), investments in LGIP of $147,884, rated AAAm by Standard & Poor's and common stock equity in Waterside Capital Corporation of $334, stated at fair value.

The CDA's restricted cash and investments of $1,410,046 at June 30, 2015, consisted of unspent bond proceeds. Of the total, $224,569 was invested in the US Treasury money market funds and $1,185,477 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, 2015, receivables were as follows:

	General	Tourism	Yorktown Capital Imps	County Capital	Debt Service Education	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds	Internal Service Funds
Property taxes	$ 5,953,246	$ -	$ -	$ -	$ -	$ 1,048	$ -	$ -	$ -
Vehicle registration fees	656,143	-	-	-	-	-	-	-	-
Other taxes	2,335,704	216,471	-	-	-	83,753	-	-	-
Accounts	690,350	-	-	3,964	23,541	122,170	2,176,046	947,092	55,827
Interest	20,292	-	-	-	-	-	-	-	-
Notes	-	-	156,666	981,675	-	-	-	-	-
Intergovernmental:									
Federal	121,392	-	-	23,830	-	285,028	-	-	-
State	4,412,454	-	-	6,355	-	556,724	-	-	-
Receivables, gross	14,189,581	216,471	156,666	1,015,824	23,541	1,048,723	2,176,046	947,092	55,827
Less allowance for doubtful accounts	(2,289,759)	(98,035)	-	-	-	-	(100,141)	(70,301)	-
Receivables, net	$ 11,899,822	$ 118,436	$ 156,666	$ 1,015,824	$ 23,541	$ 1,048,723	$ 2,075,905	$ 876,791	$ 55,827

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2015 is as follows:

Due from Fund	Due to Fund	Purpose	Amount
General	Nonmajor governmental	Program match	$ 78,771
	Nonmajor governmental	Meals tax	58,589
	Sewer Utility	Meals tax	234,356
	County Capital	Reimbursement	3,102,862
	Internal Service Fund	Reimbursement	1,727,828
Total Due to other funds			$ 5,202,406
Nonmajor enterprise	General	Reimbursement	$ 514,243
Debt Service Education	General	Reimbursement	23,541
Nonmajor governmental	General	Reimbursement	1,751
			$ 539,535
Internal service funds	General	Reimbursement	$ 6,010
	Sewer Utility	Reimbursement	2,775
			$ 8,785

Advance from Fund	Advance to Fund	Purpose	Amount
General	Tourism	Infrastructure	$ 7,071,852
	Yorktown Operations	Land purchase	2,650,000
Total Advances to other funds			$ 9,721,852
Tourism	Yorktown Capital Improvements	Infrastructure	$ 7,096,008

The advances from the General Fund and Tourism Fund were capital project loans and are not expected to be fully repaid in the subsequent year. Repayments for the infrastructure loan have begun from the lodging tax revenue generated by tourism. 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	$ 11,851,588
School Division	County of York	Capital project loan	$ 1,410,000
County of York	EDA	Land purchase	$ -
EDA	County of York	Riverwalk Landing lease	$ 5,509
County of York	CDA	Incremental tax revenues	$ 310,954

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

Fund	Transfers Out Fund	Transfers In Fund
General	$ 20,908,430	$ 150,000
Tourism	664,070	200,000
Yorktown Capital Improvements	-	208,992
County Capital	417,215	3,313,532
Nonmajor governmental	150,000	13,192,514
Sewer Utility	10	1,890,013
Nonmajor enterprise	-	1,456,846
Internal service	-	1,727,828
Total	$ 22,139,725	$ 22,139,725

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 2015 were as follows:

Payments from County to School Division for School operations	$ 50,914,444
Payments from County to School Division for School technology	335,074
Payments to County from School Division - year-end reversion entry for health and dental insurance	3,252,803
Payments to County from School Division - year-end reversion entry	(877,026)
Statement of Activities - Payment from County of York	$ 53,625,295
Payment from County General Fund to Economic Development Authority for operations	$ 46,250
Statement of Activities - Payment from County of York	$ 46,250
Payment from County to Community Development Authority for incremental tax revenue - Nonmajor Governmental Fund; Statement of Activities - Payment from County of York	$ 1,029,926

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government:

Governmental Activities:	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated/amortized:				
Land	$ 10,813,025	$ 1,145,316	$ -	$ 11,958,341
Easements	553,875	8,129	-	562,004
Construction in progress	831,549	353,312	(683,992)	500,869
Total capital assets not being depreciated/amortized	12,198,449	1,506,757	(683,992)	13,021,214
Capital assets being depreciated/amortized:				
Land improvements	22,561,243	51,560	-	22,612,803
Buildings and improvements	47,365,853	1,025,223	-	48,391,076
Infrastructure	14,861,646	15,000	-	14,876,646
Equipment	23,711,812	1,104,580	(856,421)	23,959,971
Vehicles	15,521,796	1,474,549	(808,142)	16,188,203
Computer Software	961,136	143,591	-	1,104,727
Total capital assets being depreciated/amortized	124,983,486	3,814,503	(1,664,563)	127,133,426
Less accumulated depreciation/amortization for:				
Land improvements	(10,857,707)	(1,297,846)	-	(12,155,553)
Buildings and improvements	(13,684,597)	(966,223)	-	(14,650,820)
Infrastructure	(5,048,131)	(481,987)	-	(5,530,118)
Equipment	(16,021,556)	(1,875,634)	747,517	(17,149,673)
Vehicles	(8,112,016)	(1,021,839)	649,510	(8,484,345)
Computer Software	(430,766)	(205,402)	-	(636,168)
Total accumulated depreciation/amortization	(54,154,773)	(5,848,931)	1,397,027	(58,606,677)
Total capital assets being depreciated/amortized, net	70,828,713	(2,034,428)	(267,536)	68,526,749
Governmental activities capital assets, net	$ 83,027,162	$ (527,671)	$ (951,528)	$ 81,547,963

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

General government	$ 1,122,972
Judicial services	246,842
Public safety	2,282,069
Environmental and development services	44,521
Finance and planning	223,213
Education	111,339
Human services	6,459
General services	195,126
Community services	1,020,010
Internal Service Fund - charged to functions based on usage	596,380
Total depreciation and amortization expenses - governmental activities	$ 5,848,931

5. CAPITAL ASSETS *(Continued)*

Business-type Activities:	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated/amortized:				
Land	$ 3,936,755	$ -	$ -	$ 3,936,755
Easements	454,079	20,745	-	474,824
Construction in progress	12,356,457	3,515,356	(9,764,343)	6,107,470
Total capital assets not being depreciated/amortized	16,747,291	3,536,101	(9,764,343)	10,519,049
Capital assets being depreciated/amortized:				
Land improvements	37,155	-	-	37,155
Buildings and improvements	22,099,747	134,351	-	22,234,098
Infrastructure	132,946,027	10,562,688	-	143,508,715
Equipment	5,289,477	161,694	-	5,451,171
Vehicles	1,665,659	31,915	(68,015)	1,629,559
Computer Software	70,272	-	-	70,272
Total capital assets being depreciated/amortized	162,108,337	10,890,648	(68,015)	172,930,970
Less accumulated depreciation/amortization for:				
Land improvements	(12,714)	(1,859)	-	(14,573)
Buildings and improvements	(12,607,220)	(824,166)	-	(13,431,386)
Infrastructure	(38,111,137)	(2,727,370)	-	(40,838,507)
Equipment	(3,685,710)	(458,777)	-	(4,144,487)
Vehicles	(1,108,808)	(79,577)	57,813	(1,130,572)
Computer Software	(35,433)	(11,064)	-	(46,497)
Total accumulated depreciation/amortization	(55,561,022)	(4,102,813)	57,813	(59,606,022)
Total capital assets being depreciated/amortized, net	106,547,315	6,787,835	(10,202)	113,324,948
Business-type activities capital assets, net	$ 123,294,606	$ 10,323,936	$ (9,774,545)	$ 123,843,997

5. CAPITAL ASSETS *(Continued)*

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

Sanitary District No. 2	$ 370,655
Solid waste	143,124
Sewer utility	3,535,924
York Sanitary District	31,730
Upper County utility	15,748
Water utility	5,632
Total depreciation and amortization expenses (excluding amortization on capitalized debt costs) - business-type activities	$ 4,102,813

Discretely Presented Component Unit - School Division	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	$ 4,824,818	$ -	$ -	$ 4,824,818
Construction in progress	2,847,920	7,121,807	(4,612,410)	5,357,317
Total capital assets not being depreciated	7,672,738	7,121,807	(4,612,410)	10,182,135
Capital assets being depreciated:				
Improvements other than buildings	4,912,942	605,103	-	5,518,045
Buildings and improvements	182,585,595	4,214,421	-	186,800,016
Equipment	3,060,937	242,830	(190,544)	3,113,223
Vehicles	11,638,884	1,021,998	-	12,660,882
Total capital assets being depreciated	202,198,358	6,084,352	(190,544)	208,092,166
Less accumulated depreciation for:				
Improvements other than buildings	(2,503,236)	(216,167)	-	(2,719,403)
Buildings and improvements	(64,990,299)	(3,756,720)	-	(68,747,019)
Equipment	(1,818,811)	(222,071)	133,051	(1,907,831)
Vehicles	(6,426,213)	(782,763)	-	(7,208,976)
Total accumulated depreciation	(75,738,559)	(4,977,721)	133,051	(80,583,229)
Total capital assets being depreciated, net	126,459,799	1,106,631	(57,493)	127,508,937
School Division capital assets, net	$ 134,132,537	$ 8,228,438	$ (4,669,903)	$ 137,691,072

Discretely Presented Component Unit - EDA	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets being depreciated:				
Land improvements	$ 9,604	$ -	$ -	$ 9,604
Infrastructure	850,913	-	-	850,913
Total capital assets being depreciated	$ 860,517	$ -	$ -	$ 860,517
Less accumulated depreciation for:				
Land improvements	(1,600)	(640)	-	(2,240)
Infrastructure	(70,752)	(28,301)	-	(99,053)
Total accumulated depreciation	$ (72,352)	$ (28,941)	$ -	$ (101,293)
Total capital assets being depreciated, net	$ 788,165	$ (28,941)	$ -	$ 759,224
Economic Development Authority capital assets, net	$ 788,165	$ (28,941)	$ -	$ 759,224

5. CAPITAL ASSETS *(Continued)*

Discretely Presented Component Unit - CDA	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated:				
Construction in progress	$ 18,561,448	$ -	$ -	$ 18,561,448
Capitalized interest	2,821,491	-	-	2,821,491
Less interest revenue on investments	(496,139)	-	-	(496,139)
Total capital assets not being depreciated	20,886,800	-	-	20,886,800
Capital assets being amortized:				
Computer software	9,000	-	-	9,000
Less accumulated amortization	(9,000)	-	-	(9,000)
Total capital assets being amortized, net	-	-	-	-
Community Development Authority capital assets, net	$ 20,886,800	$ -	$ -	$ 20,886,800

6. UNEARNED REVENUE AND DEFERRED INFLOWS

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, unearned revenue reflects amounts that are measurable, but not available. Deferred inflows represent an acquisition of net position that will not be recognized as revenue until a future period. At June 30, 2015, unearned revenues and deferred inflows are provided in the table below.

	General	Tourism	County Capital	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds
Unearned Revenue						
Advance payments for taxes, services and rents	$ -	$ 30	$ -	$ 137,300	$ 1,122,673	$ 29,374
Deferred Inflows						
Unavailable property taxes and fees	$ 3,070,046	$ -	$ -	$ 1,048	$ -	$ -
Unavailable grants	20,559	-	-	407,460	-	-
Prepaid taxes, services and rents	401,508	-	-	-	-	-
Long-term notes receivable	-	-	1,009,675	-	-	-
Total	$ 3,492,113	$ -	$ 1,009,675	$ 408,508	$ -	$ -

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2015:

Primary Government: Governmental Activities:	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
General obligation bonds	$ 47,770,000	$ 21,125,000	$ (18,025,000)	$ 50,870,000	$ 3,755,000
Premium on bonds	1,849,991	974,672	(423,995)	2,400,668	-
Capital leases	3,113,086	-	(252,404)	2,860,682	453,946
Lease revenue bonds	23,825,000	-	(1,200,000)	22,625,000	1,230,000
Premium on bonds	1,022,309	-	(102,586)	919,723	-
Compensated absences	4,637,791	4,173,531	(4,141,810)	4,669,512	178,700
Claims liabilities	4,861,878	9,758,481	(9,186,217)	5,434,142	963,023
Net pension liability	26,608,308	14,497,086	(25,493,135)	15,612,259	-
Net OPEB obligation	5,392,464	1,955,558	(571,531)	6,776,491	-
Total Governmental Activities	$ 119,080,827	$ 52,484,328	$ (59,396,678)	$ 112,168,477	$ 6,580,669

7. LONG-TERM DEBT *(Continued)*

Primary Government:	**Balance**			**Balance**	**Due Within**
Business-type Activities:	**July 1, 2014**	**Additions**	**Reductions**	**June 30, 2015**	**One Year**
Revenue bonds	$ 22,087,201	$ -	$ (504,746)	$ 21,582,455	$ 520,493
Premium on bonds	120,788	-	(6,815)	113,973	-
Capital leases	638,542	-	(313,241)	325,301	325,301
Net pension liability	2,354,692	1,283,043	(2,255,994)	1,381,741	-
Compensated absences	369,551	315,417	(357,761)	327,207	18,300
Total Business-type Activities	$ 25,570,774	$ 1,598,460	$ (3,438,557)	$ 23,730,677	$ 864,094

Discretely Presented	**Balance**			**Balance**	**Due Within**
Component Units:	**July 1, 2014**	**Additions**	**Reductions**	**June 30, 2015**	**One Year**
School Division					
Compensated absences	$ 2,400,559	$ 1,253,994	$ (1,232,361)	$ 2,422,192	$ 1,000,000
Claims liabilities	5,130,082	1,055,050	(349,223)	5,835,909	2,525,000
Net pension iiability (asset)	115,281,000	10,687,000	(25,494,000)	100,474,000	-
Net OPEB obligation	723,163	815,561	(545,486)	993,238	-
	$ 123,534,804	$ 13,811,605	$ (27,621,070)	$ 109,725,339	$ 3,525,000
Economic Development Authority					
Notes payable	$ 176,667	$ -	$ (20,000)	$ 156,667	$ 20,000
Community Development Authority					
Bonds payable	$ 28,875,000	$ -	$ -	$ 28,875,000	$ -
Accretion of interest payable	$ 853,125	$ 365,625	$ -	$ 1,218,750	$ -

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 2015, the County was required to have arbitrage rebate calculations performed for its 2012 VPSA $6,925,000 issue and the 2010 Sewer System Revenue Bonds $15,280,000 issue. As of June 30, 2015, there was no rebate liability.

7. LONG-TERM DEBT *(Continued)*

General Obligation Bonds

General obligations bonds (GOB) are backed by the full faith and credit of the County. There are no sinking fund requirements. Outstanding general obligation bonds at June 30, 2015 of the primary government governmental activities are as follows:

GOB Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2015
VPSA 97I	Various school projects	11/20/97	07/15/17	4.35-5.35%	$ 3,370,000
VPSA 02B	Bruton High	11/07/02	07/15/22	2.35-5.10%	3,970,000
VPSA 03	Queens Lake	11/06/03	07/15/23	3.10-5.35%	2,230,000
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	9,980,000
VPSA 09	Dare and Mt. Vernon Elementary and Tabb High	12/03/09	07/15/29	3.05-4.05%	3,395,000
VPSA 10	Grafton Bethel Elementary	07/08/10	06/01/27	1.085-1.925%	795,000
VPSA 12	Coventry Elementary and New Horizons HVAC, Grafton Bethel and Coventry Elementary gymnasium roofs, Tabb Elementary classrooms and Grafton Complex gymnasium	05/10/12	07/15/32	2.55-5.05%	6,480,000
VPSA 14	Various schools HVAC, roofs, kitchens, gyms and other repairs	11/20/14	01/15/35	2.05-5.05%	8,530,000
VPSA 14B	Yorktown Middle and New Horizons renovations	06/25/15	07/15/26	3.60-5.35%	7,815,000
VPSA 15	Dare, Magruder, Yorktown Elementary classrooms	02/17/15	07/15/28	4.23-5.10%	4,305,000
					$ 50,870,000

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

	Governmental Activities	
Year	Principal	Interest
2016	$ 3,755,000	$ 2,382,685
2017	4,020,000	2,124,548
2018	4,225,000	1,923,075
2019	3,185,000	1,744,745
2020	3,340,000	1,590,460
2021-2025	17,725,000	5,432,376
2026-2030	10,265,000	1,827,426
2031-2035	4,355,000	365,799
	$ 50,870,000	$ 17,391,114

Compensated Absences

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

Net Other Post Employment Benefit Obligation (OPEB)

For governmental activities, net OPEB obligations are typically liquidated by the general fund.

7. LONG-TERM DEBT *(Continued)*

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, 2015 of the primary government governmental activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2015
2008	Sports Field Complex, fire station additions	12/01/08	10/01/29	3.125-5.327%	$ 14,260,000
2014	Communications system and building, equipment, parking garage	02/27/14	07/15/23	2.000-4.500%	8,365,000
					$ 22,625,000

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

	Governmental Activities	
Year	Principal	Interest
2016	$ 1,230,000	$ 1,022,575
2017	1,690,000	971,729
2018	1,755,000	905,775
2019	1,835,000	826,879
2020	1,920,000	741,322
2021-2025	8,230,000	2,457,127
2026-2030	5,965,000	806,155
	$ 22,625,000	$ 7,731,562

7. LONG-TERM DEBT *(Continued)*

Revenue Bonds

The County anticipates that the amounts required for the payment of interest and principal on the bonds will be provided by the respective enterprise funds revenues. Revenue bonds at June 30, 2015 of the primary government business-type activities are as follows:

Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2015
1992	Lackey sewer system	05/14/92	05/14/32	5.00%	$ 402,455
2005	Sewer system refunding	06/08/05	06/01/29	3.00-5.00%	6,430,000
2010	Sewer systems	12/01/10	06/01/40	2.00-6.607%	14,750,000
					$ 21,582,455

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

	Business-type Activities	
Year	Principal	Interest
2016	$ 520,493	$ 1,215,686
2017	536,277	1,199,033
2018	552,101	1,181,102
2019	572,966	1,161,725
2020	593,877	1,139,107
2021-2025	3,364,717	5,308,814
2026-2030	4,180,449	4,451,627
2031-2035	5,081,575	3,067,875
2036-2040	6,180,000	1,258,634
	$ 21,582,455	$ 19,983,603

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, 2015 was $7,570,000. 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. 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 November 2012, the Authority executed a new property lease for the Riverwalk Restaurant and an adjacent vacant space for another restaurant to a new private company. As part of the negotiations, the Authority also entered into a new equipment lease. The new lease is for $200,000, with repayment over 120 months and with interest on the outstanding balance of 3.14% per annum. Repayments began on May 1, 2013.

Community Development Authority

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

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

Year Ending	Series A Bonds 5.100%		Series B Bonds 5.625%		Series C Bonds 5.625%	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ -	$ 289,425	$ -	$ 939,375	$ -	$ -
2017	-	289,425	-	939,375	-	-
2018	-	289,425	-	939,375	-	-
2019	-	289,425	-	939,375	-	-
2020	-	289,425	-	939,375	-	-
2021-2025	-	1,447,125	-	4,696,875	-	-
2026-2030	1,715,000	1,277,678	-	4,696,875	-	-
2031-2035	2,685,000	680,978	4,950,000	4,158,844	-	-
2035-2040	1,275,000	65,918	7,925,000	2,239,453	-	-
2041-2045	-	-	3,825,000	218,109	6,500,000	26,890,476
Total	$ 5,675,000	$ 4,918,824	$ 16,700,000	$ 20,707,031	$ 6,500,000	$ 26,890,476

8. FUND BALANCE (DEFICIT)

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

Purpose	General	Tourism	Yorktown Capital Imps	County Capital	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid expenditures	$ 21,888	$ -	$ -	$ -	$ -	$ 21,888
Advances	9,721,852	-	-	-	-	9,721,852
Total nonspendable	$ 9,743,740	$ -	$ -	$ -	$ -	$ 9,743,740
Restricted:						
Grants and donations received in advance	$ 991,058	$ -	$ -	$ 2,317	$ 17,023	$ 1,010,398
Tourism projects	-	890,763	-	-	-	890,763
Total restricted	$ 991,058	$ 890,763	$ -	$ 2,317	$ 17,023	$ 1,901,161
Committed:						
School reversion	$ 877,026	$ -	$ -	$ -	$ -	$ 877,026
Chesapeake Bay & Wetlands remediation	2,428	-	-	-	-	2,428
Fire and Life Safety grant match	61,042	-	-	-	-	61,042
Meals tax for drainage projects	-	-	-	-	2,115,426	2,115,426
Environmental and transportation improvements	-	-	-	1,937,178	-	1,937,178
Workers' compensation	1,833,335	-	-	-	-	1,833,335
School Division post employment benefits	4,998,246	-	-	-	-	4,998,246
Intergovernmental revenue shortfalls for School Division	5,543,092	-	-	-	-	5,543,092
Total committed	$ 13,315,169	$ -	$ -	$ 1,937,178	$ 2,115,426	$ 17,367,773
Assigned:						
AED replacements	$ -	$ -	$ -	$ 37,000	$ -	$ 37,000
Bulletproof vests	-	-	-	14,500	-	14,500
Capital outlay/one time ependitures	7,786,374	-	-	2,897,756	-	10,684,130
Communications system	527,178	-	-	443,296	-	970,474
Contractual services	107,349	-	-	-	-	107,349
Disability compliance	-	-	-	21,700	-	21,700
Economic development	900,000	-	-	-	-	900,000
Emergency generator replacement	-	-	-	160,360	-	160,360
Environmental and transportation improvements	-	-	-	2,888,300	-	2,888,300
Facility maintenance and repair	309,277	-	-	1,228,608	-	1,537,885
Fire & Life Safety equipment/operations	16,780	-	-	25,800	-	42,580
Fire & Life Safety fire apparatus/medic unit replacement	-	-	-	1,405,000	-	1,405,000
Fire station replacement	-	-	-	607,552	-	607,552
Grounds maintenance equipment replacement	42,456	-	-	56,000	-	98,456
Hazard mitigation	-	-	-	43,850	-	43,850
Head Start and Social Services programs	-	-	-	-	1,018,820	1,018,820
Information technology: hardw are/softw are	521,427	-	-	328,500	-	849,927
Other post employment benefits	2,382,000					2,382,000
Other purposes/miscellaneous	137,932	-	-	-	-	137,932
Recreation playgrounds/facilities	-	-	-	143,970	-	143,970
Regional/other commitments	417,750	-	-	-	-	417,750
Safety initiatives	24,600	-	-	-	-	24,600
Sheriff training facility/supplies/equipment	87,213	-	-	162,000	-	249,213
Video services equipment	1,672	-	-	25,772	-	27,444
Voting machine replacement	-	-	-	237,095	-	237,095
Total assigned	$ 13,262,008	$ -	$ -	$ 10,727,059	$ 1,018,820	$ 25,007,887
Unassigned:	$ 16,126,447	$ -	$ (6,637,510)	$ -	$ -	$ 9,488,937
Total fund balances (deficit)	$ 53,438,422	$ 890,763	$ (6,637,510)	$ 12,666,554	$ 3,151,269	$ 63,509,498

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, 2015 is as follows:

Year	Primary Government	Discretely Presented Component Unit - School Division
2016	$ 445,697	$ 269,417
2017	437,034	215,098
2018	437,906	33,824
2019	436,708	-
2020	428,818	-
2021-2025	1,355,502	-
2026-2030	1,187,000	-
2031-2035	1,187,000	-
2036-2040	1,187,000	-
2041-2045	1,141,069	-
2046-2050	640,150	-
Total minimum lease payments	$ 8,883,884	$ 518,339

Rental expenditures for the year ended June 30, 2015 for all operating leases were $437,966 and $267,406 for the County and Discretely Presented Component Unit-School Division, respectively.

County as Lessor

The County leases the usage of its communication towers under operating lease agreements. The towers are included in capital assets as communications equipment with a cost of $9,392,690 and accumulated depreciation of $9,360,865, for a carrying amount of $31,825 at June 30, 2015. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2015 is as follows:

Year	Primary Government	Discretely Presented Component Unit - School Division
2016	$ 206,346	$ 336,624
2017	210,877	336,473
2018	213,567	332,658
2019	217,056	331,784
2020	205,607	332,133
2021-2025	782,960	-
2026-2030	242,291	-
2031-2035	95,053	-
2036-2040	95,010	-
2041-2045	49,079	-
2046-2050	10	-
Total minimum lease payments	$ 2,317,856	$ 1,669,672

Rental revenue receipts for all operating leases were $394,901 for the County and $338,768 for the School Division for the year ended June 30, 2015.

9. LEASES *(Continued)*

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, 2015 is as follows:

	Primary Government	
	Governmental	Business-type
Year	Activities	Activities
2016	$ 547,647	$ 337,825
2017	522,794	-
2018	522,794	-
2019	498,933	-
2020	498,889	-
2021-2025	557,973	-
2025-2030	44,257	-
Total minimum lease payments	3,193,287	337,825
Less amount representing interest	(332,605)	(12,524)
Present value of principal	$ 2,860,682	$ 325,301

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - $3,456,149 (equipment) and Business-type Activities - $2,038,931(equipment).

10. DEFINED BENEFIT PENSION PLANS

Virginia Retirement System

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

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

Within the plan, the System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each plan has different eligibility and benefit structures as set forth in the table below:

PLAN 1 **Retirement Plan Provisions**	**PLAN 2** **Retirement Plan Provisions**	**HYBRID** **Retirement Plan Provisions**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	**About the Hybrid Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members"). • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	**Vesting** Same as Plan 1.	**Vesting** Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. Defined Contribution Component: Defined contribution vesting refers to minimum length of service a member needs to be eligible to withdraw employer contributions from the defined contribution component of the plan. Members are always 100% vested in contributions they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law until age 70½.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

PLAN 1 **Retirement Plan Provisions**	**PLAN 2** **Retirement Plan Provisions**	**HYBRID** **Retirement Plan Provisions**
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** Defined Benefit Component: See definition under Plan 1 Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.	**Service Retirement Multiplier** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	**Service Retirement Multiplier** Defined Benefit Component: The retirement multiplier is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. Defined Contribution Component: Not applicable.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** Defined Benefit Component: Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. Defined Contribution Component: Not applicable.

1. Employees Covered by Benefit Terms

As of the June 30, 2013, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	County	(Nonprofessional) Schools
Inactive Members or Their Beneficiaries		
Currently Receiving Benefits	349	162
Inactive Members:		
Vested Inactive Members	104	24
Non-Vested Inactive Members	222	185
Inactive Members Active Elsewhere in VRS	210	50
Total Inactive Members	536	259
Active Members	731	303
Total Covered Employees	1,616	724

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

2. Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2015 was 16.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

The School Division's contractually required contribution rate for the year ended June 30, 2015 was 14.50% of covered employee compensation (professional employees). This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the Professional Plan (Teacher Retirement Plan) was 18.20%. Based on the provisions of §51.1-145 of the Code of Virginia, as amended, the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2015, respectively. The School Division contributions were $9,180,878 and $7,095,000 for the years ended June 30, 2015 and June 30, 2014, respectively.

In addition, for the Nonprofessional (non-teacher) employees, the School Division is contractually required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Division contribution rate for the fiscal year ended 2015 was 9.11% of annual covered payroll. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

These rates, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $4,359,173 and $4,332,603 for the year ended June 30, 2015 and 2014, respectively. Contributions to the pension plan from the School Division were $475,903 and $540,694 for the years ended June 30, 2015 and June 30, 2014, respectively.

10 DEFINED BENEFIT PENSION PLANS *(Continued)*

3. Net Pension Liability

The County's net pension liability was measured as of June 30, 2014 and totaled $16,994,000. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

At June 30, 2015, the School Division reported a net pension liability of $100,445,000 for its proportionate share of the net pension liability of the Teacher Retirement Plan (Professional). The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Division's proportion of the net pension liability was based on the School Division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2014 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2014, the School Division's proportion was 0.83118% as compared to 0.82524% at June 30, 2013.

In addition, the School Division's net pension liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014. At June 30, 2015, the School Division reported a liability of $29,000 for the Nonprofessional (non-teacher) Retirement Plan.

4. Pension Expense

For the year ended June 30, 2015, the County recognized pension expense of $1,993,000.

For the year ended June 30, 2015, the School Division recognized pension expense of $8,093,000 of the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between June 30, 2013 and June 30, 2014, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

In addition, for the year ended June 30, 2015, the School Division recognized pension expense of $152,000 for the Nonprofessional (non-teacher) Retirement Plan.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$9,631,000
Employer contributions subsequent to the measurement date	4,359,173	-
Total	$ 4,359,173	$ 9,631,000

The $4,359,173 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2016	$ (2,408,000)
2017	(2,408,000)
2018	(2,408,000)
2019	(2,408,000)
2020	1,000
Total	$ (9,631,000)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2015, for the Teacher Retirement Plan (Professional), the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$14,907,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	670,000	-
Employer contributions subsequent to the measurement date	9,180,878	-
Total	$ 9,850,878	$14,907,000

The $9,180,878 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2016	$ (3,579,000)
2017	(3,579,000)
2018	(3,579,000)
2019	(3,579,000)
2020	79,000
Total	$ (14,237,000)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

In addition, at June 30, 2015, for the Nonprofessional (non-teacher) Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 1,180,000
Employer contributions subsequent to the measurement date	475,903	-
Total	$ 475,903	$ 1,180,000

$475,903 reported as deferred outflows of resources related to pensions resulting from the School Division's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2016	$ (295,000)
2017	(295,000)
2018	(295,000)
2019	(295,000)
Total	$ (1,180,000)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions

County Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

Pre-Retirement:
RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:
RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions (*Continued*)

Public Safety Employees

The total pension liability for Public Safety employees in the Political Subdivision Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long- term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 60% of deaths are assumed to be service related

Largest I 0 - LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions (*Continued*)

Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:
- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:
- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Professional/Teacher Retirement Plan

The total pension liability for the Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.95%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:
RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females were set back 5 years.

Post-Retirement:
RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 3 years.

Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Nonprofessional/Non-teacher Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related

Pre-Retirement:
RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:
RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

7. Long-Term Expected Rate of Return *(Continued)*

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
Inflation			2.50%
*Expected arithmetic nominal return			8.33%

*Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

8. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the School Division for the VRS Professional/Teacher Retirement Plan and Nonprofessional (non-teacher) Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, School Divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's net pension liability for the using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
County's Net Pension Liability	$ 40,410,000	$ 16,994,000	$ (2,512,000)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

The following presents the School Division's proportionate share of the net pension liability for the Professional/Teacher Retirement Plan using the discount rate of 7.00%, as well as what the School Division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	$ 147,494,000	$ 100,445,000	$ 61,709,000

In addition, the following presents the net pension liability of the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Proportionate Share of the Net Pension Liability for the Nonprofessional Plan	$ 2,514,000	$ 29,000	$ (2,052,000)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

10. Changes in Net Pension Liability – County Retirement Plan

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance – July 1	$ 164,687,944	$ 135,724,498	$ 28,963,446
Changes for the fiscal year:			
Service cost	4,324,554	-	4,324,554
Interest	11,340,354	-	11,340,354
Contribution – employer	-	4,332,603	(4,332,603)
Contribution – employee	-	1,851,612	(1,851,612)
Net investment income	-	21,563,882	(21,563,882)
Benefit payments	(5,365,786)	(5,365,786)	-
Refunds of contributions	-	-	-
Administrative expenses	-	(114,394)	114,394
Other changes	-	1,136	(1,136)
Net Changes	10,299,122	22,269,053	(11,969,931)
Balance – June 30	$ 174,987,066	$ 157,993,551	$ 16,993,515

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

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance – July 1	$ 18,316,320	$ 16,719,484	$ 1,596,836
Changes for the fiscal year:			
Service cost	651,659	-	651,659
Interest	1,257,618	-	1,257,618
Contribution – employer	-	540,694	(540,694)
Contribution – employee	-	300,981	(300,981)
Net investment income	-	2,649,679	(2,649,679)
Benefit payments	(700,700)	(700,700)	-
Refunds of contributions	-	-	-
Administrative expenses	-	(14,022)	14,022
Other changes	-	139	(139)
Net Changes	1,208,577	2,776,771	(1,568,194)
Balance – June 30	$ 19,524,897	$ 19,496,255	$ 28,642

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

12. Pension Plan Fiduciary Net Position – Teacher Retirement Plan

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2014 Comprehensive Annual Financial Report (CAFR). A copy of the 2014 VRS CAFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

York County Public Schools - Optional Plan

Plan Description

Plan Administration – The York County School Division administers the Optional Plan, a single employer defined benefit pension plan, provides pension benefits to non-professional employees of the School Division who were not previously covered by VRS. A fiduciary agent of the School Division administers the optional plan, which provides retirement benefits as well as death and disability benefits. As of June 30, 1992, the optional plan was frozen and the non-professional employees who participated in the plan became fully vested. The non-professional employees now participate in the VRS as noted above. Stand-alone financial reports are not issued for this plan.

Plan Membership – At June 30, 2015, pension plan membership consisted of the following:

Active plan members	17
Retirees and beneficiaries	72
Number of vested terminations	2
	91

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

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

Contributions – 2.50% of pay contribution was required as a condition of participation; however, no employee contributions were required after June 30, 1992. Employee contributions are accumulated with interest at 5.00%. For the year ended, June 30, 2015, the average active member contribution rate was 0% of annual payroll, and the School Division's average contribution rate was 0% percent of annual payroll.

Summary of Significant Accounting Policies

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

Investments

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

Rate of Return – For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 1.26%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the net pension liability (asset) of the School Division at June 30, 2015, were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) – (b)
Balance – July 1	$ 1,862,796	$ 2,009,204	$ (146,408)
Changes for the fiscal year:			
Service cost	2,224	-	2,224
Interest	124,341	-	124,341
Contribution – employer	-	-	-
Contribution – employee	-	-	-
Net investment income	-	290,495	(290,495)
Benefit payments	(177,455)	(177,455)	-
Refunds of contributions	-	-	-
Administrative expenses	(16,161)	-	(16,161)
Other changes	-	(22,106)	22,106
Net Changes	(67,051)	90,934	(157,985)
Balance – June 30	$ 1,795,745	$ 2,100,138	$ (304,393)

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with Generational Projection using Scale MP.

Discount Rate – From July 1, 2016 on, it is assumed the School Division will contribute 100% of the actuarially determined contribution rates. Based on those assumptions the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability was 7.00%.

Deferred Outflows/Inflows of Resources
At June 30, 2015, for the Optional Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$ -	$ 125,468
Employer Contributions Subsequent to the Measurement Date	-	-
Total	$ -	$ 125,468

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Amounts
2016	$ (31,367)
2017	(31,367)
2018	(31,367)
2019	(31,367)
Total	$ (125,468)

10. DEFINED BENEFIT PENSION PLANS *(Concluded)*

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Net Pension Liability for the Optional Plan	$ (169,701)	$ (304,393)	$ (422,965)

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Descriptions

The County's OPEB plan is a single-employer defined benefit plan administered by York County. Employees retiring after January 1, 2002 and having twenty or more years of service with the County and receiving a VRS annuity will qualify for a health insurance premium contribution from the County. The retiree's Virginia Retirement System (VRS) annuity may be either a full or reduced benefit. The amount of the County's contribution shall be equal to 50% of the retiree's total monthly health insurance premium subject to the following provision: the County's 50% contribution will be reduced by the amount of any health insurance credit that the retiree may qualify for under the VRS program (retiring employees who have fifteen years of service with the VRS will qualify for the VRS Retiree Health Insurance Credit Program). At June 30, 2015, 66 retirees were participating in this program. For the School Division, 72 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, 2015, one retiree was participating in this program. The School Division pays a monthly contribution of $25 toward the health care program premium for a total period of time not to exceed 10 years or until retiree is eligible for Medicare, whichever occurs first.

Funding Policy

The County established an internal service fund to account for other post-employment benefits. An amount equal to the annual required contribution was made to the fund during fiscal year 2015, 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 2015, the County provided an annual contribution of $571,531, and the annual required contribution was $1,985,079.

The School Division opted not to advance-fund or establish a funding methodology for its OPEB costs or net OPEB obligation. For fiscal year 2015, the School Division provided an annual contribution of $545,486, and the annual required contribution was $822,478.

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

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 2015, 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	$ 948,320	$ 500,549
Amortization of unfunded accrued liability	960,410	321,929
Interest	76,349	-
Annual required contribution	1,985,079	822,478
Interest on net OPEB obligation (NOO)	215,699	25,311
Amortization of NOO	(245,220)	(32,228)
Annual OPEB cost	1,955,558	815,561
Actual contribution towards OPEB cost	(571,531)	(545,486)
Increase in NOO	1,384,027	270,075
NOO, beginning of year	5,392,464	723,163
NOO, end of year	$ 6,776,491	$ 993,238

The County's and School Division's annual OPEB cost, the percentage 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
6/30/2015	$ 1,955,558	29%	$ 6,776,491
6/30/2014	1,902,070	28%	5,392,464
6/30/2013	1,588,583	39%	4,021,739

Three-Year Trend Information - School Division

Fiscal Year	Annual OPEB Cost	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2015	$ 815,561	67%	$ 993,238
6/30/2014	792,359	69%	723,163
6/30/2013	612,080	97%	481,420

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

Funded Status and Funding Progress

As of June 30, 2015, the County's actuarial accrued liability for benefits from the June 30, 2014 biennial report was $22,052,123, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $23,340,556. The covered payroll (annual payroll of active employees covered by the plan) was $35,993,900, $34,397,352 and $35,320,303 for fiscal years 2014, 2013 and 2012, respectively, and the ratio of the UAAL to the covered payroll was 61.27%, 110.46% and 92.68% for fiscal years 2014, 2013 and 2012.

As of June 30, 2015, the School Division's actuarial accrued liability for benefits from the June 30, 2014 was $7,536,270, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $7,536,270. The covered payroll (annual payroll of active employees covered by the plan) was $67,126,751, $45,334,607 and $69,361,101 for fiscal years 2014, 2013 and 2012, respectively, and the ratio of the UAAL to the covered payroll was 11.23%, 14.11% and 7.16% for fiscal years 2014, 2013 and 2012.

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

Actuarial Methods and Assumptions

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

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

In the County's June 30, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (annual returns net of both investment and non-actuarial administrative expenses), general inflation of 2.5% and an annual healthcare cost trend rate of 7% for Pre- and Post-Medicare eligible, grading to a rate of 4.8% for fiscal year ending June 30, 2085. The unfunded actuarial accrual liability (UAAL) is being amortized over a closed thirty-year period as a level percentage of projected payroll, assumed to grow 3.0% per year.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Concluded)*

In the School's June 30, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return (discount rate) and an annual healthcare cost trend rate of 5.9%, grading to a rate of 4.5% over sixty-eight years. The underlying inflation rate was 2.5%. The unfunded actuarial accrual liability (UAAL) is being amortized over a closed thirty-year period as a level percentage of projected payroll, assumed to grow 3.0% per year.

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the participants. Investments are managed by the plan's trustee under one or a combination of 47 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 13 investment options.

13. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2015 were as follows:

	Spent-to-date	Remaining Commitment
Project:		
Three Medic Units	$ 31,493	$ 836,493
Hornsbyville Road Sewer Construction	1,087,086	544,010
Combination Single Engine Sewer Cleaner	-	409,937
Emergency Communications Radio Rebanding Project	-	382,785
"Total Maximum Daily Load" Project	120,049	329,910
Hosted E911 System	-	317,340
Voting Machines	-	232,095
Moores Creek Sewer Construction	140,706	157,074
Queens Lake Sewer Architect & Engineering Fees	1,085,565	131,226
Lightfoot Water Constuction - Phase II	120,629	128,866
Hollywood Pump Station	42,581	82,190
Playground at Charles Brown Park	-	72,645
Playground at Griffin-Yeates Park	-	71,325
800 MHZ Radio Rebanding Consulting Services	-	60,000
	$ 2,628,109	$ 3,755,896

Risk Management

The County and the School Division are exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to and health and dental benefits for employees; and natural disasters. The County and the School Division maintain comprehensive property and casualty policies, commercial general liability policies, comprehensive liability, vehicle fleet policies and coverages for errors and omissions, and employer's liability and certain other risks with commercial insurance companies.

The County reports all of its risk management activities except those related to health and dental benefits in its General Fund. The General Fund retains the full risk for unemployment compensation and up to $400,000 with no aggregate, for each workers' compensation occurrence. All claims for retained risks are paid from General Fund resources. Risks related to health and dental benefits for employees and retirees are reported in an Internal Service Fund. The County's risk for each health care claim is $250,000 per year.

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

All unemployment and workers' compensation claims are paid through a third-party administrator through resources from the General and School Operating Funds, and health

13. COMMITMENTS AND CONTINGENT LIABILITIES *(Continued)*

care claims are paid through a third-party administrator through each entity's Internal Service Fund. 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 four fiscal years.

The County's health care liability at June 30 has been included in claims payable in the County's Internal Service Funds. The County had available $3,600,807 for health care and dental claims and $1,833,335 for workers' compensation claims at June 30, 2015, which is considered sufficient.

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

	2015	Restated 2014
Accrued liability/committed fund balance, beginning of fiscal year restated	$ 4,861,878	$ 4,877,011
Claims and changes in estimates	9,758,481	9,641,970
Claims payments	(9,186,217)	(9,657,103)
Accrued liability/committed fund balance, end of fiscal year	$ 5,434,142	$ 4,861,878

The School Division health care claim liability at June 30 has been included claims payable in the School Division's internal service fund. The School Division had available $2,000,000 for health care claims and $3,635,909 for workers' compensation claims at June 30, 2015, 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, 2013 resulted from the following:

	2015	Restated 2014
Accrued liability/committed fund balance, beginning of fiscal year	$ 10,898,103	$ 11,076,471
Claims and changes in estimates	13,543,962	12,206,173
Claims payment	(11,808,800)	(12,384,541)
Accrued liability/committed fund balance, end of fiscal year	$ 12,633,265	$ 10,898,103

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.

13. COMMITMENTS AND CONTINGENT LIABILITIES *(Continued)*

Consent Order

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

Litigation

The County is a defendant in various lawsuits and although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel, 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. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For fiscal year 2015, the County has adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The implementation of GASB 68 required the reporting of pension expense, liabilities and related deferred outflows and inflows of resources on a full accrual basis of accounting.

In addition, the beginning fund balance/net position was restated to record an internal service fund for health and dental insurance. As a result, net position as of July 1, 2014, has been adjusted accordingly in the government-wide statements and the governmental and proprietary fund statements, respectively:

	Governmental Activities	Business-type Activities	Total Net Position
Balance, as previously reported, June 30, 2014	$ 78,588,681	$ 108,472,077	$ 187,060,758
Adjustments:			
GASB 68, changes related to pension cost	(22,629,235)	(2,002,765)	(24,632,000)
Health and dental insurance reclassification	483,335	(199,697)	283,638
Balance, as restated, June 30, 2014	$ 56,442,781	$ 106,269,615	$ 162,712,396

	General	Tourism	Nonmajor Governmental Funds	Sewer Utility	Nonmajor Enterprise Funds	Internal Service Funds
Balance, as previously reported, June 30, 2014	$ 61,666,571	$ 514,832	$ 3,854,908	$ 92,722,293	$ 15,749,784	$ 5,506,207
Adjustments:						
GASB 68, changes related to pension cost	-	-	-	(1,653,801)	(348,964)	(363,504)
Health and dental insurance reclassification	(3,707,875)	(593)	(154,731)	(163,123)	(36,574)	4,346,534
Balance, as restated, June 30, 2014	$ 57,958,696	$ 514,239	$ 3,700,177	$ 90,905,369	$ 15,364,246	$ 9,489,237

During the year ended June 30, 2015, the School Board implemented Government Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Implementation of GASB Statement No. 68 established standards for recognizing net pension liabilities, deferred outflows and inflows, and pension expense. This inclusion of the pension liabilities in the financial statements caused a restatement of prior period net position for fiscal year ended June 30, 2014. This restatement decreased prior period net position, added a net pension liability, as well as deferred inflow and deferred outflow. The total effect of the restatement for the School Division decreased net position by $107,499,592.

Implementation of GASB 71 did not have any financial reporting impact on the School Division.

14. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE *(continued)*

	Governmental Activities
Net position as previously reported, June 30, 2014	$ 134,516,981
GASB 68/71 restatement	(107,499,592)
Net position as restated, June 30, 2014	$ 27,017,389

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REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISON SCHEDULE

GENERAL FUND

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

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

COUNTY OF YORK, VIRGINIA

Required Supplementary Information - Budgetary Comparison Schedule

General Fund - Revenues and Other Financing Sources

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General property taxes:				
Real property taxes	$ 66,270,000	$ 66,270,000	$ 64,983,745	$ (1,286,255)
Real and personal property taxes-public service corporation	3,250,000	3,250,000	3,259,671	9,671
Personal property taxes	11,775,000	11,775,000	12,633,646	858,646
Machinery and tools taxes	100,000	100,000	107,575	7,575
Boat taxes > 5 tons	85,000	85,000	76,848	(8,152)
Penalties and interest	600,000	600,000	537,379	(62,621)
Total general property taxes	82,080,000	82,080,000	81,598,864	(481,136)
Other local taxes:				
Local sales and use taxes	9,100,000	9,100,000	9,238,036	138,036
Hotel and motel room taxes	1,320,000	1,320,000	1,414,687	94,687
Restaurant food taxes	5,700,000	5,752,130	5,804,260	52,130
Business license taxes	5,740,000	5,740,000	6,120,720	380,720
Consumer utility taxes	250,000	250,000	241,887	(8,113)
Communications sales taxes	1,385,000	1,385,000	1,311,310	(73,690)
Vehicle registration fees	1,600,000	1,600,000	1,574,559	(25,441)
Bank stock taxes	250,000	250,000	238,165	(11,835)
Franchise taxes	1,000	1,000	1,267	267
Taxes on recordation and wills	1,750,000	1,750,000	1,391,389	(358,611)
Rental taxes	115,000	115,000	101,750	(13,250)
Total other local taxes	27,211,000	27,263,130	27,438,030	174,900
From the Federal Government:				
Payments in lieu of taxes	9,500	9,500	9,301	(199)
Categorical aid:				
Prior Year Federal Revenue	-	-	133	133
Civil Defense grant	45,529	50,335	100,670	50,335
Universal Service Library E-rate program	19,000	19,000	11,345	(7,655)
Violence Against Women Formula grant	27,366	27,366	27,934	568
Crime Victim Assistance grant	47,434	73,286	69,605	(3,681)
Policies and Enforcement of Protection Orders Program	-	-	102,761	102,761
DMV Traffic Enforcement grant	-	34,406	29,616	(4,790)
Section 8 Housing Choice Vouchers program	120,000	120,000	97,886	(22,114)
Chesapeake Bay Program	-	-	6,537	6,537
Assistance to Firefighters grant	-	-	135,045	135,045
State Homeland Security Program Citizen Corps	-	-	8,830	8,830
State Homeland Security Program CERT training grant	-	-	24,187	24,187
Indirect Cost Allocation reimbursement	100,000	100,000	127,848	27,848
State Criminal Alien Assistance program	-	2,290	2,290	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	64,048	43,164	(20,884)
Bulletproof Vest Partnership program	-	14,403	3,338	(11,065)
Bureau of Justice Assistance grant	-	11,318	9,769	(1,549)
Drug Asset and Crisis Intervention Team grant	-	66,914	66,914	-
Total categorical aid	359,329	583,366	867,872	284,506
Total revenues from the Federal Government	368,829	592,866	877,173	284,307
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	6,400	6,400	8,417	2,017
Rolling stock taxes	18,500	18,500	13,172	(5,328)
Personal property tax relief	8,741,680	8,741,680	8,741,680	-
Local Aid To Commonwealth	-	-	(76,560)	(76,560)
Total non-categorical aid	8,766,580	8,766,580	8,686,709	(79,871)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	510,558	510,558	518,637	8,079
Sheriff	2,553,504	2,553,504	2,527,394	(26,110)
Commissioner of the Revenue	190,421	190,421	191,431	1,010
Treasurer	156,334	156,334	153,958	(2,376)
Registrar	37,000	37,000	37,619	619
Electoral Board	8,000	8,000	8,388	388
Clerk of the Circuit Court	444,123	533,320	516,273	(17,047)
Total shared expenses	3,899,940	3,989,137	3,953,700	(35,437)
Other categorical aid:				
Emergency services grant	25,000	40,000	40,000	-
Fire and life safety grants	-	14,642	17,327	2,685
Fire program funds	165,500	207,399	207,399	-
Four for Life funds	59,800	59,540	59,540	-

(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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other categorical aid:				
Wireless E911 services	$ 200,000	$ 200,000	$ 250,550	$ 50,550
VA E911 Services Education Grant	-	1,147	1,147	-
Crime Victim Assistance grant	47,435	24,429	23,202	(1,227)
VA Juvenile Community Crime Control Act grant	54,684	54,684	54,681	(3)
VA Supreme Court extradition	-	11,029	11,776	747
VSMP Stormwater	-	-	130,104	130,104
Chesapeake Bay Program	-	-	8,382	8,382
Emergency Home Repair grant	-	1,844	1,844	-
Arts Commission grant	-	5,000	5,000	-
Library Aid	151,553	151,553	151,676	123
Drug Asset	-	7,008	7,008	-
Court services postage reimbursement	11,200	11,200	11,224	24
Total other categorical aid	715,172	789,475	980,860	191,385
Total categorical aid	4,615,112	4,778,612	4,934,560	155,948
Total revenues from the Commonwealth of Virginia	13,381,692	13,545,192	13,621,269	76,077
Permits, privilege fees and regulatory licenses:				
Animal licenses	45,000	45,000	45,602	602
Permits and other licenses	760,380	760,380	836,967	76,587
Total permits, privilege fees and regulatory licenses	805,380	805,380	882,569	77,189
Fines and forfeitures	372,200	372,200	277,108	(95,092)
Revenues from use of money and property:				
Use of money	66,000	66,000	105,858	39,858
Use of property	359,402	359,402	381,217	21,815
Total revenues from use of money and property	425,402	425,402	487,075	61,673
Charges for services:				
Court costs	166,800	166,800	109,644	(57,156)
Charges for Commonwealth's Attorney	16,500	16,500	12,811	(3,689)
Charges for victim witness conference	-	6,215	6,215	-
Charges for fiscal accounting services	3,000	3,000	2,690	(310)
Charges for law enforcement and traffic control	98,410	160,576	129,878	(30,698)
Charges for emergency medical services	1,300,000	1,300,000	1,110,890	(189,110)
Charges for parks and recreation	550,250	550,250	493,316	(56,934)
Charges for library	57,500	57,500	53,552	(3,948)
Charges for mosquito control	5,000	5,000	800	(4,200)
Charges for computer support services	10,000	10,000	3,654	(6,346)
Charges for self-insurance	39,220	39,220	39,220	-
Charges for grounds maintenance	1,134,650	1,134,650	1,134,650	-
Charges for law enforcement	299,290	299,290	290,249	(9,041)
Charges for video services	152,850	152,850	141,691	(11,159)
Charges for radio maintenance services	99,058	99,058	99,058	-
Charges for other	50	50	6	(44)
Total charges for services	3,932,578	4,000,959	3,628,324	(372,635)
Miscellaneous:				
Miscellaneous	217,600	299,223	279,005	(20,218)
Sale of surplus property	17,500	17,500	14,396	(3,104)
Total miscellaneous revenues	235,100	316,723	293,401	(23,322)
Recovered costs:				
York Public School Division for Other Post Employment Benefits	-	-	250,000	250,000
City of Poquoson shared court services	422,250	422,250	413,546	(8,704)
City of Poquoson E911 services	318,029	318,029	318,029	-
City of Poquoson cooperative extension services	7,100	7,100	7,012	(88)
City of Williamsburg E911 services	545,730	545,730	545,730	-
City of Williamsburg public safety	1,200	1,200	1,200	-
Regional radio system staffing	45,000	45,000	45,000	-
Assistance for Fire & Life Safety training	-	24,240	24,347	107
Fiscal agent fees	197,060	197,060	209,173	12,113
Streetlight operations	15,000	21,144	18,083	(3,061)
Signage	2,000	2,000	1,825	(175)
Riverwalk Landing repairs and maintenance	-	7,644	7,643	(1)
Commissioner of Accounts' postage and phone reimbursement	800	800	749	(51)
Total recovered costs	1,554,169	1,592,197	1,842,337	250,140
Total revenues	130,366,350	130,994,049	130,946,150	(47,899)
Other financing sources:				
Insurance recovery	-	16,917	19,749	2,832
Transfers in	150,000	150,000	150,000	-
Total other financing sources	150,000	166,917	169,749	2,832
Total revenues and other financing sources	$ 130,516,350	$ 131,160,966	$ 131,115,899	$ (45,067)

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Legislative Department: Board of Supervisors	$ 321,147	$ 321,147	$ 347,961	$ (26,814)
Executive Department:				
County Administrator	656,145	662,659	499,711	162,948
Public Information and Community Relations	187,640	187,640	142,787	44,853
Video Services	453,702	453,702	433,138	20,564
County Attorney	400,073	404,955	397,667	7,288
Registrar	238,245	238,245	226,986	11,259
Electoral Board	220,058	220,058	69,219	150,839
Total General Government	2,477,010	2,488,406	2,117,469	370,937
Judicial Services:				
Circuit Court	86,331	86,331	59,116	27,215
General District Court	29,935	29,935	21,024	8,911
Juvenile and Domestic Relations Court	15,250	15,250	15,920	(670)
Clerk of the Circuit Court	952,050	1,017,776	889,907	127,869
Colonial Group Home Commission	451,869	451,869	433,871	17,998
Magistrate	1,200	1,200	1,025	175
Commonwealth's Attorney	1,061,206	1,062,235	992,004	70,231
Victim/Witness	387,553	401,819	320,622	81,197
Domestic Violence	45,824	45,824	47,218	(1,394)
Total Judicial Services	3,031,218	3,112,239	2,780,707	331,532
Public Safety:				
Sheriff General Operations	1,609,330	1,732,801	1,656,882	75,919
Law Enforcement	5,421,565	5,468,371	5,023,153	445,218
Investigations	1,668,935	1,745,512	1,674,904	70,608
Civil Operations/Court Security	1,421,599	1,429,577	1,352,946	76,631
Adult Corrections	2,859,924	2,862,214	2,624,951	237,263
School Resource Officers	319,276	335,967	420,045	(84,078)
Fire and Life Safety Administration	475,435	501,601	377,675	123,926
Fire and Rescue Operations	12,184,777	12,277,623	11,390,230	887,393
Technical Services and Special Operations	789,919	789,659	592,174	197,485
Prevention and Community Safety	357,177	357,177	337,825	19,352
Juvenile Corrections	453,020	453,020	502,244	(49,224)
Animal Control	483,737	485,554	428,741	56,813
Emergency Management and Support Services	346,127	365,933	231,298	134,635
Emergency Communications/911	3,072,660	3,073,807	2,755,772	318,035
Radio Maintenance	174,163	174,163	155,533	18,630
Total Public Safety	31,637,644	32,052,979	29,524,373	2,528,606
Environmental and Development Services:				
Administration	221,292	221,292	104,758	116,534
Building Regulation	1,080,609	1,080,609	830,697	249,912
Stormwater Maintenance	914,027	914,027	900,314	13,713
Stormwater Management	652,607	652,607	537,912	114,695
Litter Control	10,525	11,525	9,014	2,511
Mosquito Control	302,744	302,744	257,192	45,552
Board of Zoning/Subdivision Appeals	4,000	4,000	1,439	2,561
Development and Compliance	782,408	801,698	774,273	27,425
Wetlands and Chesapeake Bay Boards	9,978	9,978	5,224	4,754
Total Environmental and Development Services	3,978,190	3,998,480	3,420,823	577,657
Finance and Planning:				
Office of the Controller	214,555	214,555	190,534	24,021
Computer Support Services	2,256,047	2,279,793	1,948,437	331,356
Human Resources	582,761	582,838	574,584	8,254
Budget and Financial Reporting	510,009	510,009	421,354	88,655
Fiscal Accounting Services	755,453	755,453	671,797	83,656
Commissioner of the Revenue	1,179,029	1,179,029	1,087,143	91,886
Treasurer	932,181	932,181	818,268	113,913
Real Estate Assessment	513,745	513,745	378,497	135,248
Central Purchasing	430,532	430,532	425,142	5,390
Central Administrative Services	284,203	284,203	109,335	174,868
Central Insurance	465,160	841,707	692,463	149,244

(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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Planning	$ 534,282	$ 532,370	$ 483,234	$ 49,136
Planning Commission	17,992	19,904	17,585	2,319
Economic Development	527,394	527,394	327,394	200,000
Office of Economic Development	416,189	416,189	397,530	18,659
Total Finance and Planning	9,619,532	10,019,902	8,543,297	1,476,605
Education:				
County of York Public School Division - Local	54,502,321	54,502,321	53,625,295	877,026
Library Services	2,670,006	2,679,504	2,593,780	85,724
Cooperative Extension	45,400	45,400	41,493	3,907
Total Education	57,217,727	57,227,225	56,260,568	966,657
Human Services:				
Social Services - payments to Board members	1,550	1,550	420	1,130
Contributions	1,345,664	1,345,664	1,350,120	(4,456)
Total Human Services	1,347,214	1,347,214	1,350,540	(3,326)
General Services:				
Administration	217,765	219,428	220,558	(1,130)
Engineering and Facility Maintenance	2,327,399	2,333,568	2,212,412	121,156
Facility/Utility Charges	1,194,385	1,200,554	1,088,265	112,289
Grounds Maintenance and Construction	3,196,313	3,199,160	3,119,053	80,107
Total General Services	6,935,862	6,952,710	6,640,288	312,422
Community Services:				
Administration	220,172	220,172	214,736	5,436
Special Programs	1,003	1,003	-	1,003
Housing - Administration	658,595	662,939	651,603	11,336
Housing - Rental Assistance	11,977	11,977	-	11,977
Parks and Recreation	2,106,173	2,114,577	1,953,649	160,928
Total Community Services	2,997,920	3,010,668	2,819,988	190,680
Non-departmental:				
Employee benefits	330,009	318,536	350,596	(32,060)
Contributions	537,455	542,455	394,135	148,320
Nondepartmental	283,286	283,286	283,286	-
Appropriated reserves	50,000	50,000	17,848	32,152
Total Non-departmental	1,200,750	1,194,277	1,045,865	148,412
Capital Outlay	3,834,316	3,834,316	223,825	3,610,491
Total expenditures	124,277,383	125,238,416	114,727,743	10,510,673
Other Financing Uses:				
Transfers out	26,416,504	26,468,634	20,908,430	5,560,204
Total other financing uses	26,416,504	26,468,634	20,908,430	5,560,204
Total expenditures and other financing uses	$ 150,693,887	$ 151,707,050	$ 135,636,173	$ 16,070,877

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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 3,030,000	$ 3,228,677	$ 3,228,797	$ 120
Use of money and property	1,200	1,200	-	(1,200)
Recovered costs	-	2,550	60,311	57,761
Total revenues	3,031,200	3,232,427	3,289,108	56,681
EXPENDITURES				
Current:				
Finance and planning	134,687	144,687	144,687	-
Community services	2,385,432	2,753,594	2,269,974	483,620
Debt service - principal retirement	52,918	49,983	33,853	16,130
Total expenditures	2,573,037	2,948,264	2,448,514	499,750
Excess (deficiency) of revenues over (under) expenditures	458,163	284,163	840,594	556,431
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200,000	200,000	-
Transfers out	(972,995)	(998,995)	(664,070)	334,925
Total other financing sources and uses	(972,995)	(798,995)	(464,070)	334,925
Net change in fund balances	(514,832)	(514,832)	376,524	891,356
Fund balances, beginning of year	514,239	514,239	514,239	-
Fund balances, end of year	$ (593)	$ (593)	$ 890,763	$ 891,356

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

COUNTY OF YORK, VIRGINIA
Schedule of Changes in Employer's Net Pension Liability and Related Ratios
Year Ended June 30, 2015

	County	School Board Nonprofessional	School Board Optional
Total Pension Liability			
Service cost	$ 4,324,554	$ 651,659	$ 2,224
Interest	11,340,354	1,257,618	124,341
Benefit payments	(5,365,786)	(700,700)	(193,616)
Refunds of contributions	-	-	-
Net change in total pension liability	10,299,122	1,208,577	(67,051)
Total pension liability - beginning	164,687,944	18,316,320	1,862,796
Total pension liability - ending (a)	$ 174,987,066	$ 19,524,897	$ 1,795,745
Plan Fiduciary Net Position			
Contributions - employer	$ 4,332,603	$ 540,694	$ 290,495
Contributions - employee	1,851,612	300,981	-
Net investment income	21,563,882	2,649,679	-
Benefit payments	(5,365,786)	(700,700)	(177,455)
Refunds of contributions	-	-	(22,106)
Administrative expenses	(114,394)	(14,022)	-
Other changes	1,136	139	-
Net change in plan fiduciary net position	22,269,053	2,776,771	90,934
Plan fiduciary net position - beginning	135,724,498	16,719,484	2,009,204
Plan fiduciary net position - ending (b)	$ 157,993,551	$ 19,496,255	$ 2,100,138
Net pension liability (asset)	$ 16,993,515	$ 28,642	$ (304,393)
Plan fiduciary net position as a percentage of total pension liability	90.29%	99.85%	116.95%
Covered-employee payroll	$ 37,197,611	$ 6,167,447	$ 540,694
Net pension liability as a percentage of covered employee payroll	45.68%	0.46%	-56.30%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net Pension Liability
School Board's Professional Employees
Year Ended June 30, 2015

Date	(a) Employer's Proportion of the Net Pension Liability	(b) Employer's Proportionate Share of the Net Pension Liability	(c) Employer's Covered Employee Payroll	(d) Employer's Proportionate Share of the NPL as a % of its Covered Employee Payroll b / c	(e) Plan Fiduciary Net Position as a % of the Total Pension Liability
		Professional Employees			
June 30, 2014	0.83118%	$ 100,445,000	$ 63,559,725	158.03%	70.88%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

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

COUNTY OF YORK, VIRGINIA
Schedule of Employer Contributions
Year Ended June 30, 2015

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Employee Payroll	(e) Contributions as a Percentage of Covered Employee Payroll (b) / (d)
			County		
June 30, 2015	$ 4,359,173	$ 4,359,173	$ -	$ 37,197,611	11.72%
			School Board Nonprofessional		
June 30, 2015	$ 475,903	$ 475,903	$ -	$ 6,167,447	7.72%
			School Board Professional		
June 30, 2015	$ 9,180,878	$ 9,180,878	$ -	$ 63,559,725	14.44%
			School Board Optional		
June 30, 2015	$ -	$ -	$ -	$ 6,167,447	0.00%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component went into effect in FY 2014. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013. Because this was a new benefit and the number of participants was small, the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

COUNTY OF YORK, VIRGINIA
Schedule of Funding Progress
Other Postemployment Benefits - UNAUDITED

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll
			County			
July 1, 2013	$ -	$ 22,052,123	$ (22,052,123)	0.00%	$ 35,993,900	-61.27%
July 1, 2012	-	19,336,493	(19,336,493)	0.00%	35,054,741	-55.16%
July 1, 2011	-	14,538,417	(14,538,417)	0.00%	35,815,826	-40.59%
			School Board			
June 30, 2014	$ -	$ 7,536,270	$ (7,536,270)	0.00%	$ 67,126,751	-11.23%
June 30, 2013	-	6,395,607	(6,395,607)	0.00%	45,334,607	-14.11%
June 30, 2012	-	4,963,126	(4,963,126)	0.00%	69,361,101	-7.16%

Schedule of Employer Contributions

County

Year Ended Date	Annual Required Contribution	Percent Contributed
June 30, 2015	$ 1,985,079	28.79%
June 30, 2014	1,918,054	27.70%
June 30, 2013	1,568,099	36.60%

School Board

June 30, 2015	$ 822,478	66.32%
June 30, 2014	796,174	69.16%
June 30, 2013	616,230	96.04%

1. BUDGETARY DATA

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

The budgetary data reported in the required supplementary information reflects the approved County Budget as adopted by the Board of Supervisors for the year ended June 30, 2015, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the General Fund, which is appropriated at the functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations.

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

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

2. PENSION DATA

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

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 - Non-LEOS:
- Update mortality table

- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:
- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - Non-LEOS:
- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - LEOS:
- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

3. OTHER POST-EMPLOYMENT BENEFITS (OPEB) DATA

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

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

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

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

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

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

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

Debt Service Funds:

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

Education Fund - accounts for the receipt and payment of bonds and loans issued for the construction and maintenance of educational facilities and equipment. This fund is a major governmental fund; however, it is shown here for budgetary comparison purposes.

Capital Project Funds:

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	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	$ 582,266	$ 18	$ 12,350	$ 228,952	$ 2,567,492	$ 3,391,078
Receivables, net	29,524	506,369	-	84,801	428,029	1,048,723
Prepaid expenses	-	-	-	-	18,477	18,477
Due from other funds	-	78,771	-	-	58,589	137,360
Total assets	$ 611,790	$ 585,158	$ 12,350	$ 313,753	$ 3,072,587	$ 4,595,638
LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 2,821	$ 122,457	$ -	$ -	$ 307,824	$ 433,102
Retainage payable	-	-	-	-	102,572	102,572
Salaries, taxes and benefits payable	11,917	38,265	-	-	-	50,182
Unearned revenue	-	-	-	-	137,300	137,300
Due to other funds	-	-	-	1,751	-	1,751
Due to component unit - CDA	-	-	-	310,954	-	310,954
Total liabilities	14,738	160,722	-	312,705	547,696	1,035,861
Deferred inflows of resources:						
Unavailable revenue - property taxes and grant	-	-	-	1,048	407,460	408,508
Fund balances:						
Restricted	2,668	-	12,350	-	2,005	17,023
Committed	-	-	-	-	2,115,426	2,115,426
Assigned	594,384	424,436	-	-	-	1,018,820
Unassigned	-	-	-	-	-	-
Total fund balances	597,052	424,436	12,350	-	2,117,431	3,151,269
Total liabilities, deferred inflows of resources and fund balances	$ 611,790	$ 585,158	$ 12,350	$ 313,753	$ 3,072,587	$ 4,595,638

COUNTY OF YORK, VIRGINIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Special Revenue						
REVENUES	**Children & Family Services**	**Virginia Public Assistance**	**Law Library**	**Community Development Authority Revenue Account**	**Debt Service County**	**Stormwater Capital Project**	**Total Nonmajor Governmental Funds**
General property taxes	$ -	$ -	$ -	$ 378,692	$ -	$ -	$ 378,692
Other local taxes	-	-	-	651,234	-	-	651,234
Intergovernmental							
Federal	970,981	2,269,369	-	-	-	-	3,240,350
State	-	1,213,922	-	-	-	518,472	1,732,394
Use of money and property	-	-	5	-	10	-	15
Charges for services	19,128	2,671	6,684	-	-	3,004	31,487
Miscellaneous	5,302	-	-	-	-	-	5,302
Recovered costs	-	233,585	-	-	-	-	233,585
Total revenues	995,411	3,719,547	6,689	1,029,926	10	521,476	6,273,059
EXPENDITURES							
Current:							
Judicial services	-	-	8,100	-	-	-	8,100
Human services	1,298,344	5,309,931	-	-	-	-	6,608,275
Nondepartmental	-	-	-	879,926	-	-	879,926
Capital outlay	-	-	-	-	-	2,355,779	2,355,779
Debt service:							
Principal retirement	-	-	-	-	1,418,551	-	1,418,551
Interest and fiscal charges	-	-	-	-	1,164,083	-	1,164,083
Total expenditures	1,298,344	5,309,931	8,100	879,926	2,582,634	2,355,779	12,434,714
Excess (deficiency) of revenues over (under) expenditures	(302,933)	(1,590,384)	(1,411)	150,000	(2,582,624)	(1,834,303)	(6,161,655)
OTHER FINANCING SOURCES (USES)							
Transfers in	221,000	1,828,697	-	-	2,582,624	1,130,426	5,762,747
Transfers out	-	-	-	(150,000)	-	-	(150,000)
Total other financing sources and uses	221,000	1,828,697	-	(150,000)	2,582,624	1,130,426	5,612,747
Net change in fund balances	(81,933)	238,313	(1,411)	-	-	(703,877)	(548,908)
Fund balances, beginning of year restated	678,985	186,123	13,761	-	-	2,821,308	3,700,177
Fund balances, end of year	$ 597,052	$ 424,436	$ 12,350	$ -	$ -	$ 2,117,431	$ 3,151,269

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	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	$ 968,337	$ 968,337	$ 970,981	$ 2,644	$ 2,043,984	$ 2,043,984	$ 2,269,369	$ 225,385
State	-	-	-	-	1,673,284	1,673,284	1,213,922	(459,362)
Use of money and property	2,000	2,000	-	(2,000)	-	-	-	-
Charges for services	17,000	17,000	19,128	2,128	-	-	2,671	2,671
Miscellaneous	2,400	5,290	5,302	12	-	-	-	-
Recovered costs	-	-	-	-	248,000	248,000	233,585	(14,415)
Total revenues	989,737	992,627	995,411	2,784	3,965,268	3,965,268	3,719,547	(245,721)
EXPENDITURES								
Current:								
Human services	1,412,055	1,414,945	1,298,344	116,601	6,232,426	6,232,426	5,309,931	922,495
Total expenditures	1,412,055	1,414,945	1,298,344	116,601	6,232,426	6,232,426	5,309,931	922,495
Excess (deficiency) of revenues over (under) expenditures	(422,318)	(422,318)	(302,933)	119,385	(2,267,158)	(2,267,158)	(1,590,384)	676,774
OTHER FINANCING SOURCES (USES)								
Transfers in	250,000	250,000	221,000	(29,000)	2,120,015	2,120,015	1,828,697	(291,318)
Total other financing sources and uses	250,000	250,000	221,000	(29,000)	2,120,015	2,120,015	1,828,697	(291,318)
Net change in fund balances	(172,318)	(172,318)	(81,933)	90,385	(147,143)	(147,143)	238,313	385,456
Fund balances, beginning of year restated	678,985	678,985	678,985	-	186,123	186,123	186,123	-
Fund balances, end of year	$ 506,667	$ 506,667	$ 597,052	$ 90,385	$ 38,980	$ 38,980	$ 424,436	$ 385,456

	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	$ -	$ -	$ -	$ -	$ 398,000	$ 398,000	$ 378,692	$ (19,308)
Other local taxes	-	-	-	-	702,000	702,000	651,234	(50,766)
Use of money and property	50	50	5	(45)	300	300	-	(300)
Charges for services	8,000	8,000	6,684	(1,316)	-	-	-	-
Total revenues	8,050	8,050	6,689	(1,361)	1,100,300	1,100,300	1,029,926	(70,374)
EXPENDITURES								
Current:								
Judicial services	9,000	10,500	8,100	2,400	-	-	-	-
Nondepartmental	-	-	-	-	950,300	950,300	879,926	70,374
Total expenditures	9,000	10,500	8,100	2,400	950,300	950,300	879,926	70,374
Excess (deficiency) of revenues over (under) expenditures	(950)	(2,450)	(1,411)	1,039	150,000	150,000	150,000	-
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	(150,000)	(150,000)	(150,000)	-
Total other financing sources and uses	-	-	-	-	(150,000)	(150,000)	(150,000)	-
Net change in fund balances	(950)	(2,450)	(1,411)	1,039	-	-	-	-
Fund balances, beginning of year	13,761	13,761	13,761	-	-	-	-	-
Fund balances, end of year	$ 12,811	$ 11,311	$ 12,350	$ 1,039	$ -	$ -	$ -	$ -

	Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
General property taxes	$ 398,000	$ 398,000	$ 378,692	$ (19,308)
Other local taxes	702,000	702,000	651,234	(50,766)
Intergovernmental				
Federal	3,012,321	3,012,321	3,240,350	228,029
State	1,673,284	1,673,284	1,213,922	(459,362)
Use of money and property	2,350	2,350	5	(2,345)
Charges for services	25,000	25,000	28,483	3,483
Miscellaneous	2,400	5,290	5,302	12
Recovered costs	248,000	248,000	233,585	(14,415)
Total revenues	6,063,355	6,066,245	5,751,573	(314,672)
EXPENDITURES				
Current:				
Judicial services	9,000	10,500	8,100	2,400
Human services	7,644,481	7,647,371	6,608,275	1,039,096
Nondepartmental	950,300	950,300	879,926	70,374
Total expenditures	8,603,781	8,608,171	7,496,301	1,111,870
Excess (deficiency) of revenues over (under) expenditures	(2,540,426)	(2,541,926)	(1,744,728)	797,198
OTHER FINANCING SOURCES (USES)				
Transfers in	2,370,015	2,370,015	2,049,697	(320,318)
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources and uses	2,220,015	2,220,015	1,899,697	(320,318)
Net change in fund balances	(320,411)	(321,911)	154,969	476,880
Fund balances, beginning of year	878,869	878,869	878,869	-
Fund balances, end of year	$ 558,458	$ 556,958	$ 1,033,838	$ 476,880

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Debt Service Funds
For the Year Ended June 30, 2015

	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	$ -	$ -	$ -	$ -	$ 55,190	$ 55,190	$ 55,131	$ (59)
Intergovernmental - State	-	-	-	-	-	16,299	16,299	-
Use of money and property	-	-	10	10	-	-	-	-
Recovered costs	-	-	-	-	111,723	109,560	109,559	(1)
Total revenue	-	-	10	10	166,913	181,049	180,989	(60)
EXPENDITURES								
Education	-	-	-	-	9,500,000	9,500,000	9,487,350	12,650
Debt service:								
Principal retirement	1,418,551	1,418,551	1,418,551	-	5,430,000	5,430,000	5,430,000	-
Interest and fiscal charges	1,165,085	1,165,085	1,164,083	1,002	2,175,609	2,175,609	2,172,256	3,353
Refunding and other costs of issuance	-	-	-	-	100,000	100,000	25,822	74,178
Total expenditures	2,583,636	2,583,636	2,582,634	1,002	17,205,609	17,205,609	17,115,428	90,181
Excess (deficiency) of revenues over (under) expenditures	(2,583,636)	(2,583,636)	(2,582,624)	1,012	(17,038,696)	(17,024,560)	(16,934,439)	90,121
OTHER FINANCING SOURCES (USES)								
Transfers in	2,583,636	2,583,636	2,582,624	(1,012)	7,538,696	7,524,560	7,429,767	(94,793)
Issuance of debt, net	-	-	-	-	9,500,000	9,500,000	8,530,000	(970,000)
Premium on bonds issued	-	-	-	-	-	-	974,672	974,672
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	2,583,636	2,583,636	2,582,624	(1,012)	17,038,696	17,024,560	16,934,439	(90,121)
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	$ 55,190	$ 55,190	$ 55,131	$ (59)
Intergovernmental - State	-	16,299	16,299	-
Use of money and property	-	-	10	10
Recovered costs	111,723	109,560	109,559	(1)
Total revenue	166,913	181,049	180,999	(50)
EXPENDITURES				
Education	9,500,000	9,500,000	9,487,350	12,650
Debt service:				
Principal retirement	6,848,551	6,848,551	6,848,551	-
Interest and fiscal charges	3,340,694	3,340,694	3,336,339	4,355
Refunding and other costs of issuance	100,000	100,000	25,822	74,178
Total expenditures	19,789,245	19,789,245	19,698,062	91,183
Excess (deficiency) of revenues over (under) expenditures	(19,622,332)	(19,608,196)	(19,517,063)	91,133
OTHER FINANCING SOURCES (USES)				
Transfers in	10,122,332	10,108,196	10,012,391	(95,805)
Issuance of debt	9,500,000	9,500,000	8,530,000	(970,000)
Premium on bonds issued	-	-	974,672	974,672
Deposit to refunding fund	-	-	-	-
Total other financing sources and uses	19,622,332	19,608,196	19,517,063	(91,133)
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, 2015

	Stormwater Fund				Yorktown Capital Improvements			
REVENUES	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**	**Original Budget**	**Final Budget**	**Actual**	**Variance with Final Budget Positive (Negative)**
Intergovernmental:								
State	$ 50,000	$ 1,040,922	$ 518,472	$ (522,450)	$ -	$ -	$ -	$ -
Use of money and property	5,000	5,000	-	(5,000)	-	-	6,280	6,280
Miscellaneous	-	-	-	-	-	-	-	-
Charges for services	28,000	29,550	3,004	(26,546)	-	-	-	-
Total revenues	83,000	1,075,472	521,476	(553,996)	-	-	6,280	6,280
EXPENDITURES								
Capital outlay	3,079,577	4,227,490	2,355,779	1,871,711	248,264	248,264	-	248,264
Total expenditures	3,079,577	4,227,490	2,355,779	1,871,711	248,264	248,264	-	248,264
Excess (deficiency) of revenues over (under) expenditures	(2,996,577)	(3,152,018)	(1,834,303)	1,317,715	(248,264)	(248,264)	6,280	254,544
OTHER FINANCING SOURCES (USES)								
Transfers in	720,000	720,000	1,130,426	410,426	200,000	200,000	208,992	8,992
Total other financing sources and uses	720,000	720,000	1,130,426	410,426	200,000	200,000	208,992	8,992
Net change in fund balances	(2,276,577)	(2,432,018)	(703,877)	1,728,141	(48,264)	(48,264)	215,272	263,536
Fund balances (deficit), beginning of year	2,821,308	2,821,308	2,821,308	-	(6,852,782)	(6,852,782)	(6,852,782)	-
Fund balances (deficit), end of year	$ 544,731	$ 389,290	$ 2,117,431	$ 1,728,141	$ (6,901,046)	$ (6,901,046)	$ (6,637,510)	$ 263,536

	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	$ -	$ 927,637	$ 23,831	$ (903,806)	$ -	$ 927,637	$ 23,831	$ (903,806)
State	-	247,370	45,727	(201,643)	50,000	1,288,292	564,199	(724,093)
Use of money and property	40,000	40,000	30,612	(9,388)	45,000	45,000	36,892	(8,108)
Charges for services	-	-	-	-	28,000	29,550	3,004	(26,546)
Miscellaneous	-	61,843	1,594	(60,249)	-	61,843	1,594	(60,249)
Recovered costs	58,532	171,342	157,810	(13,532)	58,532	171,342	157,810	(13,532)
Total revenues	98,532	1,448,192	259,574	(284,812)	181,532	2,523,664	787,330	(1,736,334)
EXPENDITURES								
Capital outlay	17,794,136	18,743,796	4,375,973	14,367,823	21,121,977	23,219,550	6,731,752	16,487,798
Total expenditures	17,794,136	18,743,796	4,375,973	14,367,823	21,121,977	23,219,550	6,731,752	16,487,798
Excess (deficiency) of revenues over (under) expenditures	(17,695,604)	(17,295,604)	(4,116,399)	13,179,205	(20,940,445)	(20,695,886)	(5,944,422)	14,751,464
OTHER FINANCING SOURCES (USES)								
Transfers in	3,627,308	3,627,308	3,313,532	(313,776)	4,547,308	4,547,308	4,652,950	105,642
Transfers out	-	(400,000)	(417,215)	(17,215)	-	(400,000)	(417,215)	(17,215)
Total other financing sources and uses	3,627,308	3,227,308	2,896,317	(330,991)	4,547,308	4,147,308	4,235,735	88,427
Net change in fund balances	(14,068,296)	(14,068,296)	(1,220,082)	12,848,214	(16,393,137)	(16,548,578)	(1,708,687)	14,839,891
Fund balances (deficit), beginning of year	13,886,636	13,886,636	13,886,636	-	9,855,162	9,855,162	9,855,162	-
Fund balances (deficit), end of year	$ (181,660)	$ (181,660)	$ 12,666,554	$ 12,848,214	$ (6,537,975)	$ (6,693,416)	$ 8,146,475	$ 14,839,891

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2015

	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	$ 123,926	$ 253	$ -	$ 790,705	$ 3,186,319	$ -	$ 864,718	$ 4,965,921
Receivables, net	799	-	-	718,374	103,926	-	53,692	876,791
Due from component unit - EDA	5,509	-	-	-	-	-	-	5,509
Prepaid expenses	-	-	-	2,545	15,675	-	-	18,220
Total current assets	130,234	253	-	1,511,624	3,305,920	-	918,410	5,866,441
Noncurrent assets:								
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	413,902	-	251,854	-	3,445,402
Construction in progress	-	-	-	20,000	156,994	-	2,536,516	2,713,510
Intangibles	-	-	-	-	18,890	-	-	18,890
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	-	711,539	-	453,831	-	1,611,586
Vehicles	-	-	-	631,121	-	-	-	631,121
Less accumulated depreciation	-	(2,805,187)	(499,129)	(2,484,250)	(54,719)	(17,192,494)	-	(23,035,779)
Total noncurrent assets	2,707,736	717,289	302,256	1,301,426	402,718	6,168,695	2,536,516	14,136,636
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pension costs	1,303	-	-	60,476	-	-	-	61,779
Total assets	$ 2,839,273	$ 717,542	$ 302,256	$ 2,873,526	$ 3,708,638	$ 6,168,695	$ 3,454,926	$ 20,064,856
LIABILITIES								
Current liabilities:								
Accounts payable	$ 395	$ -	$ -	$ 264,152	$ 20,106	$ -	$ -	$ 284,653
Salaries, taxes and benefits payable	149	-	-	7,710	-	-	-	7,859
Unearned revenue	19	-	-	-	29,355	-	-	29,374
Due to other funds	-	-	-	514,243	-	-	-	514,243
Compensated absences - current	-	-	-	800	-	-	-	800
Total current liabilities	563	-	-	786,905	49,461	-	-	836,929
Noncurrent liabilities:								
Compensated absences - net current	-	-	-	29,968	-	-	-	29,968
Net pension liability	5,426	-	-	235,331	-	-	-	240,757
Advance from other fund	2,650,000	-	-	-	-	-	-	2,650,000
Total noncurrent liabilities	2,655,426	-	-	265,299	-	-	-	2,920,725
Total liabilities	2,655,989	-	-	1,052,204	49,461	-	-	3,757,654
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pension costs	3,075	-	-	133,369	-	-	-	136,444
NET POSITION								
Net investment in capital assets	2,707,736	717,289	302,256	1,301,426	402,718	6,168,695	2,536,516	14,136,636
Unrestricted	(2,527,527)	253	-	386,527	3,256,459	-	918,410	2,034,122
Total net position	180,209	717,542	302,256	1,687,953	3,659,177	6,168,695	3,454,926	16,170,758
Total liabilities and net position	$ 2,839,273	$ 717,542	$ 302,256	$ 2,873,526	$ 3,708,638	$ 6,168,695	$ 3,454,926	$ 20,064,856

COUNTY OF YORK, VIRGINIA

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

Nonmajor Enterprise Funds

For the Year Ended June 30, 2015

	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	$ 112,412	$ -	$ -	$ -	$ -	$ -	$ 1,901,788	$ 2,014,200
Charges for services	51,694	-	-	4,626,082	349,594	-	-	5,027,370
Miscellaneous	291	-	-	11,330	250	-	-	11,871
Total operating revenues	164,397	-	-	4,637,412	349,844	-	1,901,788	7,053,441
Operating Expenses								
Personal services	43,408	-	-	744,327	-	-	-	787,735
Contractual services	32,060	-	-	3,229,961	5,646	-	2,607,181	5,874,848
Materials and supplies	1,966	-	-	132,073	328,378	-	27,170	489,587
Depreciation	-	31,730	15,748	143,124	5,632	370,655	-	566,889
Total operating expenses	77,434	31,730	15,748	4,249,485	339,656	370,655	2,634,351	7,719,059
Operating income (loss)	86,963	(31,730)	(15,748)	387,927	10,188	(370,655)	(732,563)	(665,618)
Nonoperating Revenues (Expenses)								
Grant income	-	-	-	12,465	-	-	-	12,465
Interest income	-	-	-	-	189	-	-	189
Gain (loss) on disposal of equipment	-	-	-	2,630	-	-	-	2,630
Total nonoperating revenues (expenses)	-	-	-	15,095	189	-	-	15,284
Loss before contributions and transfers	86,963	(31,730)	(15,748)	403,022	10,377	(370,655)	(732,563)	(650,334)
Transfers In	-	10	-	-	448,906	-	1,007,930	1,456,846
Change in net position	86,963	(31,720)	(15,748)	403,022	459,283	(370,655)	275,367	806,512
Total net position, beginning of year restated	93,246	749,262	318,004	1,284,931	3,199,894	6,539,350	3,179,559	15,364,246
Total net position, end of year	$ 180,209	$ 717,542	$ 302,256	$ 1,687,953	$ 3,659,177	$ 6,168,695	$ 3,454,926	$ 16,170,758

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2015

	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	$ 189,605	$ -	$ -	$ 4,623,485	$ 338,578	$ -	$ 1,702,220	$ 6,853,888
Receipts from internal activity	-	-	-	2,141	-	-	-	2,141
Other receipts	291	-	-	11,330	250	-	-	11,871
Payments to suppliers for goods and services	(34,044)	-	-	(3,391,632)	(344,355)	-	(2,837,855)	(6,607,886)
Payments to employees for services	(44,751)	-	-	(802,849)	-	-	-	(847,600)
Payments for interfund activity	(50,000)	-	-	(174,535)	-	-	-	(224,535)
Net cash provided by (used in) operating activities	61,101	-	-	267,940	(5,527)	-	(1,135,635)	(812,121)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grant income	-	-	-	12,465	-	-	-	12,465
Transfers in	-	10	-	-	448,906	-	1,007,930	1,456,846
Net cash provided by noncapital financing activities	-	10	-	12,465	448,906	-	1,007,930	1,469,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	-	-	-	-	(85,806)	-	(168,338)	(254,144)
Proceeds from sale of equipment	-	-	-	8,000	-	-	-	8,000
Net cash provided by (used in) capital and related financing activities	-	-	-	8,000	(85,806)	-	(168,338)	(246,144)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	-	-	-	-	189	-	-	189
Net cash provided by investing activities	-	-	-	-	189	-	-	189
Net increase (decrease) in cash and cash equivalents	61,101	10	-	288,405	357,762	-	(296,043)	411,235
Cash and cash equivalents, beginning of year	62,825	243	-	502,300	2,828,557	-	1,160,761	4,554,686
Cash and cash equivalents, end of year	$ 123,926	$ 253	$ -	$ 790,705	$ 3,186,319	$ -	$ 864,718	$ 4,965,921
Reconciliation of cash and cash equivalents to the Statement of Net Position:								
Cash and investments	$ 123,926	$ 253	$ -	$ 790,705	$ 3,186,319	$ -	$ 864,718	$ 4,965,921
Cash and cash equivalents, end of year	$ 123,926	$ 253	$ -	$ 790,705	$ 3,186,319	$ -	$ 864,718	$ 4,965,921
Reconciliation of operating income (loss) to net cash used in operating activities:								
Operating income (loss)	$ 86,963	$ (31,730)	$ (15,748)	$ 387,927	$ 10,188	$ (370,655)	$ (732,563)	$ (665,618)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation	-	31,730	15,748	143,124	5,632	370,655	-	566,889
(Increase) decrease in:								
Receivables	1,659	-	-	33,834	3,519	-	(31,588)	7,424
Due from component unit - EDA	23,841	-	-	-	-	-	-	23,841
Due from other funds	-	-	-	(34,290)	-	-	-	(34,290)
Increase (decrease) in:								
Accounts payable	(18)	-	-	(29,598)	(10,331)	-	(203,504)	(243,451)
Retainage payable	-	-	-	-	-	-	-	-
Salaries, taxes and benefits payable	(677)	-	-	(26,352)	-	-	-	(27,029)
Unearned revenue	(1)	-	-	-	(14,535)	-	(167,980)	(182,516)
Due to other funds	-	-	-	(174,535)	-	-	-	(174,535)
Net pension liability and related outflows/inflows	(666)	-	-	(32,876)	-	-	-	(33,542)
Compensated absences	-	-	-	706	-	-	-	706
Advance from other fund	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	$ 61,101	$ -	$ -	$ 267,940	$ (5,527)	$ -	$ (1,135,635)	$ (812,121)

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.

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
ASSETS				
Current assets:				
Cash and investments	$ 2,516,008	$ 4,508,556	$ 5,048,663	$ 12,073,227
Receivable, net	55,827	-	-	55,827
Due from other funds	-	-	1,727,828	1,727,828
Prepaid expenses	-	691,100	-	691,100
Total current assets	2,571,835	5,199,656	6,776,491	14,547,982
Noncurrent assets:				
Depreciable capital assets:				
Intangibles	101,512	-	-	101,512
Land improvements	221,446	-	-	221,446
Equipment	1,281,063	-	-	1,281,063
Vehicles	5,352,910	-	-	5,352,910
Less accumulated depreciation	(3,955,027)	-	-	(3,955,027)
Less accumulated amortization	(50,755)	-	-	(50,755)
Total noncurrent assets	2,951,149	-	-	2,951,149
Deferred outflows of resources				
Deferred ouflows related to pension costs	63,741	-	-	63,741
Total assets	$ 5,586,725	$ 5,199,656	$ 6,776,491	$ 17,562,872
LIABILITIES				
Current liabilities:				
Accounts payable	$ 76,363	$ 718,970	$ -	$ 795,333
Salaries, taxes and benefits payable	8,444	-	-	8,444
Due to other funds	8,785	-	-	8,785
Unearned revenue	-	879,879	-	879,879
Compensated absences - current	5,700	-	-	5,700
Total current liabilities	99,292	1,598,849	-	1,698,141
Noncurrent liabilities:				
Compensated absences - net current	66,429	-	-	66,429
Claims payable	-	963,023	-	963,023
Net pension liability	250,787			250,787
Net OPEB obligation	-	-	6,776,491	6,776,491
Total noncurrent liabilities	317,216	963,023	6,776,491	8,056,730
Total liabilities	416,508	2,561,872	6,776,491	9,754,871
Deferred inflows of resources				
Deferred inflows related to pension costs	142,129	-	-	142,129
NET POSITION				
Net investment in capital assets	2,951,149	-	-	2,951,149
Unrestricted	2,076,939	2,637,784	-	4,714,723
Total net position	5,028,088	2,637,784	-	7,665,872
Total liabilities and net position	$ 5,586,725	$ 5,199,656	$ 6,776,491	$ 17,562,872

COUNTY OF YORK, VIRGINIA

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

Internal Service Funds

For the Year Ended June 30, 2015

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
Operating Revenues				
Charges for services	$ 3,551,400	$ 9,380,200	$ -	$ 12,931,600
Miscellaneous	38,383	80,300	-	118,683
Total operating revenues	3,589,783	9,460,500	-	13,050,283
Operating Expenses				
Personal services	752,868	608,360	1,732,130	3,093,358
Contractual services	473,757	10,590,803	-	11,064,560
Materials and supplies	1,885,532	-	-	1,885,532
Depreciation	576,078	-	-	576,078
Amortization	20,302	-	-	20,302
Total operating expenses	3,708,537	11,199,163	1,732,130	16,639,830
Operating loss	(118,754)	(1,738,663)	(1,732,130)	(3,589,547)
Nonoperating Revenues (Expenses)				
Interest income	-	1,980	4,302	6,282
Gain on disposal of capital assets	32,072	-	-	32,072
Total nonoperating revenues (expenses)	32,072	1,980	4,302	38,354
Loss before contributions and transfers	(86,682)	(1,736,683)	(1,727,828)	(3,551,193)
Transfers In	-	-	1,727,828	1,727,828
Change in net position	(86,682)	(1,736,683)	-	(1,823,365)
Total net position, beginning of year restated	5,114,770	4,374,467	-	9,489,237
Total net position, end of year	$ 5,028,088	$ 2,637,784	$ -	$ 7,665,872

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Other Post-Employment Benefit (OPEB) Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 3,563,125	$ 12,119,329	$ 6,111	$ 15,688,565
Receipts from interfund activity	6,549	-	-	6,549
Other receipts	38,383	80,300	-	118,683
Payments to suppliers for goods and services	(2,446,670)	(7,084,693)	-	(9,531,363)
Payments to employees for services	(818,457)	(608,360)	(395,634)	(1,822,451)
Payments for interfund activity	-	-	(2,002,581)	(2,002,581)
Net cash provided by (used in) operating activities	342,930	4,506,576	(2,392,104)	2,457,402
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	1,727,828	1,727,828
Net cash provided by noncapital financing activities	-	-	1,727,828	1,727,828
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(604,706)	-	-	(604,706)
Net proceeds from the disposal of capital assets	148,960	-	-	148,960
Net cash used in capital and related financing activities	(455,746)	-	-	(455,746)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	1,980	4,302	6,282
Net cash provided by investing activities	-	1,980	4,302	6,282
Net increase (decrease) in cash and cash equivalents	(112,816)	4,508,556	(659,974)	3,735,766
Cash and cash equivalents, beginning of year	2,628,824	-	5,708,637	8,337,461
Cash and cash equivalents, end of year	$ 2,516,008	$ 4,508,556	$ 5,048,663	$ 12,073,227
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments	$ 2,516,008	$ 4,508,556	$ 5,048,663	$ 12,073,227
Cash and cash equivalents, end of year	$ 2,516,008	$ 4,508,556	$ 5,048,663	$ 12,073,227
Reconciliation of operating loss to net cash cash provided by (used in) operating activities:				
Operating loss	$ (118,754)	$ (1,738,663)	$ (1,732,130)	$ (3,589,547)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	576,078	-	-	576,078
Amortization	20,302	-	-	20,302
Decrease (increase) in:				
Receivables	39,658	-	6,111	45,769
Prepaid expenses	-	(691,100)	-	(691,100)
Increase (decrease) in:				
Accounts payable	(87,381)	718,970	-	631,589
Salaries, taxes and benefits payable	(30,185)	-	(47,531)	(77,716)
Due to other funds	(21,384)	4,374,467	(2,002,581)	2,350,502
Unearned revenue	-	879,879	-	879,879
Claims payable	-	963,023	-	963,023
Compensated absences	(1,075)	-	-	(1,075)
Net pension liability and related outflows/inflows	(34,329)	-	-	(34,329)
Net OPEB obligation	-	-	1,384,027	1,384,027
Net cash provided by (used in) operating activities	$ 342,930	$ 4,506,576	$ (2,392,104)	$ 2,457,402

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, 2015

	Colonial Behavioral Health	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
ASSETS						
Cash and investments	$ 3,656,199	$ 310,635	$ 64,678	$ 20,204	$ 118,386	$ 4,170,102
Other receivables	48,431	-	-	75,029	-	123,460
Total assets	$ 3,704,630	$ 310,635	$ 64,678	$ 95,233	$ 118,386	$ 4,293,562
LIABILITIES						
Accounts payable	$ 750,272	$ 7,710	$ -	$ 95,233	$ 200	$ 853,415
Salaries, taxes and benefits payable	87,128	12,414	-	-	-	99,542
Amounts held for others	2,867,230	290,511	64,678	-	118,186	3,340,605
Total liabilities	$ 3,704,630	$ 310,635	$ 64,678	$ 95,233	$ 118,386	$ 4,293,562

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

	Restated Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Behavioral Health				
ASSETS				
Cash and investments	$ 3,767,215	$ 14,771,128	$ 14,882,144	$ 3,656,199
Other receivables	121,112	48,431	121,112	48,431
Total assets	$ 3,888,327	$ 14,819,559	$ 15,003,256	$ 3,704,630
LIABILITIES				
Accounts payable - restated	$ 975,234	$ 780,013	$ 1,004,975	750,272
Salaries, taxes and benefits payable	326,193	87,128	326,193	87,128
Amounts held for others - restated	2,586,900	13,952,418	13,672,088	2,867,230
Total liabilities	$ 3,888,327	$ 14,819,559	$ 15,003,256	$ 3,704,630
Colonial Group Home Commission				
ASSETS				
Cash and investments - restated	$ 295,679	$ 1,672,506	$ 1,657,550	$ 310,635
Other receivables	19,123	-	19,123	-
Total assets	$ 314,802	$ 1,672,506	$ 1,676,673	$ 310,635
LIABILITIES				
Accounts payable	$ 12,629	$ 7,710	$ 12,629	$ 7,710
Salaries, taxes and benefits payable	42,903	12,414	42,903	12,414
Amounts held for others - restated	259,270	1,652,382	1,621,141	290,511
Total liabilities	$ 314,802	$ 1,672,506	$ 1,676,673	$ 310,635
Special Welfare				
ASSETS				
Cash and investments	$ 38,529	$ 47,847	$ 21,698	$ 64,678
Total assets	$ 38,529	$ 47,847	$ 21,698	$ 64,678
LIABILITIES				
Amounts held for others	$ 38,529	$ 47,847	$ 21,698	$ 64,678
Total liabilities	$ 38,529	$ 47,847	$ 21,698	$ 64,678
Regional Projects				
ASSETS				
Cash and investments	$ 27,813	$ 460,352	$ 467,961	$ 20,204
Other receivables	77,821	-	2,792	75,029
Total assets	$ 105,634	$ 460,352	$ 470,753	$ 95,233
LIABILITIES				
Accounts payable	$ 105,634	$ 95,233	$ 105,634	$ 95,233
Amounts held for others	-	365,119	365,119	-
Total liabilities	$ 105,634	$ 460,352	$ 470,753	$ 95,233
Other Funds				
ASSETS				
Cash and investments	$ 120,422	$ 45	$ 2,081	$ 118,386
Other receivables	1	-	1	-
Total assets	$ 120,423	$ 45	$ 2,082	$ 118,386
LIABILITIES				
Accounts payable	$ 2,056	$ 200	$ 2,056	$ 200
Amounts held for others	118,367	-	181	118,186
Total liabilities	$ 120,423	$ 200	$ 2,237	$ 118,386
Totals - All Agency Funds				
ASSETS				
Cash and investments - restated	$ 4,249,658	$ 16,951,878	$ 17,031,434	$ 4,170,102
Other receivables	218,057	48,431	143,028	123,460
Total assets	$ 4,467,715	$ 17,000,309	$ 17,174,462	$ 4,293,562
LIABILITIES				
Accounts payable - restated	$ 1,095,553	$ 883,156	$ 1,125,294	$ 853,415
Salaries, taxes and benefits payable	369,096	99,542	369,096	99,542
Amounts held for others - restated	3,003,066	16,017,766	15,680,227	3,340,605
Total liabilities	$ 4,467,715	$ 17,000,464	$ 17,174,617	$ 4,293,562

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STATISTICAL SECTION

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

Contents:

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

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

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

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

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net investment in capital assets	$ 55,705,954	$ 55,437,501	$ 57,401,484	$ 57,208,246	$ 58,572,877	$ 58,434,789	$ 60,961,846	$ 68,935,110	$ 58,761,927	$ 58,063,581
Restricted	1,901,161	1,476,281	1,520,094	1,235,126	10,669	10,723	1,713,484	17,605	26,547	306,867
Unrestricted	(9,934,965)	21,674,899	13,599,525	8,878,056	10,664,551	6,832,631	3,408,239	(6,044,992)	(9,510,796)	(9,492,312)
Total governmental activities net position	$ 47,672,150	$ 78,588,681	$ 72,521,103	$ 67,321,428	$ 69,248,097	$ 65,278,143	$ 66,083,569	$ 62,907,723	$ 49,277,678	$ 48,878,136
Business-type Activities:										
Net investment in capital assets	$103,815,937	$102,477,564	$ 97,496,807	$ 91,705,008	$ 92,794,535	$ 95,113,023	$ 93,173,971	$ 99,168,724	$ 91,442,202	$ 83,735,002
Restricted	177,154	177,139	174,935	182,087	403,421	314,833	314,693	313,785	312,456	457,985
Unrestricted	6,630,921	5,817,374	7,734,278	12,061,259	10,366,477	6,605,990	7,623,256	5,203,690	7,367,773	9,535,371
Total business-type activities net position	$110,624,012	$108,472,077	$ 105,406,020	$ 103,948,354	$ 103,564,433	$ 102,033,846	$ 101,111,920	$ 104,686,199	$ 99,122,431	$ 93,728,358
Primary Government:										
Net investment in capital assets	$159,521,891	$157,915,065	$ 154,898,291	$ 148,913,254	$ 151,367,412	$ 153,547,812	$ 154,135,817	$ 168,103,834	$ 150,204,129	$ 141,798,583
Restricted	2,078,315	1,653,420	1,695,029	1,417,213	414,090	325,556	2,028,177	331,390	339,003	764,852
Unrestricted	(3,304,044)	27,492,273	21,333,803	20,939,315	21,031,028	13,438,621	11,031,495	(841,302)	(2,143,023)	43,059
Total primary government net position	$158,296,162	$187,060,758	$ 177,927,123	$ 171,269,782	$ 172,812,530	$ 167,311,989	$ 167,195,489	$ 167,593,922	$ 148,400,109	$ 142,606,494

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	$ 3,408,038	$ 8,717,434	$ 3,469,315	$ 3,852,265	$ 4,756,990	$ 3,281,995	$ 3,729,163	$ 3,450,703	$ 3,661,480	$ 4,012,732
Judicial services	3,256,745	3,190,077	2,974,509	2,983,284	3,114,416	3,050,588	3,217,220	3,079,480	2,717,696	2,485,418
Public safety	31,565,116	31,994,037	31,809,187	30,651,085	29,749,782	29,913,451	29,469,455	27,466,315	25,729,808	24,020,296
Environmental and development services	5,921,822	4,459,304	4,392,549	5,110,799	7,360,263	4,588,243	4,293,152	4,181,043	5,102,854	3,734,376
Finance and planning	9,776,644	11,071,656	9,605,982	9,246,805	9,957,090	10,347,260	11,074,824	9,630,189	10,342,827	8,335,453
Education	68,436,746	49,589,562	51,052,753	55,589,523	48,896,509	52,749,950	53,460,125	45,742,991	55,247,261	56,619,850
Human services	7,854,783	8,217,138	7,895,079	8,250,918	8,375,011	8,888,070	8,751,468	8,594,261	8,031,668	7,713,122
General services	6,884,634	6,707,865	6,400,928	7,185,728	7,159,338	7,219,383	6,944,857	6,733,491	6,287,891	5,759,901
Community services	6,449,967	6,263,573	6,333,119	6,667,688	5,934,513	5,828,214	6,021,699	4,926,133	5,280,722	4,076,306
Interest and fiscal charges on noncurrent debt	2,735,422	3,898,226	3,974,566	4,048,324	4,263,014	4,393,098	4,144,723	3,708,287	3,883,116	3,624,871
Total governmental activities	146,289,917	134,108,872	127,907,987	133,586,419	129,566,926	130,260,252	131,106,686	117,512,893	126,285,323	120,382,325
Business-type activities:										
Sewer Utility	10,705,774	10,505,293	10,086,788	10,467,392	9,983,893	8,949,964	9,011,555	7,766,854	6,960,108	6,311,720
Water Utility	339,656	349,496	1,002,427	346,275	362,073	596,782	7,100,039	637,020	768,276	526,428
Solid Waste	4,249,485	4,818,406	4,651,045	5,599,987	4,407,178	4,305,967	4,228,895	4,203,909	4,366,338	3,803,501
Yorktown Operations	77,434	74,718	98,893	112,258	117,368	122,537	137,837	214,489	197,646	373,209
Sanitary Districts	418,133	418,133	424,857	431,544	439,058	455,094	534,583	469,312	483,459	611,426
Regional Radio System	2,634,351	2,494,441	2,402,484	2,024,644	1,773,267	1,524,079	58,246	32,826	-	-
Total business-type activities	18,424,833	18,660,487	18,666,494	18,982,100	17,082,837	15,954,423	21,071,155	13,324,410	12,775,827	11,626,284
Total primary government	$ 164,714,750	$ 152,769,359	$ 146,574,481	$ 152,568,519	$ 146,649,763	$ 146,214,675	$ 152,177,841	$ 130,837,303	$ 139,061,150	$ 132,008,609
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 141,697	$ 121,888	$ 86,198	$ 77,019	$ 78,310	$ 112,626	$ 93,000	$ 91,605	$ 94,418	$ 67,823
Judicial services	496,240	528,711	606,118	854,103	783,767	939,549	1,001,882	1,001,023	996,492	1,027,313
Public safety	3,146,553	3,212,578	2,252,219	3,408,661	3,238,055	1,773,303	1,081,644	980,923	566,118	550,938
Environmental and development services	816,746	741,235	654,373	403,657	412,451	529,167	657,892	822,526	1,015,870	874,000
Finance and planning	447,610	449,041	447,077	411,139	400,466	244,008	79,754	213,526	84,449	64,964
Education	311,851	213,633	161,115	59,587	521,282	944,383	671,289	375,062	664,019	775,129
Human services	277,393	270,403	295,254	289,378	362,963	371,921	423,252	373,751	252,905	239,712
General services	1,289,908	1,257,665	1,404,091	1,181,949	1,200,451	1,238,374	1,254,539	1,291,090	1,319,800	1,162,455
Community services	500,144	514,474	503,702	443,227	516,414	497,008	458,100	428,373	380,418	343,696
Operating grants and contributions	10,188,235	10,521,429	10,205,585	10,146,333	10,738,996	10,900,393	10,796,179	10,949,851	11,264,285	10,556,849
Capital grants and contributions	1,369,785	317,128	1,668,035	2,727,017	2,562,616	1,683,547	1,092,566	1,426,194	2,258,265	2,334,900
Total governmental activities	18,986,162	18,148,185	18,283,767	20,002,070	20,815,771	19,234,279	17,610,097	17,953,924	18,897,039	17,997,779
Business-type activities:										
Charges for services:										
Sewer Utility	11,144,763	9,924,081	8,928,385	7,938,010	7,209,582	6,878,901	7,353,075	7,010,571	7,394,850	7,058,534
Water Utility	349,594	383,138	357,728	333,534	351,955	360,297	718,736	790,208	723,962	919,793
Solid Waste	4,626,082	4,856,961	3,739,588	3,505,246	3,520,553	3,452,153	3,384,681	3,441,896	3,191,246	2,745,894
Yorktown Operations	164,106	166,197	88,725	87,353	97,919	141,836	335,753	324,592	76,636	53,718
Regional Radio System	1,901,788	1,602,377	1,501,755	1,259,130	1,035,880	903,155	200,053	125,620	-	-
Operating grants and contributions	289,674	295,108	300,180	1,342,550	149,502	10,070	-	455	573,544	-
Capital grants and contributions	925,950	1,371,580	1,139,604	1,063,452	2,595,686	1,027,138	1,742,277	3,500,028	2,126,944	3,319,300
Total business-type activities	19,401,957	18,599,442	16,055,965	15,529,275	14,961,077	12,773,550	13,734,575	15,193,370	14,087,182	14,097,239
Total primary government	$ 38,388,119	$ 36,747,627	$ 34,339,732	$ 35,531,345	$ 35,776,848	$ 32,007,829	$ 31,344,672	$ 33,147,294	$ 32,984,221	$ 32,095,018
Net (expense)/revenue										
Governmental activities	$ (127,303,755)	$ (115,960,687)	$ (109,624,220)	$ (113,584,349)	$ (108,751,155)	$ (111,025,973)	$ (113,496,589)	$ (99,558,969)	$ (107,388,284)	$ (102,384,546)
Business-type activities	977,124	(61,045)	(2,610,529)	(3,452,825)	(2,121,760)	(3,180,873)	(7,336,580)	1,868,960	1,311,355	2,470,955
Total primary government net expense	$ (126,326,631)	$ (116,021,732)	$ (112,234,749)	$ (117,037,174)	$ (110,872,915)	$ (114,206,846)	$ (120,833,169)	$ (97,690,009)	$ (106,076,929)	$ (99,913,591)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	81,767,345	80,907,792	79,711,885	76,373,509	77,433,934	75,669,094	79,616,260	73,269,069	69,702,015	62,707,281
Local sales and use taxes	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803
Hotel and motel room taxes	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491
Restaurant food taxes	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630
Business license taxes	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395
Motor vehicle licenses	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565
Franchise taxes	-	-	-	-	-	-	-	-	364,516	703,762
Taxes on recordation and wills	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164
Emergency telephone service taxes	-	-	-	-	-	-	-	-	352,343	717,810
Other local taxes	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667	2,011,290	1,997,715	2,371,898	1,248,928	619,655
Personal property tax relief - Commonwealth of Virginia	8,665,120	8,741,680	8,525,325	8,485,927	8,496,159	8,550,746	8,547,502	8,737,103	8,760,459	9,138,457
Unrestricted investment earnings	149,037	216,877	85,087	174,000	234,060	256,284	1,070,698	2,331,247	2,659,404	1,767,067
Miscellaneous	79,766	1,256,436	232,168	414,057	813,341	683,799	1,037,292	550,278	1,016,178	875,600
Gain (loss) on sale of capital assets	(118,576)	22,306	25,631	28,907	33,007	-	-	-	-	-
Transfers	(3,346,849)	(3,262,639)	(3,826,920)	(3,739,725)	(3,562,226)	(3,913,865)	(3,330,542)	(3,201,992)	(3,207,179)	(3,414,294)
Total governmental activities	118,533,124	118,784,281	114,823,895	111,657,680	112,721,109	110,220,547	116,672,435	113,189,014	107,787,826	97,968,386
Business-type activities:										
Unrestricted investment earnings	12,167	37,303	54,762	66,982	68,299	125,061	289,168	463,923	559,177	441,818
Miscellaneous	17,684	43,003	82,881	30,039	21,822	62,956	142,591	28,893	316,362	299,952
Gain on sale of capital assets	573	-	103,632	-	-	917	-	-	-	-
Transfers	3,346,849	3,262,639	3,826,920	3,739,725	3,562,226	3,913,865	3,330,542	3,201,992	3,207,179	3,414,294
Total business-type activities	3,377,273	3,342,945	4,068,195	3,836,746	3,652,347	4,102,799	3,762,301	3,694,808	4,082,718	4,156,064
Total primary government	$ 121,910,397	$ 122,127,226	$ 118,892,090	$ 115,494,426	$ 116,373,456	$ 114,323,346	$ 120,434,736	$ 116,883,822	$ 111,870,544	$ 102,124,450
Change in Net Position										
Governmental activities	$ (8,770,631)	$ 2,823,594	$ 5,199,675	$ (1,926,669)	$ 3,969,954	$ (805,426)	$ 3,175,846	$ 13,630,045	$ 399,542	$ (4,416,160)
Business-type activities	4,354,397	3,281,900	1,457,666	383,921	1,530,587	921,926	(3,574,279)	5,563,768	5,394,073	6,627,019
Total primary government	$ (4,416,234)	$ 6,105,494	$ 6,657,341	$ (1,542,748)	$ 5,500,541	$ 116,500	$ (398,433)	$ 19,193,813	$ 5,793,615	$ 2,210,859

COUNTY OF YORK, VIRGINIA

Governmental Activities Tax Revenues By Source - Accrual Basis of Accounting

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Property tax	$ 81,767,345	$ 80,907,792	$ 79,711,885	$ 76,373,509	$ 77,433,934	$ 75,669,094	$ 79,616,260	$ 73,269,069	$ 69,702,015	$ 62,707,281
Local sales and use tax	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,363,787	8,928,076	8,319,803
Hotel and motel room taxes	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193	4,072,547	4,292,559	4,563,470	4,196,637	3,698,491
Restaurant food taxes	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721	5,034,793	5,178,743	5,143,049	4,910,446	4,495,630
Business license taxes	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,601,944	5,455,784	4,957,395
Motor vehicle licenses	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710	1,419,591	1,495,939	1,404,639	1,426,483	1,357,565
Franchise taxes	-	-	-	-	-	-	-	-	364,516	703,762
Taxes on recordation and wills	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164
Emergency telephone service	-	-	-	-	-	-	-	-	352,343	717,810
Other local taxes	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667	2,011,290	1,997,715	2,371,898	1,248,928	619,655
Total	$ 113,104,626	$ 111,809,621	$ 109,782,604	$ 106,294,514	$ 106,706,768	$ 104,643,583	$ 109,347,485	$ 104,772,378	$ 98,558,964	$ 89,601,556

COUNTY OF YORK, VIRGINIA

Fund Balances of Governmental Funds - Modified Accrual Basis of Accounting

Last Ten Fiscal Years*

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	$ 9,743,740	$ 9,808,279	$ 10,518,258	$ 10,578,620	$ 11,106,155	$ -	$ -	$ -	$ -	$ -
Restricted	991,058	940,152	843,439	781,934	858,361	-	-	-	-	-
Committed	13,315,169	12,664,460	12,520,518	12,380,970	12,446,451	-	-	-	-	-
Assigned	13,262,008	18,505,878	14,064,015	18,997,964	8,319,357	-	-	-	-	-
Unassigned	16,126,447	19,747,802	15,612,469	15,547,246	21,491,918	-	-	-	-	-
Reserved	-	-	-	-	-	11,609,565	12,371,540	14,021,740	15,645,170	15,053,392
Unreserved	-	-	-	-	-	39,851,251	39,493,924	39,412,194	32,796,722	23,753,571
Total general fund	$ 53,438,422	$ 61,666,571	$ 53,558,699	$ 58,286,734	$ 54,222,242	$ 51,460,816	$ 51,865,464	$ 53,433,934	$ 48,441,892	$ 38,806,963
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ 138,671	$ 210,976	$ 8,194,857	$ -	$ -	$ -	$ -	$ -
Restricted	910,103	536,129	676,655	432,829	1,504,544	-	-	-	-	-
Committed	4,052,604	5,653,220	9,937,427	851,246	1,101,066	-	-	-	-	-
Assigned	11,745,879	11,931,032	12,203,643	15,058,975	14,165,574	-	-	-	-	-
Unassigned	(6,637,510)	(6,716,787)	(7,285,908)	(7,308,883)	(15,666,704)	-	-	-	-	-
Reserved	-	-	-	-	-	12,413,276	11,633,657	7,297,735	2,315,408	2,741,390
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	(6,686,125)	(7,518,113)	533,468	369,712	(37,149)
Capital project funds	-	-	-	-	-	9,075,811	10,990,959	(7,771,767)	4,577,888	6,532,017
Total all other governmental funds	$ 10,071,076	$ 11,403,594	$ 15,670,488	$ 9,245,143	$ 9,299,337	$ 14,802,962	$ 15,106,503	$ 59,436	$ 7,263,008	$ 9,236,258

*Fiscal years 2015-2011 reflect the adoption of GASB 54, "*Fund Balance Reporting and Governmental Fund Type Definitions.*"

COUNTY OF YORK, VIRGINIA

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

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
General property taxes	$ 81,977,556	$ 81,125,127	$ 80,071,914	$ 78,172,692	$ 76,516,162	$ 75,850,691	$ 77,258,854	$ 73,378,206	$ 69,684,667	$ 62,683,368
Other local taxes	31,318,061	30,891,414	30,012,365	29,997,922	29,073,893	28,997,406	29,646,843	31,393,679	28,747,770	26,790,657
Intergovernmental	19,612,174	19,413,247	20,114,231	20,720,210	19,700,968	20,179,204	19,489,917	20,355,321	20,847,757	21,502,588
Permits, fees and licenses	882,569	818,221	659,658	468,190	471,535	598,252	735,562	831,243	1,046,764	913,332
Fines and forfeitures	277,108	298,754	335,974	387,560	359,937	371,169	358,110	345,100	327,126	327,745
Use of money and property	523,982	547,159	393,980	438,442	643,250	623,904	1,384,103	2,579,157	2,924,334	2,052,750
Charges for services	3,659,811	3,802,981	3,821,047	3,772,679	3,561,630	2,759,517	2,630,683	2,757,316	2,578,634	2,403,509
Miscellaneous	360,608	1,013,034	251,048	779,129	811,833	581,827	611,039	484,469	753,369	874,117
Recovered costs	2,343,291	2,732,928	2,527,853	2,378,769	2,608,989	3,160,903	2,161,212	2,071,392	2,600,887	1,686,726
Total revenue	140,955,160	140,642,865	138,188,070	137,115,593	133,748,197	133,122,873	134,276,323	134,195,883	129,511,308	119,234,792
Expenditures										
General government	2,117,469	2,203,303	2,056,291	2,011,421	1,915,207	1,911,202	2,018,604	1,844,681	2,113,708	1,673,175
Judicial services	2,788,807	2,741,134	2,576,351	2,630,531	2,831,373	2,760,342	2,775,268	2,811,979	2,542,993	2,242,388
Public safety	29,524,373	29,096,722	28,296,119	27,595,816	30,126,085	27,326,021	26,970,154	25,451,641	23,780,172	23,712,329
Environmental and development services	3,420,823	3,668,780	3,512,884	3,441,640	3,492,773	3,580,740	3,572,643	3,440,043	3,364,588	3,090,005
Finance and planning	8,687,984	9,613,082	8,305,316	7,822,399	9,058,412	9,479,582	10,506,158	9,602,977	10,189,383	8,126,815
Education	65,747,918	49,386,779	50,780,591	55,271,680	48,805,929	52,623,555	53,222,468	45,330,434	55,134,646	56,476,027
Human services	7,958,815	7,839,768	7,663,060	7,875,456	8,221,433	8,833,985	8,747,132	8,615,083	7,991,893	7,660,822
General services	6,640,288	6,323,547	6,086,730	6,747,125	6,822,173	7,012,414	7,311,531	6,604,110	6,362,307	5,767,179
Community services	5,089,962	4,796,824	4,758,072	5,271,976	4,138,036	3,512,723	3,696,218	3,398,991	3,310,307	3,361,651
Non-departmental	1,925,791	1,615,921	2,267,011	2,278,091	1,429,528	1,913,583	1,881,882	1,667,624	1,939,030	1,400,428
Capital outlay	6,955,577	7,784,015	4,646,213	4,091,765	8,968,847	4,613,783	9,789,500	14,993,302	4,710,733	6,877,390
Debt service:										
Principal	6,882,404	7,182,911	6,550,894	6,901,861	6,560,684	5,814,490	5,574,780	5,672,147	5,165,611	4,693,813
Interest and fiscal charges	3,336,339	3,652,774	3,959,671	4,078,062	4,283,166	4,402,171	3,855,923	3,880,565	3,750,570	3,205,542
Other costs of debt issuance	25,822	188,219	-	41,814	24,257	52,621	328,015	-	4,339	7,355
Total expenditures	151,102,372	136,093,779	131,459,203	136,059,637	136,677,903	133,837,212	140,250,276	133,313,577	130,360,280	128,294,919
Excess (deficiency) of revenues over (under) expenditures	(10,147,212)	4,549,086	6,728,867	1,055,956	(2,929,706)	(714,339)	(5,973,953)	882,306	(848,972)	(9,060,127)
Other Financing Sources (Uses)										
Insurance recovery	19,749	21,459	23,596	37,594	5,363	206,459	34,680	78,629	188,175	30,465
Bonds issued	21,125,000	9,865,000	-	6,925,000	1,120,000	4,180,000	22,630,000	-	11,030,000	14,905,000
Premium on bonds issued	974,672	827,791	-	1,047,456	-	66,222	523,691	-	274,451	797,573
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Capital leases	-	300,376	-	-	3,035,627	-	151,400	148,428	286,890	971,921
Sale of capital and other assets	-	-	-	11,000	482,720	12,723	347,464	-	-	-
Transfers In	17,065,038	13,989,217	19,188,067	14,018,812	16,211,735	17,148,920	36,597,362	17,664,742	15,553,666	14,255,255
Deposits for refunding	(12,595,000)	(10,500,116)	-	-	-	-	-	-	-	-
Transfers Out	(22,139,715)	(18,879,173)	(24,243,220)	(19,085,520)	(20,667,938)	(21,608,174)	(40,832,047)	(20,985,635)	(18,822,531)	(17,822,058)
Total other financing sources (uses)	4,449,744	(4,375,446)	(5,031,557)	2,954,342	187,507	6,150	19,452,550	(3,093,836)	8,510,651	13,138,156
Net change in fund balances	$ (5,697,468)	$ 173,640	$ 1,697,310	$ 4,010,298	$ (2,742,199)	$ (708,189)	$ 13,478,597	$ (2,211,530)	$ 7,661,679	$ 4,078,029
Debt service as a percentage of noncapital expenditures (1)	6.95%	8.11%	8.27%	8.22%	8.3%	7.8%	7.2%	8.1%	7.0%	6.6%

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

COUNTY OF YORK, VIRGINIA

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

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Property tax	$ 81,977,556	$ 81,125,127	$ 80,071,914	$ 78,172,692	$ 76,516,162	$ 75,850,691	$ 77,258,854	$ 73,378,206	$ 69,684,667	$ 62,683,368
Local sales and use tax	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221	9,661,699	9,522,530	8,928,076	8,319,803
Hotel and motel room taxes	4,643,484	4,323,868	4,302,250	4,278,426	4,264,686	4,057,057	4,290,511	4,563,470	4,196,637	3,698,491
Restaurant food taxes	5,814,040	5,631,472	5,563,010	5,381,266	5,260,568	5,054,179	5,132,516	5,143,049	4,910,446	4,495,630
Business license taxes	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052	5,487,494	6,712,236	5,455,784	4,957,395
Communications sales tax	1,311,310	1,322,868	1,345,767	1,342,206	1,370,049	1,376,864	1,371,148	1,509,095	647,120	-
Motor vehicle licenses	1,574,559	1,586,865	1,525,026	1,514,549	1,485,763	1,474,552	1,503,306	1,404,639	1,426,483	1,357,565
Franchise taxes	1,267	1,247	1,028	735	502	259	41	-	364,516	703,762
Taxes on recordation and wills	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995	1,617,076	2,054,522	1,973,736	2,024,164
Emergency telephone service taxes	-	-	-	-	-	-	-	-	352,343	717,810
Other local taxes	581,802	593,893	586,487	595,901	640,782	598,227	583,052	484,138	492,629	516,037
Total	$ 113,295,617	$ 112,016,541	$ 110,084,279	$ 108,170,614	$ 105,590,055	$ 104,848,097	$ 106,905,697	$ 104,771,885	$ 98,432,437	$ 89,474,025

COUNTY OF YORK, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

	Real Property				Public Utility				
Year	Residential	Commercial	Personal Property	Mobile Home	Real Estate	Personal Property	CPC Equipment	Total Taxable Assessed Value	Total Direct Tax Rate
2015	$ 7,307,361,300	$ 1,491,507,600	$ 561,880,260	$ 3,939,500	$ 430,748,916	$ 127,592	$ -	$ 9,795,565,168	0.9379
2014	7,243,259,500	1,491,310,000	552,552,935	3,780,000	425,978,786	148,514	-	9,717,029,735	0.9363
2013	7,321,920,900	1,368,970,400	531,217,905	3,912,100	420,994,403	186,019	-	9,647,201,727	0.9304
2012	7,276,743,200	1,361,986,800	514,828,080	3,812,600	393,773,490	69,127	-	9,551,213,297	0.9172
2011	7,551,450,600	1,397,685,000	493,248,385	4,187,400	382,175,535	96,956	68,960,274	9,897,804,150	0.8232
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

Source: County Commissioner of Revenue.

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

COUNTY OF YORK, VIRGINIA

Property Tax Rates

Last Ten Fiscal Years

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1)	Mobile Home (1) (3)	Total Direct Tax Rate
2015	$ 0.7515	$ 4.00	$ 0.7515	$ 0.9379
2014	0.7515	4.00	0.7515	0.9363
2013	0.7415/0.7515	4.00	0.7415/0.7515	0.9304
2012	0.6575/0.7415	4.00	0.6575/0.7415	0.9172
2011	0.6575	4.00	0.6575	0.8232
2010	0.6575	4.00	0.6575	0.8211
2009	0.6575	4.00	0.6575	0.8123
2008	0.6975/0.6575	4.00	0.6975/0.6575	0.8348
2007	0.6975	4.00	0.6975	0.8850
2006	0.8175/0.6975	4.00	0.8175/0.6975	0.8866

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

(2) The amount designated for school operating is $0.574 per $100 of valuation for fiscal year 2014.

(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 2014 and Nine Years Prior*

Taxpayer	Description	2014 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2005 Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Virginia Power Company	Generating plant	$ 343,971,507	1	3.52%	$ 281,707,263	1	4.55%
BP/Western Refining/Plains Marketing	Former Refinery	236,077,860	2	2.42%	89,236,500	2	1.44%
Lawyers Title/Fairfield Resorts	Timeshare condominiums	181,297,845	3	1.86%	78,423,075	3	1.27%
Great Wolf Lodge of Williamsburg, LLC	Hotel and water park	80,570,030	4	0.83%			
Kings Creek Plantation	Timeshare condominiums	77,464,765	5	0.79%	35,150,685	6	0.57%
City of Newport News	Water system	75,507,900	6	0.77%	72,501,000	4	1.17%
Sea World Parks & Entertainment LLC	Water Country	45,986,800	7	0.47%	46,097,170	5	0.74%
Wal Mart	Retail sales	38,055,650	8	0.39%	32,299,640	7	0.52%
1991 Ashe Partnership	Apartment complex	37,818,115	9	0.39%			
852 LLC	Apartment complex	34,979,175	10	0.36%			
Kiln Creek Shopping Center	Retail sales				20,051,400	8	0.32%
Verizon Virginia Inc,	Telecommunications				18,806,838	9	0.30%
Virginia Natural Gas	Manufacturer				17,889,498	10	0.29%
Total		$ 1,151,729,647		11.80%	$ 692,163,069		11.17%

*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
2015	$ 80,716,523	$ 77,929,910	96.55%	$ -	$ 77,929,910	96.55%
2014	79,831,923	77,513,973	97.10%	-	77,513,973	97.10%
2013	78,390,079	75,580,443	96.42%	1,932,964	77,513,407	98.88%
2012	77,167,308	75,120,925	97.35%	1,387,544	76,508,469	99.15%
2011	78,309,524	74,202,547	94.76%	1,572,739	75,775,286	96.76%
2010	79,967,238	74,592,412	93.28%	1,681,669	76,274,081	95.38%
2009	77,519,190	74,221,594	95.75%	1,747,052	75,968,646	98.00%
2008	72,552,762	70,122,593	96.65%	2,033,731	72,156,324	99.45%
2007	69,290,160	67,367,845	97.23%	1,366,310	68,734,155	99.20%
2006	67,054,087	64,874,238	96.75%	1,566,018	66,440,256	99.08%

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

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

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

	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)
2015	$ 53,270,668	$ -	$ 2,860,682	$ 23,544,723	$ -	$ -	$ 21,696,428	$ 325,301	$ 101,697,802	N/A	$ 1,495
2014	49,619,991	-	3,113,086	24,847,309	-	-	22,207,989	638,542	100,426,917	N/A	1,490
2013	54,961,398	-	2,862,880	26,059,652	372,740	-	22,141,530	940,170	107,338,370	2.65%	1,603
2012	59,822,805	-	2,917,121	27,499,214	719,393	-	22,570,884	1,230,616	114,760,033	2.87%	1,728
2011	56,564,037	100,000	3,316,594	29,052,785	1,041,781	-	22,984,594	1,705,295	114,765,086	2.98%	1,740
2010	59,858,071	200,000	694,180	30,792,347	1,341,604	-	7,924,245	2,159,605	102,970,052	2.80%	1,567
2009	59,764,486	300,000	914,834	31,951,909	1,620,440	-	8,194,645	2,598,931	105,345,245	2.95%	1,622
2008	58,234,825	400,000	953,896	15,437,028	1,879,758	-	8,449,490	705,897	86,060,894	2.41%	1,342
2007	62,329,170	550,000	986,448	16,511,783	2,120,925	-	8,693,806	865,335	92,057,467	2.65%	1,456
2006	54,659,184	710,000	860,883	17,561,538	2,345,211	-	8,927,619	1,019,773	86,084,208	2.61%	1,387

N/A - This information is not available.

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

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

COUNTY OF YORK, VIRGINIA

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2015	$ 53,270,668	$ -	$ 53,270,668	0.55%	$ 783
2014	49,619,991	-	49,619,991	0.51%	736
2013	54,961,398	-	54,961,398	0.57%	821
2012	59,822,805	-	59,822,805	0.63%	901
2011	56,564,037	-	56,564,037	0.57%	857
2010	59,858,071	-	59,858,071	0.61%	911
2009	59,764,486	-	59,764,486	0.61%	920
2008	58,234,825	-	58,234,825	0.60%	908
2007	62,329,170	-	62,329,170	0.73%	986
2006	54,659,184	-	54,659,184	0.66%	881

(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)
2015	$ 4,863,228	$ 1,309,597	$ 1,872,798	N/A	$ 1,700,580	3.24	2.86	3.58
2014	4,356,577	1,136,879	2,248,708	N/A	1,674,130	2.60	2.26	3.27
2013	3,687,966	815,581	2,220,994	N/A	1,682,502	2.19	1.95	3.03
2012	2,344,292	668,525	1,734,227	N/A	1,679,914	1.40	1.20	2.03
2011	1,239,891	515,932	1,050,248	N/A	1,059,085	1.17	0.93	1.68
2010	1,275,578	274,900	N/A	5,731,287	664,878	1.92	1.71	5.82
2009	2,104,996	876,754	N/A	7,531,006	662,328	3.18	2.52	7.54
2008	2,270,177	973,743	N/A	5,993,299	664,278	3.42	2.68	6.46
2007	3,480,661	1,492,611	N/A	8,262,475	665,828	5.23	4.11	9.19
2006	3,373,471	1,408,337	N/A	8,905,523	668,169	5.05	3.99	9.61

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

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

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

(4) Either (a) the ratio of net revenues less 50% of capacity fees divided by 100% of total debt service must exceed 1.0; or for fiscal years 2014- 2011, (b) the ratio of net revenues plus meals tax revenues less 100% of capacity fees divided by 100% of annual debt service must exceed 1.50; for fiscal years 2010 - 2004, (b) the ratio of net revenues less 100% of capacity fees plus 50% of unrestricted reserves divided by 100% of annual debt service must exceed 1.50.

COUNTY OF YORK, VIRGINIA

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (Thousands) (2)	Per Capita Income (2)	Median Age (3)	Education Level In Years of Formal Schooling (4)	Student Average Daily Membership (5)	Unemployment Rate (6)
2015	68,020	N/A	N/A	N/A	13.20	12,519	4.80%
2014	67,396	N/A	N/A	N/A	13.20	12,333	5.00%
2013	66,955	$ 4,053,310	$ 51,718	39.60	13.20	12,226	5.40%
2012	66,428	4,002,090	51,173	39.80	13.20	12,410	5.80%
2011	65,973	3,850,950	49,293	39.80	13.20	12,477	6.10%
2010	65,695	3,677,629	47,550	39.40	13.20	12,533	6.10%
2009	64,933	3,577,619	46,252	39.90	13.10	12,732	5.30%
2008	64,132	3,573,107	46,376	39.80	13.10	12,745	3.30%
2007	63,226	3,475,414	45,253	38.70	13.10	12,649	2.50%
2006	62,068	3,297,273	43,431	38.90	13.00	12,797	2.70%

N/A - This information is not available.

Source:

(1) Weldon Cooper Center for Public Service; 2015 estimate based on average growth over prior nine years.

(2) Bureau of Economic Analysis combined amount for York County/Poquoson.

(3) County Planning Division.

(4) Educational Attainment derived from data published by the U.S. Census Bureau.

(5) County School Division.

(6) Local Area Unemployment Statistics Program and the Bureau of Labor Statistics; 2015 estimate per County Planning Division.

COUNTY OF YORK, VIRGINIA

Principal Employers

Current and Nine Years Prior

	2015			2006		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Naval Weapons Station/ Cheatham Annex	2,956	1	13.18%	2,443	1	11.44%
York County School Division	1,708	2	7.61%	1,732	2	8.11%
U.S. Coast Guard Station	1,404	3	6.26%	787	7	3.69%
Water Country	826	4	3.68%	809	5	3.79%
Wal-Mart	808	5	3.60%	1,020	3	4.78%
Sentara Williamsburg Regional Medical Center	759	6	3.38%			
York County Government	722	7	3.22%	800	6	3.75%
Great Wolf Lodge	465	8	2.07%	662	4	3.10%
YMCA	462	9	2.06%	400	8	1.87%
Windham Vacation Ownership	295	10	1.31%			
Fairfield Resorts				326	9	1.53%
Kings Creek Plantation						
K-Mart				235	10	1.10%
Total	10,405		46.37%	9,214		43.16%

Source: County Office of Economic Development.

COUNTY OF YORK, VIRGINIA

Full-time Equivalent County Employees By Function

Last Ten Fiscal Years

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	20.00	19.00	18.00	20.00	20.00	20.50	20.50	20.50	21.50	21.00
Judicial services	32.50	32.50	32.50	32.75	32.75	32.75	31.50	31.50	30.50	29.00
Public safety	300.00	300.00	300.00	300.00	299.50	300.25	286.75	279.75	266.00	259.50
Environmental and development services	54.50	54.50	54.25	55.00	54.00	54.00	54.00	53.00	52.00	51.00
Finance and planning	92.25	91.25	91.25	89.25	89.25	89.25	89.25	86.50	85.25	84.75
Education (Library)	33.00	33.00	33.00	33.50	33.50	33.50	33.50	33.50	34.00	32.50
General services	72.00	72.00	71.00	80.00	81.00	81.00	80.00	67.00	65.00	68.00
Community services	50.20	50.20	50.20	54.20	54.20	54.20	54.20	53.20	53.20	52.20
Sewer	56.00	57.00	56.00	56.50	55.50	54.00	53.00	53.00	54.00	51.00
Water	-	-	-	-	-	1.50	1.50	1.50	1.50	1.50
Solid Waste	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
	722.45	721.45	718.20	733.20	731.70	732.95	716.20	691.45	674.95	662.45

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Elections - Registered voters	43,007	44,840	45,165	45,540	44,814	44,353	44,962	42,906	41,203	40,667
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	2,886	2,501	1,651	1,773	1,903	2,022	1,730	1,607	1,900	2,101
Land records filed	22,821	23,023	26,117	21,061	21,059	28,413	26,790	30,111	31,223	32,842
Sheriff										
Physical arrests	1,547	1,673	1,655	1,768	2,197	2,210	1,684	1,328	1,231	1,054
Parking violations	83	103	71	92	130	109	467	399	143	121
Traffic violations	2,675	2,126	2,476	3,489	3,395	3,712	4,390	2,694	3,292	3,575
Fire and Life Safety										
Number of calls	9,707	9,550	9,289	9,070	8,842	8,677	8,717	9,161	8,709	15,140
Fire dispatches	4,076	4,007	3,567	3,504	3,552	3,482	3,497	3,999	3,695	7,887
Rescue dispatches	5,631	5,543	5,722	5,566	5,290	5,195	5,220	5,162	5,014	7,253
Environmental and Development Services										
Building Permits Issued	4,175	4,822	4,043	3,663	3,751	3,676	3,881	4,859	5,606	5,297
Building Permit Value	$ 91,568,396	$ 78,778,858	$ 74,340,412	$ 55,959,121	$ 50,093,788	$ 76,376,378	$ 113,550,581	$ 153,900,889	$ 194,087,943	$ 174,039,300
Education										
Library book circulation	534,923	524,847	529,718	562,212	576,134	623,015	647,845	658,982	645,851	680,584
Library registered patrons	63,248	69,860	65,057	70,684	72,915	69,064	77,612	71,578	65,019	66,660
School Division cost per pupil	$ 10,177	$ 9,584	$ 9,743	$ 9,424	$ 9,292	$ 9,736	$ 9,506	$ 8,996	$ 8,888	$ 8,117
Community services										
Recreation program participation	121,587	100,542	108,590	101,650	119,314	113,653	130,137	82,284	57,328	45,508
Sewer										
New connections	401	277	339	366	158	166	251	442	530	760
Water										
New connections	N/A	N/A	N/A	N/A	N/A	N/A	8	12	10	7
Consumption	N/A	N/A	N/A	N/A	N/A	N/A	116,927,460	123,386,411	95,512,834	80,965,900
Solid Waste										
Refuse collections (tons)	83,996	78,352	82,774	91,699	95,671	103,842	110,282	115,738	132,544	152,493
Recyclables collected (tons)	37,651	28,702	23,970	18,139	17,302	29,780	27,200	30,136	21,527	17,424

Source: Various County departments, except for Sheriff's physical arrests 2005 - 2004, which is from the Virginia State Police on a calendar year basis.
Beginning in fiscal year 2010, the County's water operation was turned over to Newport News Waterworks.
Beginning in fiscal year 2011, electrical, plumbing and mechanical permits are reported as residential or commercial, as applicable. Due to system limitations, these permits are reported as commercial in prior years.

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

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Sheriff										
Patrol units	55	61	57	59	54	55	54	51	49	48
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	26	26	26	26	26	26	25	25	25	24
Community services										
Park acreage	786	786	786	786	786	786	786	847	840	847
Parks	11	11	11	11	11	11	11	11	11	11
Tennis courts	36	36	36	36	36	36	36	32	30	32
Basketball courts	38	38	38	38	38	38	38	36	36	36
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	73	73	73	73	73	60	60	60
Education										
School facilities	19	19	19	19	19	19	19	19	19	19
Sewer										
Sanitary sewer (miles)	377	367	362	350	294	337	288	287	384	214
Water										
Mains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	21.00	20.00	19.50	16.00
Fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	208	232	152	114
Maximum daily capacity	N/A	N/A	N/A	N/A	N/A	N/A	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 LLP
CPAs & Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements and have issued our report thereon dated November 29, 2015. That report recognizes that the County implemented new accounting standards effective July 1, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Cherry Bekaert LLP

Virginia Beach, Virginia
November 29, 2015

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the County of York, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

Cherry Bekaert LLP

Virginia Beach, Virginia
November 29, 2015

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COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Granting Agency/Recipient State Agency/Grant Program	Federal Catalog Number		Federal Expenditures
Department of Agriculture:			
Direct payments: Child and Adult Care Food Program	10.558		$ 85,733
Pass-through payments:			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03)	10.561		562,286
Department of Agriculture: Donated Foods	10.555	$ 226,342	
Department of Education:			
School Breakfast Program (197-179-01)	10.553	177,612	
National School Lunch Program (197-179-01)	10.555	971,574	
Department of Juvenile Justice: National School Lunch Program (777-360-03)	10.555	12,005	
Total Child Nutrition Cluster			1,387,533
Department of Defense:			
Direct payments:			
Naval Junior ROTC Program	12.000		64,893
National Defense Authorization Act	12.000		653,020
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556		679,836
Invitational Grants for Military-Connected Schools	12.557		135,304
Department of Housing and Urban Development:			
Pass-through payments:			
Virginia Housing Development Authority:			
Section 8 Housing Choice Vouchers	14.871		97,886
Department of the Interior: Direct payments: Payments in Lieu of Taxes	15.226		9,301
Department of Justice:			
Direct payments:			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		43,164
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		118,352
State Criminal Alien Assistance Program	16.606		2,290
Bulletproof Vest Partnership Program	16.607		5,168
Edward Byrne Memorial Justice Assistance Grant Program	16.738		9,769
Equitable Sharing Program	16.922		59,254
Pass-through payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance (140-390-01)	16.575		69,924
Violence Against Women Formula Grants (140-390-01)	16.588		27,934
Department of Transportation:			
Pass-through payments: Department of Motor Vehicles:			
State and Community Highway Safety (530-605-07)	20.600		29,631
Federal Communications Commission:			
Direct payments: Universal Service - E-rate Program	32.000		11,345
Environmental Protection Agency			
Pass-through payments: Office of Water			
Chesapeake Bay Program (199-503-01)	66.466		6,207
Department of Education:			
Direct payments:			
Impact Aid	84.041		9,177,969
Pass-through payments:			
Department of Education (197-179-01):			
Title I Grants to Local Educational Agencies	84.010		634,596
Special Education and Rehabilitative Services:			
Special Education - Grants to States	84.027	2,096,808	
Special Education - Preschool Grants	84.173	40,633	
Total Special Education Cluster (IDEA)			2,137,441

(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, 2015

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		108,694
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330		2,442
English Language Acquisition State Grants	84.365		20,344
Improving Teacher Quality State Grants	84.367		247,955
Department of Health and Human Services:			
Direct payments: Administration for Children, Youth and Families: Head Start	93.600		885,248
Pass-through payments:			
Department of Social Services:			
Promoting Safe and Stable Families (765-460-03; 765-469-02)	93.556		20,079
Temporary Assistance for Needy Families (765-452-12; 765-452-01; 765-460-03)	93.558		389,849
Refugee and Entrant Assistance - State Administered Programs (765-460-03; 765-491-02)	93.566		720
Low-Income Home Energy Assistance (765-460-03)	93.568		37,009
Child Care and Development Block Grant (765-452-15)	93.575	(1,116)	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (765-452-14; 765-452-15; 765-460-03)	93.596	62,258	
Total Child Care and Development Fund Cluster			61,142
Chafee Education and Training Vouchers Program (ETV) (765-469-02)	93.599		(376)
Stephanie Tubbs Jones Child Welfare Services Program (765-460-03)	93.645		2,801
Foster Care - Title IV-E (765-460-03; 765-469-01; 765-469-02)	93.658		245,135
Adoption Assistance (765-460-03; 765-469-03)	93.659		139,657
Social Services Block Grant (765-460-03; 765-468-02; 765-469-02; 765-469-03)	93.667		306,791
Chafee Foster Care Independence Program (765-460-03; 765-469-01)	93.674		3,741
Children's Health Insurance Program (765-460-03)	93.767		18,090
Medical Assistance Program (765-460-03)	93.778	637,139	
Department of Medical Assistance Services: Medical Assistance Program	93.778	65,000	
Total Medicaid Cluster			702,139
Department of Homeland Security:			
Direct payments: Assistance to Firefighters Grant	97.044		135,045
Pass-through payments:			
Department of Emergency Services:			
Hazard Mitigation Grant (127-775-01; 127-776-01; 127-776-02)	97.039		24,706
Emergency Management Performance Grants (127-775-01)	97.042		50,335
Total			$ 19,410,382

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

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 no federal awards to a subrecipient during the year ended June 30, 2015.

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

A. Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

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

Identification of major federal programs:

Name of Program	**CFDA #**
Department of Agriculture:	
Child Nutrition Cluster	10.553/10.555
Department of Defense:	
National Defense Authorization Act	12.000
Department of Education:	
Title I, Part A Cluster	84.010
Impact Aid Cluster	84.041

Dollar threshold to distinguish between Types A and B Programs:	**$582,311**
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. Findings and Questioned Costs – State Compliance	**None**
E. Resolution of Prior Year's Findings	**N/A**

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