



YORK COUNTY

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF YORK, VIRGINIA

For the Fiscal Year Ended June 30, 2019

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

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Comprehensive Annual Financial Report
June 30, 2019

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COUNTY ADMINISTRATOR
Neil A. Morgan



BOARD OF SUPERVISORS

Walter C. Zaremba
District 1

Sheila S. Noll
District 2

W. Chad Green
District 3

Jeffrey D. Wassmer
District 4

Thomas G. Shepperd, Jr.
District 5

November 27, 2019

The Board of Supervisors
County of York, Virginia

Dear Members of the Board:

On behalf of the staff, I am pleased to submit to you York County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, as required by the Code of Virginia. The Finance Department has prepared this report in accordance with generally accepted accounting principles (GAAP) in the United States, the standards of financial reporting prescribed by the Governmental Accounting Standards Board, and those of the Auditor of Public Accounts of the Commonwealth of Virginia. Cherry Bekaert LLP, an independent certified public accounting firm, has audited the financial statements and the firm's opinions are contained within this report.

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

The County government is required to undergo an annual single audit to conform with the provisions of the Single Audit Act Amendments of 1996 and Title 2 in the Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Information related to this single audit, including the schedule of expenditures of Federal awards, findings and questioned costs, and auditors' reports on internal control and compliance with applicable laws and regulations are included in the compliance section of this report.

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

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

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A Hampton Roads Community

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

PROFILE OF THE GOVERNMENT

York County was established in 1634 and thrived for decades as a colonial seaport. However, it is best known as the site of the final major battle of the American Revolution when on October 19, 1781, British troops under the command of Lord Cornwallis surrendered to the combined American and French forces under the leadership of General George Washington. The County is located in the Virginia coastal plain on the peninsula formed by the James and York Rivers and the Chesapeake Bay. It consists of 108 square miles and is bounded by James City County and the Cities of Poquoson, Hampton, Newport News, and Williamsburg, and by the York River. The County land area is effectively split into two distinct sections by a large area of federal landholdings, including the Coast Guard Training Center, the Colonial National Historical Park, and the U.S. Naval Weapons Station. In addition, the U.S. Navy's Cheatham Annex, Camp Peary, and the U.S. Air Force's Landings at Langley Housing Complex (Langley Air Force Base) with its associated reservoir bring the total non-taxable federal landholdings to approximately 40% of the County's total land area. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

York County provides a full range of services, including law enforcement and fire protection. It also is financially accountable for the legally separate School Division, Economic Development Authority, and the financial reporting for the Marquis Community Development Authority (discretely presented component units as mentioned above). Additional information on each of these legally separate entities can be found in Note 1 in the notes to the financial statements.

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

The budget is prepared by fund and function (i.e. public safety). The County Administrator may make transfers of appropriations within functions. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the tourism fund, a major special revenue fund, this comparison is presented on pages G-2 through G-7 as part of the required supplementary information other than management's discussion and analysis. For governmental funds with appropriated budgets, other than the general and tourism funds, this comparison is presented beginning on page H-4, in the other supplementary information subsection of this report.

ECONOMIC CONDITION AND OUTLOOK

The significant tourism base continues to contribute to the County's improving financial position. There has been increased employment growth in Real Estate Leasing and Leisure & Hospitality over the last year. The County's lodging taxes and meals taxes have continued to increase. The County's annual unemployment rate of 2.7% in June 2019 reflected steady improvement year over year since 2010. The County's unemployment rate is more favorable than both the Virginia Beach-Norfolk-Newport News, VA MSA and the Commonwealth's rate of 3.2% and 2.9%, respectively.

STRATEGIC PRIORITIES

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

1. Develop leadership and resources necessary to ensure and sustain EXEMPLARY PUBLIC SAFETY functions.
2. Facilitate QUALITY EDUCATIONAL OPPORTUNITIES for all County citizens.
3. Facilitate QUALITY ECONOMIC DEVELOPMENT that is sensitive to community character and the environment.
4. Institutionalize EFFECTIVE and OUTSTANDING COMMUNICATIONS and CIVIC ENGAGEMENT opportunities amongst and between the Board of Supervisors, citizens, boards and commissions, and County staff.
5. Instill EXCELLENT CUSTOMER SERVICE as an organizational value, expectation, and outcome.
6. Protect and respect the County's natural and built attributes through balanced and cost-effective ENVIRONMENTAL STEWARDSHIP.

Specific budgetary initiatives that relate to the Priorities include: increased funding to support the School Division; employee compensation adjustments; support for Fire and Life Safety, Sheriff, and Emergency Communications operations and initiatives; support for customer service; and allowing more projects to be cash-funded rather than debt-financed; supporting all strategic priorities through much-needed investments in capital assets, information technology enhancements, and infrastructure.

Operations

The Comprehensive Plan, *Charting the Course to 2035*, is the long-range plan for the physical development of the County. The plan was adopted in September 2013 after an extensive review process involving citizens and civic and business groups, the Planning Commission, and the Board of Supervisors. The goals and implementation strategies set out in the Comprehensive Plan also inform and influence the budget, as well as various County programs and operations. For example, the Economic Development Authority's focus on revitalization of strategic development nodes on the Route 17 corridor is consistent with objectives identified in the Comprehensive Plan. Other initiatives that link back to the Comprehensive Plan include development management that encourages a balance of quality residential and commercial growth, financial and cooperative services support for the

County's School Division, and a capital improvements program that devotes significant resources to public safety (emergency response and emergency communications) and utility infrastructure improvements (sewer, water and stormwater management). The 5-year review process for the Comprehensive Plan has begun and will continue through 2019 and beyond.

Economic Development

During Fiscal Year 2019, the Board of Supervisors re-affirmed its commitment to economic development by adopting the following as one of its six Strategic Priorities – *Facilitate QUALITY ECONOMIC DEVELOPMENT that is sensitive to community character and the environment*. In support of this objective, the Economic Development Authority (EDA), the Office of Economic Development (OED), and the entire County organization made significant strides on several initiatives, including:

- **Route 17 Revitalization Program.** This program officially endorsed and authorized by the Board features a property acquisition element aimed at stimulating private investment in unique restaurant or retail offerings in the corridor. Targeted properties, once acquired, will be utilized to leverage parcel assemblage and development. The EDA acquired two parcels located at 7120 and 7124 George Washington Memorial Highway in April 2017. One year later, the EDA began negotiating a Letter of Intent (LOI) for a unique restaurant development on the combined properties. In June 2019, York County and Waukeshaw Development announced that a new Beale's brewpub is destined for the Rt. 17 corridor, projected to open in spring 2021.
- **Home-Based Business Support.** The Office of Economic Development, in partnership with the five other Peninsula localities and Gloucester County, co-hosted the fourth annual Home-Based Business Conference in March 2019. This successful event boasted over 158 attendees, 20 speakers, and 22 exhibitors. The conference highlighted the County's continuing focus on nurturing and growing its extensive home-based business sector. Another successful effort in the entrepreneurial arena was the 7th annual Peninsula-wide business plan competition, START Peninsula, which was held in FY2019 at the Applied Research Center Building in Newport News. A total of 33 people pitched their business ideas and three startups were awarded a combined total of \$15,000 and free membership in the local chamber of commerce of their choice.
- **Regional Economic Development.** The Greater Williamsburg Partnership (GWP), the regional economic development marketing organization for York, James City County and Williamsburg, along with the three localities, successfully worked to consolidate the GWP under the umbrella of the Greater Williamsburg Chamber and Tourism Alliance Business Council, to enhance the effectiveness of this important regional initiative. The merger was finalized in June 2019. Also in June, the partners were awarded a \$600,000 grant under the EPA Brownfield Program for targeted environmental site assessments. These funds will be utilized to develop remediation/redevelopment plans, prepare brownfields inventory and database, prioritize sites for assessment, and support community engagement activities.

Development activity, which had slowed substantially in the post-recession years, remained strong in FY2019. Investment in new residential projects like Whittaker's Mill and Arbordale, plus a few smaller projects like Martin Farm, led to an increase in residential building permit values, from \$88.7 million in FY2018 to \$113.5 million in FY2019. A total of 244 single family detached homes and townhouses were permitted, up from 213 in FY2018. Apartment development grew from \$27.5 million to \$38.3 million in FY2019. Major new apartment developments include Elan Williamsburg, Arbordale Apartments, and The Reserve at Williamsburg. These developments are representative of the significant new apartment development in the upper County.

Commercial building permit values did not eclipse those in FY2018, but remained strong; totaling \$57.4 million compared to \$63.3 million in FY2018. Two of the most significant commercial projects permitted in FY2019 were Tractor Supply Co. on Route 17 and Big Top Entertainment's new head-

quarters facility in York River Commerce Park South. In the same park, the EDA sold one parcel to Affordable Fasteners Supply Company and another to Marlowe We Care Company. These three sales resulted from the growth of an existing York County company as well as the attraction of two new companies. The EDA also closed on a 6.4-acre sale in Busch Industrial Park to Leebcor Services LLC and has another 3.39 acre sale pending. Leebcor Services, a federal government contractor, plans to construct a 20,000 square foot headquarters building and two additional 20,000 square foot office buildings in the future.

In November 2018, the Peninsula localities and Gloucester officially established the Eastern Virginia Regional Industrial Facility Authority (EVRIFA). Earlier in 2018, the communities received a GO Virginia Grant to form the EVRIFA and develop plans for an unmanned systems testing/demonstration facility, with an adjacent light industrial park, on the former Cheatham Annex Fuel Depot site in York County. The EVRIFA is continuing to work on the unmanned systems facility and are currently working in concert with a solar farm development company for a co-location on the property. The EVRIFA plans to pursue additional GO Virginia funds for new regional economic development projects.

Capital Improvements Program

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

In support of the Board's strategic priorities and investing in the capital assets of the County, the Grafton Fire Station replacement project was completed in October 2019 as well as the design of the expansion of the Yorktown Library. In addition, the County anticipates design work for a new law enforcement building to begin late calendar year 2019.

The Stormwater Maintenance Program continues to address ongoing drainage maintenance within County easements. Some of the larger Stormwater Capital Improvements Program projects include Victory Industrial Park, Wormley Creek Edgehill Outfall Culverts, Middlewood Lane, Brightwood (Stream Restoration), and Poquoson River Headwaters.

The York County School Division has several major building renovation and classroom addition projects planned in its six-year Capital Improvement Program. The emphasis continues to be on reinvesting in the system's physical plant and incrementally increasing capacity especially at the elementary level.

Regional and Joint Cooperation

Regional Jail

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

Juvenile Detention Facility

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

Other Projects

The County continues to participate in a number of entities intended to address regional activities such as transportation, economic development, and planning. The number of studies and planning projects done regionally will likely increase over time as localities within Hampton Roads recognize their shared future. The operation of the Regional Radio System includes James City County and Gloucester County as partners and various other public and institutional participants as “tenants” on the system. Additional investments in this state of the art system continue.

FINANCIAL INFORMATION

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

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

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

POLICIES/SIGNIFICANT CHANGES

Phase I of the County’s new financial software system, Munis offered by Tyler Technologies went live in July 2019. Phase I included the chart of accounts, general ledger, projects and grants, procurement, accounts payable, cash management, capital assets, accounts receivable and general billing. The County is currently working to implement the Human Resources and Payroll phase in early calendar year 2020. Both phases incorporates the County, Social Services, School Division, and Colonial Behavioral Health.

INDEPENDENT AUDIT

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

In addition to meeting the requirements set forth in State statutes and regulations, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and Title 2 in the Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The reports of the independent auditors that relate specifically to the single audit are also included in the compliance section of this report.

AWARDS

The County continued to be recognized for excellence in operational and fiscal management during fiscal year 2019. The following awards were received:

- The 2018 Virginia Association of Counties award to York County Fire & Life Safety for "Significant Event Briefing Dashboard"
- 2019 National Association of Counties award to York County Parks and Recreation for "Be the Change You Wish to See in the World: Leaders in Training"
- York County was named one of the nation's top digital counties in 2019 by The Center for Digital Government (CDG) and the National Association of Counties (NACo). York County placed third in the category of counties with a population of 150,000 or less. "The survey, conducted by CDG in partnership with NACo, identifies the best technology practices among U.S. counties, including initiatives that streamline delivery of government services, encourage open data, collaboration and shared services, enhance cybersecurity and contribute to disaster response and recovery efforts."
- The York-Poquoson Sheriff's office received their re-accreditation, which occurs every four years, with a perfect score from the Virginia Law Enforcement Professional Standards Commission.
- Coastal Virginia Magazine's 2019 Readers' Choice Awards –
 - Overall Gold: Yorktown Market Days won for Best Farmers Market, Yorktown Beach won for Best Place to Picnic
 - Peninsula Gold: Yorktown Freight Shed won for Best Banquet/Event Hall; The Gallery at York Hall won for Best Art Gallery
 - Peninsula Silver: Riverwalk Landing won for Best Place to Hear Local Bands
 - Peninsula Bronze: Christmas Market on Main won for Best Local Festival/Event
- Peninsulas EMS Council Awards for Outstanding EMS Provider, EMS Instructor, Emergency Telecommunicator and EMS Agency
- Glenn A. Gaines Leadership Legacy Award presented at the 2019 Virginia Fire-Rescue Conference to York County's Fire Chief

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to York County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 33rd consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

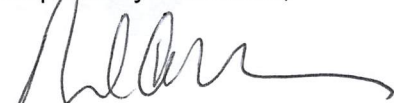
DISTINGUISHED BUDGET PRESENTATION

The GFOA presented a Distinguished Budget Presentation Award to York County for its annual budget for the fiscal year beginning July 1, 2018. This was the 16th consecutive year that the County has achieved this prestigious award. In order to receive this award, a governmental entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements and it has been submitted to the GFOA to determine its eligibility for another award.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Finance Department, in particular the divisions of Accounting and Financial Reporting, Budget, and Fiscal Accounting Services, as well as the Office of the Treasurer, the School Division, and York-Poquoson Social Services. I would like to express my appreciation to the employees who assisted with and contributed to its preparation. I would also like to thank the members of the Board of Supervisors who, both individually and collectively, provided the guidance and support essential to the conduct of the financial operations of the County in a responsible and progressive manner.

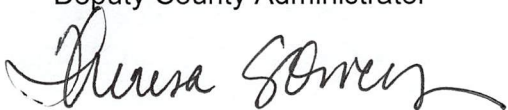
Respectfully submitted,



Neil A. Morgan
County Administrator



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



Theresa S. Owens, CPA
Finance Director



Government Finance Officers Association

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

Presented to

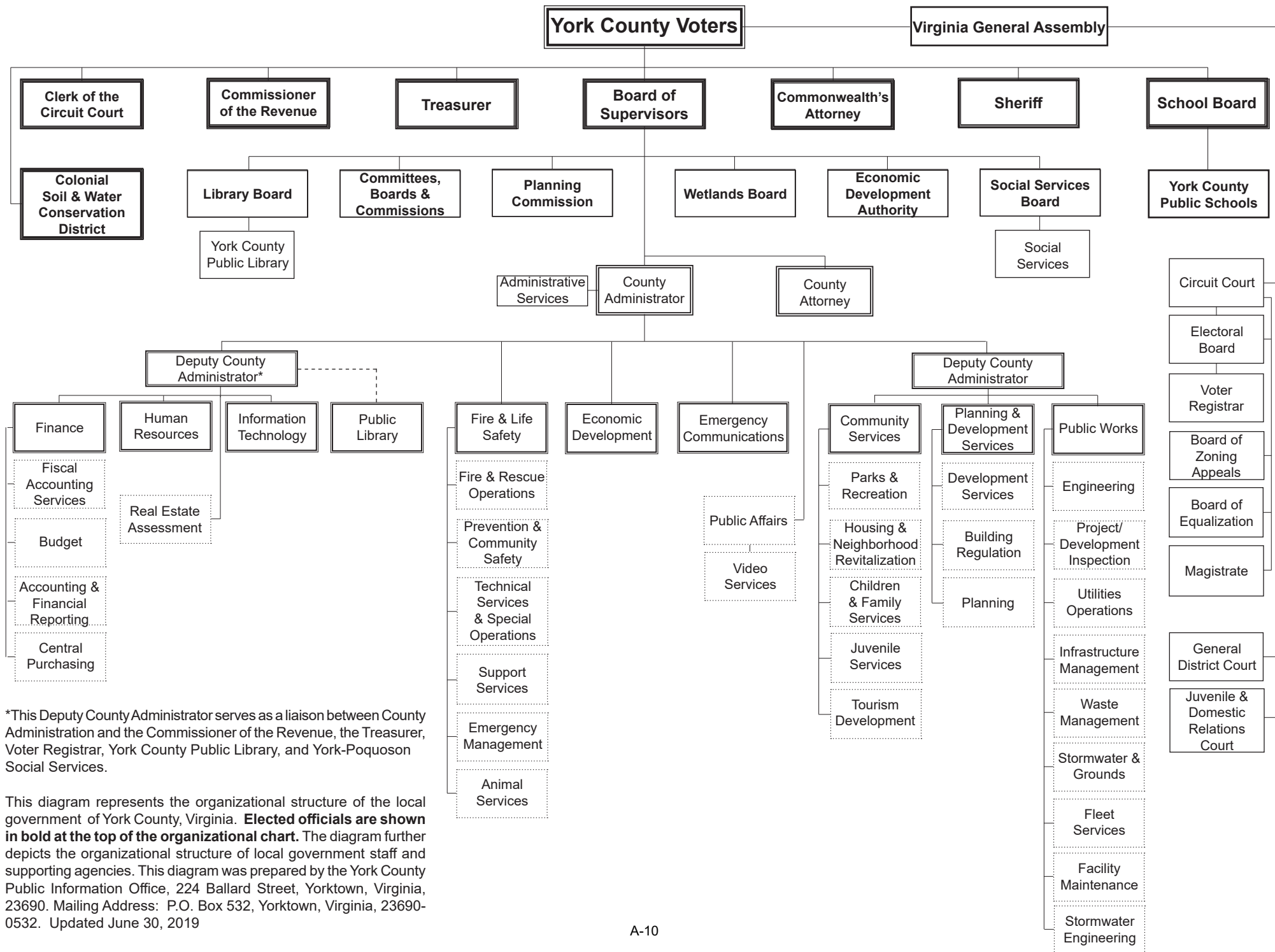
**County of York
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



COUNTY OF YORK, VIRGINIA
Principal Officials
For the Fiscal Year Ended June 30, 2019

Board of Supervisors

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

Constitutional Officers

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

County Officials

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

School Board

James E. Richardson, Chairman
Robert W. George, D.D.S., Vice-Chairman
Barbara S. Haywood
Brett Higginbotham
Mark A. Medford

School Officials

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

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Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia, as of June 30, 2019, 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.

Change in Reporting Entity

As described in Note 14 to the financial statements, the fund balance of the General Fund and nonmajor governmental funds and the net position of the internal service funds, as of June 30, 2018, have been restated to reflect a change in fund reporting presentation. 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Virginia Beach, Virginia
November 27, 2019

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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, 2019. Please read it in conjunction with the transmittal letter on pages A-1 through A-7 at the front of this report and the County's basic financial statements, which begin on page D-1.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2019 (FY2019)

- The assets and deferred outflows of resources of the County on a government-wide basis, excluding component units, exceeded its liabilities and deferred inflows of resources as of June 30, 2019 by \$159,554,505 (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 \$74,271,325 in school debt without the related assets.
- The County's total net position increased by \$2,453,188. Governmental activities increased by \$3,147,764, primarily due to an increase in property tax revenues and the Historic Triangle Sales tax revenues beginning to be collected in FY2019. Business-type activities decreased by \$694,576, mainly attributable to increases in expenses for sewer, water and solid waste operations and projects.
- As of June 30, 2019, the County's governmental funds reported combined ending fund balances of \$69,902,642, an increase of \$39,491 from the prior year. Unassigned fund balance totaled \$14,292,278 and is available for spending at the County's discretion. This amount reflects a General Fund unassigned fund balance of \$17,570,640, or 14.5% of total General Fund expenditures and an unassigned fund deficit of \$3,278,362 in the Yorktown Capital Improvements Fund, attributable to a long-term advance payable to another fund.
- The County's net OPEB liability, net pension liability and noncurrent liabilities at June 30, 2019 were \$159,125,364, which is an increase of \$13,368,691 from the prior year. The key factors in this increase was the issuance of new debt for the School Division capital projects and the increase for both pension and OPEB liabilities based on actuarial calculations.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The County has three kinds of funds:

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

Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the future to finance the County's programs. Because this information does not address the long-term focus of the government-wide statements, additional information is provided after the governmental funds statements that explains the relationship (or differences) between the fund financial statements and the government-wide financial statements. The basic governmental fund financial statements can be found on pages E-1 through E-4 of this report. The County maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tourism Fund, Yorktown Capital Improvements Fund, County Capital Fund and Education Debt Service Fund, all of which are considered to be major funds.

Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages H-2 through H-7 of this report.

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

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

During fiscal year 2019, the County used four internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the County's other programs and activities. The Vehicle Maintenance Fund provides for the accumulation of resources to replace capital equipment and maintenance services for the County's vehicle fleet. The Health and Dental Insurance fund provides for the revenues and expenses of the health and dental programs. The Workers' Compensation fund accounts for the claims and related expenses for workers' compensation. The Information Technology fund accounts for the costs of providing computer technical support, software support, and internet and telecommunications services. The internal service funds are presented as a separate column in the proprietary fund financial statements, on pages E-5 through E-7 of this report. Individual fund data for each of these internal service funds is provided in the form of combining statements on pages J-2 through J-4 of this report.

- Fiduciary funds – The County's fiduciary activities are reported in an Other Postemployment Benefit Trust Fund and agency fund statements of fiduciary net position and changes in fiduciary net position. The County excludes these activities from the County's government-wide statements because the County cannot use these assets to finance its operations. The OPEB Trust Fund is irrevocable and agency funds are County custodial funds used to provide accountability of client monies for which the County is the custodian. The OPEB Trust Fund accounts for future benefits payable for eligible retirees of the County towards health insurance coverage in a plan sponsored by the County.

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position can be found on pages E-8 to E-9 of this report. Individual fund data for the agency funds is provided in the form of combining statements on pages K-2 through K-3 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages F-1 through F-90 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Statement of Net Position - As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>
Current and other assets	\$ 109,966,103	\$ 101,164,647	\$ 16,524,322	\$ 13,628,971	\$ 126,490,425	\$ 114,793,618
Capital assets	<u>87,685,072</u>	<u>83,738,527</u>	<u>128,631,686</u>	<u>133,227,854</u>	<u>216,316,758</u>	<u>216,966,381</u>
Total assets	<u>\$ 197,651,175</u>	<u>\$ 184,903,174</u>	<u>\$ 145,156,008</u>	<u>\$ 146,856,825</u>	<u>\$ 342,807,183</u>	<u>\$ 331,759,999</u>
Deferred outflows of resources	<u>\$ 19,506,365</u>	<u>\$ 17,243,925</u>	<u>\$ 2,225,090</u>	<u>\$ 1,876,083</u>	<u>\$ 21,731,455</u>	<u>\$ 19,120,008</u>
Current and other liabilities	\$ 26,515,836	\$ 16,643,448	\$ 2,725,918	\$ 3,072,521	\$ 29,241,754	\$ 19,715,969
Long-term liabilities	<u>135,975,726</u>	<u>123,242,353</u>	<u>23,149,638</u>	<u>22,514,320</u>	<u>159,125,364</u>	<u>145,756,673</u>
Total liabilities	<u>\$ 162,491,562</u>	<u>\$ 139,885,801</u>	<u>\$ 25,875,556</u>	<u>\$ 25,586,841</u>	<u>\$ 188,367,118</u>	<u>\$ 165,472,642</u>
Deferred inflows of resources	<u>\$ 15,167,340</u>	<u>\$ 25,910,424</u>	<u>\$ 1,449,675</u>	<u>\$ 2,395,624</u>	<u>\$ 16,617,015</u>	<u>\$ 28,306,048</u>
Net position:						
Net investment in capital assets	\$ 61,388,220	\$ 54,032,029	\$ 110,543,036	\$ 114,520,731	\$ 171,931,256	\$ 168,552,760
Restricted	3,846,463	8,608,459	122,713	117,043	3,969,176	8,725,502
Unrestricted (deficit)	<u>(25,736,045)</u>	<u>(26,289,614)</u>	<u>9,390,118</u>	<u>6,112,669</u>	<u>(16,345,927)</u>	<u>(20,176,945)</u>
Total net position	<u>\$ 39,498,638</u>	<u>\$ 36,350,874</u>	<u>\$ 120,055,867</u>	<u>\$ 120,750,443</u>	<u>\$ 159,554,505</u>	<u>\$ 157,101,317</u>

The County's net position totaled \$159,554,505, an increase of \$2,453,188. This result is comprised of an increase of net position in governmental activities of \$3,147,764, and a decrease of \$694,576 in business-type activities. The increase in governmental activities was primarily due to an increase in property tax revenues and the Historic Triangle Sales tax revenues beginning to be collected in FY2019. The decrease for business-type activities was mainly attributable to increases in expenses for sewer, water and solid waste operations and projects.

Approximately 2.4% 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, 2019, the County reported an unrestricted deficit of \$16,345,927. The decrease in the unrestricted deficit of \$3,831,018 is primarily due to increases in property tax and other local tax revenues.

Under Virginia law, School Divisions hold title to all school property, except when the governing bodies of the local government and school division agree that title may vest in the locality. Since Virginia school divisions do not have taxing authority, local governments incur financial obligations for school property. In June 2003, the York County Board of Supervisors passed a resolution electing not to acquire tenancy in common of school property as allowed for under GAAP. The County borrows funds to finance the acquisition, construction, and improvement of school property and the School Division holds title to this property.

With the County opting out of Senate Bill 276, the asset values are reported on the School Division's Statement of Net Position and the related debt or liability are reported on the County's Statement of Net Position. Consequently, the County reports \$74,271,325 in school debt without the related assets.

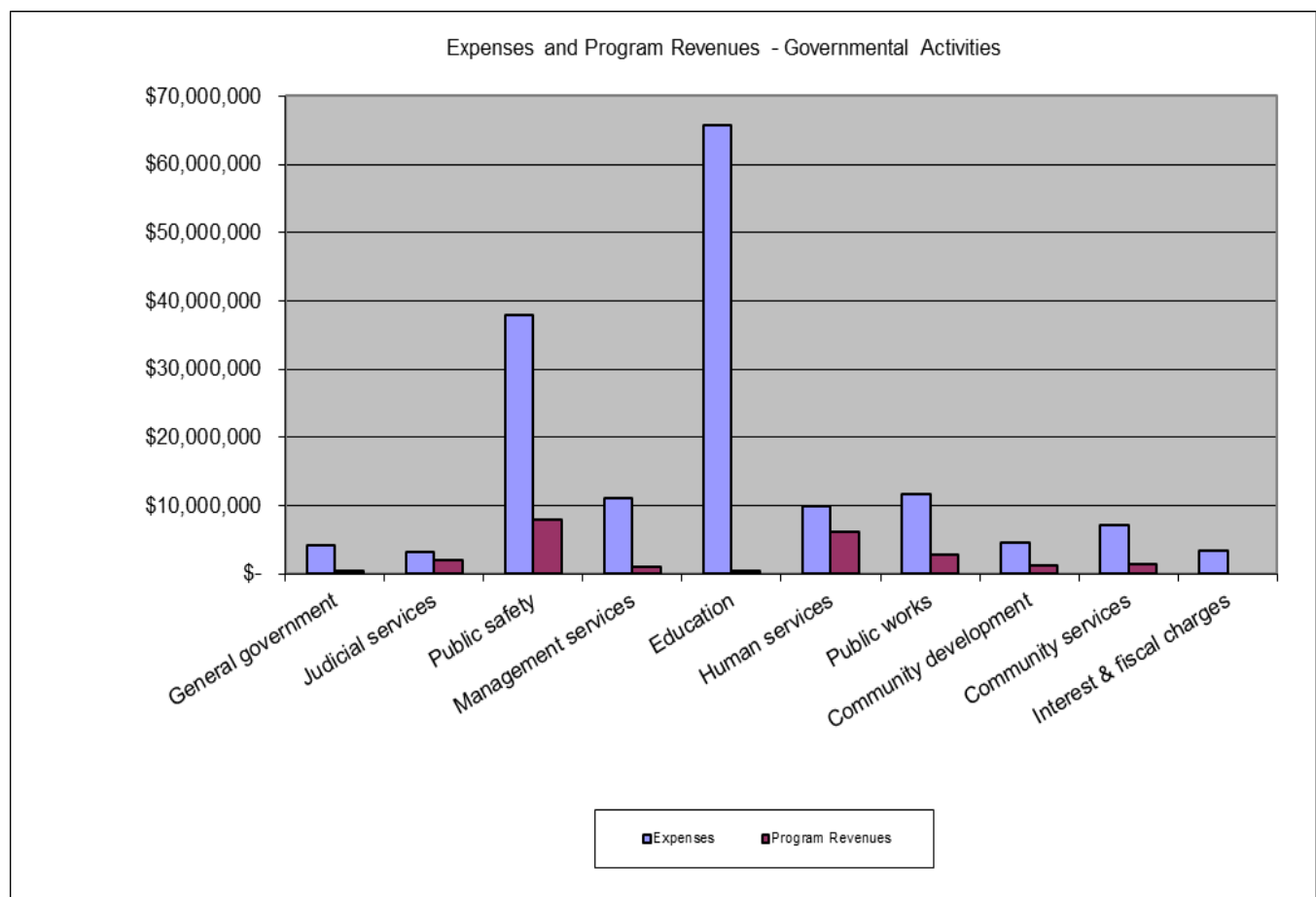
Summary of Changes in Net Position - Years Ended June 30, 2019 and 2018

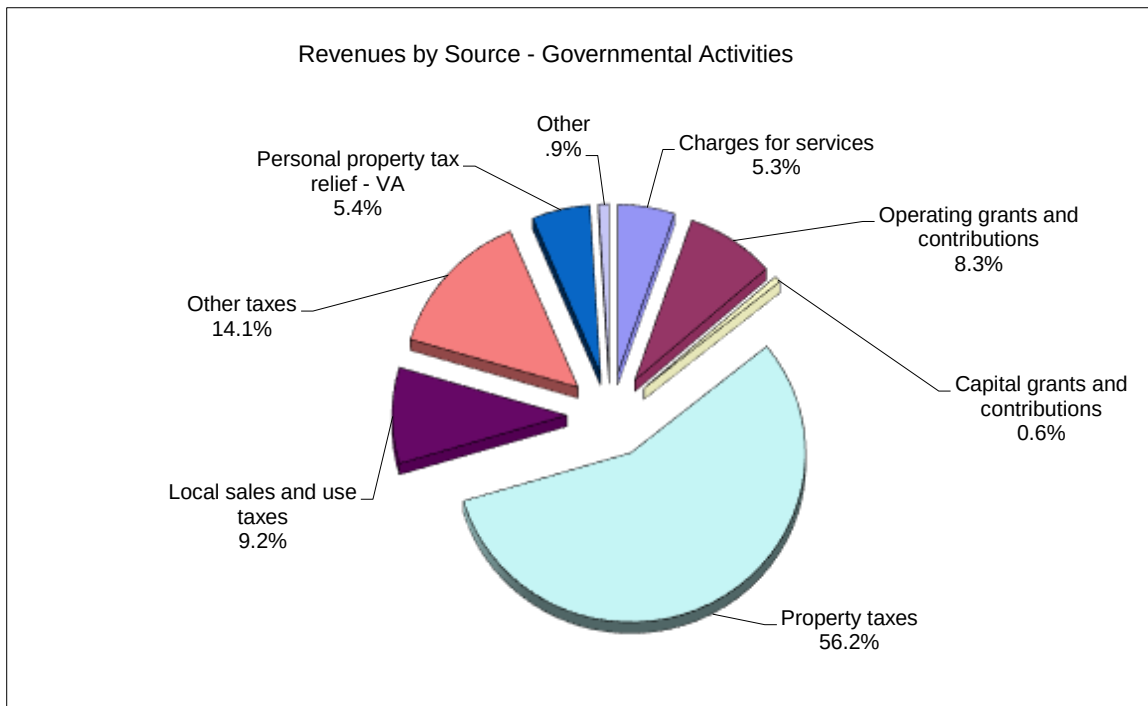
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,613,844	\$ 7,930,765	\$ 19,799,017	\$ 19,018,138	\$ 28,412,861	\$ 26,948,903
Operating grants and contributions	11,737,764	11,226,226	293,054	291,507	12,030,818	11,517,733
Capital grants and contributions	2,742,009	2,514,487	1,501,760	1,719,060	4,243,769	4,233,547
General revenues:						
Property taxes	91,611,559	90,382,404	-	-	91,611,559	90,382,404
Other taxes	37,870,994	32,141,284	1,446,798	2,036,878	39,317,792	34,178,162
Commonwealth of Virginia, net						
Local Aid to Commonwealth	8,741,680	8,760,374	-	-	8,741,680	8,760,374
Unrestricted investment earnings	1,386,131	650,388	134,586	93,526	1,520,717	743,914
Miscellaneous	210,254	115,481	8,469	19,493	218,723	134,974
Gain on sale of capital assets	-	35,569	1,680	12,222	1,680	47,791
Total revenues	<u>162,914,235</u>	<u>153,756,978</u>	<u>23,185,364</u>	<u>23,190,824</u>	<u>186,099,599</u>	<u>176,947,802</u>
Expenses:						
Governmental activities:						
General administration	4,195,707	5,589,064	-	-	4,195,707	5,589,064
Judicial services	3,102,522	2,739,760	-	-	3,102,522	2,739,760
Public safety	37,867,220	34,764,761	-	-	37,867,220	34,764,761
Management services	11,029,496	11,470,801	-	-	11,029,496	11,470,801
Education	65,751,397	66,176,627	-	-	65,751,397	66,176,627
Human services	9,900,319	8,825,140	-	-	9,900,319	8,825,140
Public works	11,607,674	8,543,538	-	-	11,607,674	8,543,538
Community development	4,551,850	-	-	-	4,551,850	-
Community services	7,201,508	7,011,085	-	-	7,201,508	7,011,085
Interest and fiscal charges on noncurrent debt	3,422,992	3,308,747	-	-	3,422,992	3,308,747
Business-type activities:						
Sewer Utility	-	-	11,582,981	10,210,063	11,582,981	10,210,063
Water Utility	-	-	4,036,161	1,751,336	4,036,161	1,751,336
Solid Waste	-	-	4,830,364	4,252,661	4,830,364	4,252,661
Yorktown Operations	-	-	72,335	77,918	72,335	77,918
Sanitary Districts	-	-	418,134	418,133	418,134	418,133
Regional Radio System	-	-	4,075,751	3,859,521	4,075,751	3,859,521
Total expenses	<u>158,630,685</u>	<u>148,429,523</u>	<u>25,015,726</u>	<u>20,569,632</u>	<u>183,646,411</u>	<u>168,999,155</u>
Change in net position, before transfers	4,283,550	5,327,455	(1,830,362)	2,621,192	2,453,188	7,948,647
Transfers	<u>(1,135,786)</u>	<u>(1,635,528)</u>	<u>1,135,786</u>	<u>1,635,528</u>	<u>-</u>	<u>-</u>
Change in net position	3,147,764	3,691,927	(694,576)	4,256,720	2,453,188	7,948,647
Net position, beginning	<u>36,350,874</u>	<u>32,658,947</u>	<u>120,750,443</u>	<u>116,493,723</u>	<u>157,101,317</u>	<u>149,152,670</u>
Net position, ending	<u>\$ 39,498,638</u>	<u>\$ 36,350,874</u>	<u>\$ 120,055,867</u>	<u>\$ 120,750,443</u>	<u>\$ 159,554,505</u>	<u>\$ 157,101,317</u>

Governmental Activities - For the fiscal year ended June 30, 2019, revenues from governmental activities totaled \$162,914,235. The \$1,229,155 increase from fiscal year 2018 in property taxes is comprised primarily of two revenue sources: real estate and personal property tax revenues. Real estate tax revenue, the County's largest revenue source, was \$75,075,255. The County's assessed real property tax base for calendar year 2019 was \$9,213,037,900. The County's second largest revenue source is personal property taxes, with total current year collections of \$23,946,972. The Commonwealth of Virginia provides a constant \$8,741,680 as an entitlement grant under the provisions of the Personal Property Tax Relief Act (PPTRA), which is included in the total current year collections.

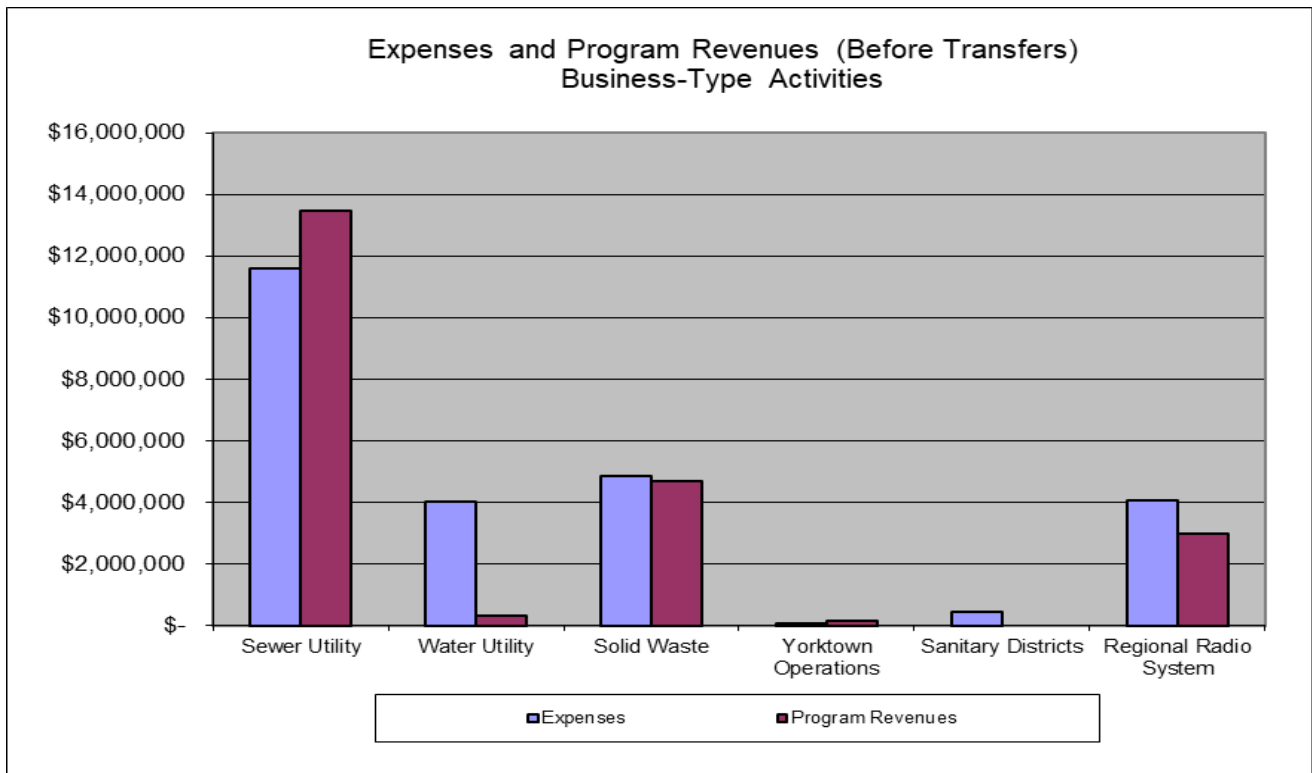
Other taxes increased by \$5,729,710 from the prior year as a result of the Historic Triangle sales tax, local sales and use tax revenue, hotel and motel room tax revenue, restaurant food taxes and business license taxes.

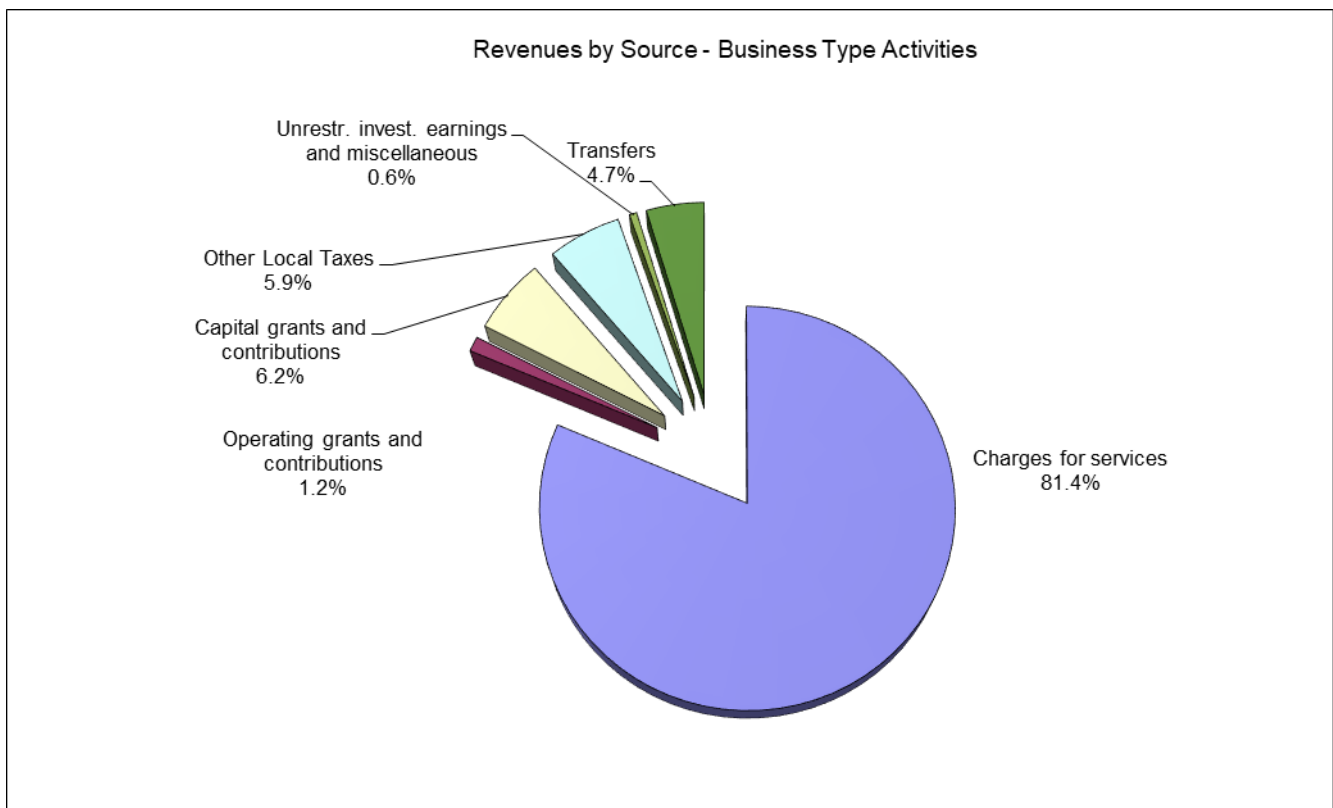
For the fiscal year ended June 30, 2019, expenses for governmental activities totaled \$158,630,685, including the following payments to the component unit - School Division: \$52,282,822 for operations and capital projects; the component unit - Economic Development Authority: \$858,778 for operations and capital, and the component unit - Community Development Authority: \$1,177,664 in incremental taxes and special assessments. For further discussion on changes from the prior year for the governmental funds, see page C-12.





Business-type Activities - Business-type activities decreased the County's net position by \$694,576 for the fiscal year ended June 30, 2019. This decrease is primarily attributable to increases in sewer, water and solid waste operations and projects. A major water project in the Lightfoot area was completed and transferred to the City of Newport News Waterworks. Significant transfers include \$1,080,296 for the maintenance on the emergency radio system in the Regional Radio System Fund.



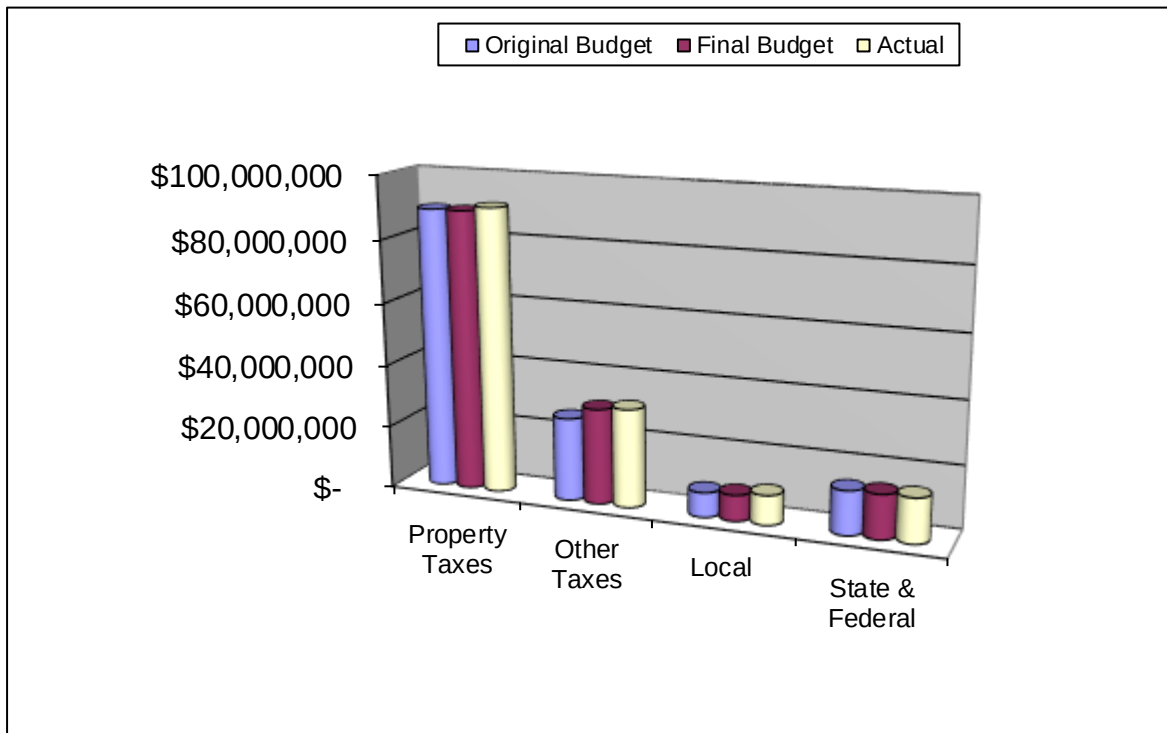


GENERAL FUND

As of June 30, 2019, the County's governmental funds reported combined ending fund balances of \$69,902,642, an increase of \$39,491 from the prior year. Unassigned fund balance totaled \$14,292,278 and is available for spending at the County's discretion. Of the remainder of fund balance, \$6,518,691 is nonspendable, \$3,846,463 is restricted, \$19,398,873 is committed and \$25,846,337 is assigned. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17,570,640, and total fund balance was \$33,214,681. 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 14.5% of total General Fund expenditures while total fund balance represents 27.4% of the same amount.

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

General Fund Revenue - Comparison of Budget to Actual

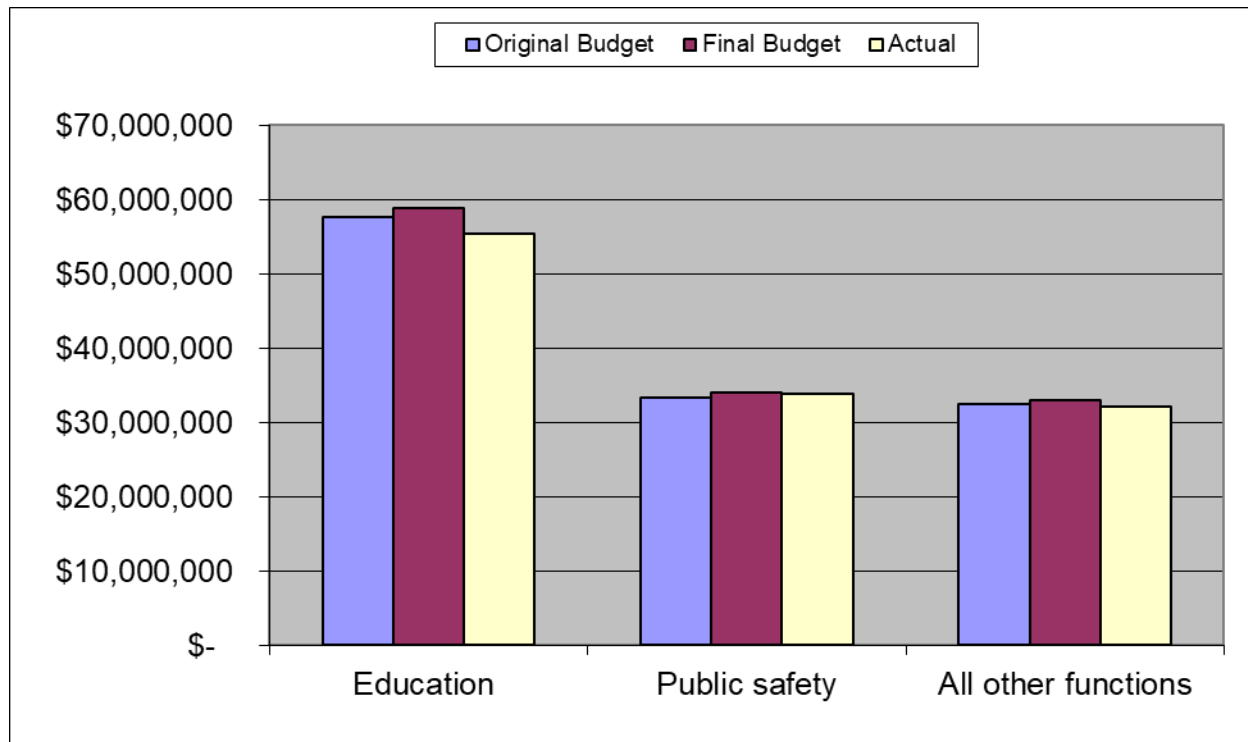


The total change in General Fund final budgeted revenues were \$4,537,827 or 3.3% over the original budget. The majority of the increase was driven by the appropriation of \$4 million for the Historic Triangle local sales and use tax included as part of the FY2019 amended budget.

The total General Fund actual revenues were \$3,733,343 or 2.6% over the final budget. Significant variances include the following:

- General property taxes were higher than the final budget by \$1,502,442 or 1.7%, which was primarily driven by higher than anticipated real estate and personal property tax collections.
- Other local taxes were slightly higher than the final budget by \$976,036 or 3.2%, which was primarily driven by an increase in the restaurant food taxes
- Permits, privilege fees, and regulatory licenses were higher than the final budget by \$304,298 or 38%, which was driven by increases in building inspection permits and fees.
- Use of money and property were higher than the final budget by \$516,334 or 62.8% as a result of recording an unrealized gain on investments required by GASB for year-end financial reporting purposes to recognize the County's investments at fair market value.

General Fund Expenditures - Comparison of Budget to Actual



The total change in General Fund final budgeted expenditures were \$10,785,172 or 7.6% over the original budget. The majority of the increase was driven by the adoption of Senate Bill 942 which increased the General Fund by \$4,285,000 and approximately \$6 million of carryovers for continuing capital and special projects.

The total General Fund actual expenditures were \$4,589,348 or 3.0% under the final budget. A portion of the variance, \$309,841 is attributable to outstanding encumbrances at June 30, 2019, 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.
- All Other Functions with significant variances:
 - Judicial Services: The Circuit Court, the Clerk of the Court, and the Commonwealth's Attorney were under budget as a result of vacancies.
 - Management Services: these departments were under budget primarily due to funding set aside for management training yet to occur.
 - Public Works: this department realized savings from operations and personnel due to turnover and vacancies.
 - Community Development: this is a new functional area that includes planning, development and compliance and building safety and had savings from personnel and operations.

- Community Services: the department had savings from operations and vacancies.
- Capital Outlay: the budget underage was due to the timing of projects.
- Transfers Out: savings resulted from lower than budgeted match transfers for Social Services.

GOVERNMENTAL FUNDS

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

The General Fund decreased by \$2,471,551 primarily due to transfers for capital expenditures, education, public safety, public works and other future 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, 2019, the Tourism Fund had an increase in fund balance of \$23,259. The Yorktown Capital Improvements Fund had an increase in fund balance of \$668,817, mainly due to transfers in. The increase in fund balance was used to pay down the advance from the tourism fund resulting in the year-end deficit being reduced to \$3,278,362. The County Capital Fund had an increase in fund balance of \$1,194,976 as a result of transfers from the General Fund to support capital projects.

PROPRIETARY FUNDS

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

During fiscal year 2019, the internal service funds were used to account for the operation of the centralized motor vehicle pool, for health and dental insurance programs, claims and related expenses for workers' compensation and costs of providing computer technical support, software support, internet and telecommunications.

The Sewer Utility Fund earned \$11,678,458 through charges for services and \$1,446,798 from restaurant food taxes. The Vehicle Maintenance Fund (internal service fund) collects its revenues through charges for services imposed on the various County departments to which fleet vehicles are assigned. The expenses relate directly to the maintenance and depreciation of the County's fleet of vehicles. The Health and Dental Insurance Fund, accounts for the health and dental insurance claims, payments to the insurance providers and the IRS as required by the Affordable Care Act, and the contributions from the County and employees. The Workers Compensation Fund accounts for the claims associated with workers compensation. The Information Technology Fund collects its revenues through charges for services imposed on the various County departments to which computer and network software and hardware are assigned and a transfer from the General Fund for overall operations.

The enterprise funds in the aggregate had a decrease in net position during the fiscal period of \$694,576, and the internal service funds reported an increase in net position of \$701,889. The net position for the enterprise funds and internal service funds were \$120,055,867 and \$12,238,604, respectively, at the end of the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the County's investment in capital assets for its governmental and business-type activities amounts to \$216,316,758 (net of accumulated depreciation and amortization). This investment in capital assets includes land, easements, construction in progress, land improvements, buildings and improvements, infrastructure, equipment, vehicles and computer software. The increase in governmental activities is mainly attributable to equipment associated with a capital lease.

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

The increase in capital assets for business-type activities is driven by developers donating sewer systems to the County; the completion of Lackey and Bruton High projects; and on-going projects for Hollywood, Sinclair Road, Bypass Road and other sewer pump station and rehabilitation projects, captured in construction in progress.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>
Land	\$ 12,546,626	\$ 12,177,626	\$ 3,946,755	\$ 3,946,755	\$ 16,493,381	\$ 16,124,381
Easements	782,620	782,620	688,253	683,213	1,470,873	1,465,833
Construction in progress	8,929,042	3,251,427	3,167,735	12,605,419	12,096,777	15,856,846
Land improvements	5,944,364	7,123,986	39,397	17,005	5,983,761	7,140,991
Buildings	22,058,164	22,792,027	7,103,928	7,170,358	29,162,092	29,962,385
Building improvements	10,499,112	10,745,695	57,907	17,849	10,557,019	10,763,544
Infrastructure	7,724,789	7,952,374	107,568,845	106,040,998	115,293,634	113,993,372
Equipment	8,017,533	8,773,969	4,241,695	1,257,859	12,259,228	10,031,828
Vehicles	11,039,670	9,922,371	1,817,171	1,486,603	12,856,841	11,408,974
Computer software	143,152	216,432	-	1,795	143,152	218,227
Total	<u>\$ 87,685,072</u>	<u>\$ 83,738,527</u>	<u>\$ 128,631,686</u>	<u>\$ 133,227,854</u>	<u>\$ 216,316,758</u>	<u>\$ 216,966,381</u>

Capital Project Funds

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

Yorktown Capital Improvements Fund

For fiscal year 2019, \$657,513 was transferred to the Yorktown Capital Improvements Fund from the Tourism Fund to pay down an advance. This fund had a \$3,278,362 deficit at June 30, 2019, resulting from advances from the Tourism Fund.

County Capital Fund

For fiscal year 2019, a transfer of \$10,487,469 was from the General Fund for future projects. Capital expenditures of \$9,918,982 included the following: fire station replacement, fire and life safety apparatus, biomedical equipment replacement, Yorktown Library expansion design work, financial software upgrade, work management software, tennis and basketball court repairs, heating and air conditioning repairs/replacement; roof, building, parking lot and grounds repairs/maintenance and VDOT intersection and road related projects.

Additional information on the County's capital assets can be found in note 5 beginning on page F-17 of this report.

Governmental Activities and Business-type Activities - Long-term Debt

At the end of the fiscal year, the County had total bonded debt of \$119,680,418. Capital leases, compensated absences, claims liabilities, net pension liability and net OPEB obligation are not included in these figures.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2018</u>
Bonds payable	\$ 99,717,345	\$ 97,377,592	\$ 19,963,073	\$ 20,616,187	\$ 119,680,418	\$ 117,993,779
Total	\$ 99,717,345	\$ 97,377,592	\$ 19,963,073	\$ 20,616,187	\$ 119,680,418	\$ 117,993,779

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 2019, the County paid debt service of \$3,830,000 and \$2,746,328 for education related principal and interest and fiscal charges, respectively, through the Education Debt Service Fund.

The County continues to maintain an excellent bond rating for local governmental jurisdictions of its type and size. The rating assigned by Standard & Poor's Corporation is AAA and the Moody's rating is Aa1 for the lease revenue bonds issued in December 2008.

Additional information on the County's long-term debt can be found in note 7 beginning on page F-21 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES

The County's staff and Board of Supervisors considered many factors when developing the fiscal year 2020 budget. The fiscal year 2020 approved budget for the General Fund is \$146,422,000, a 3.1% increase from the fiscal year 2019 budget. Local revenue, which includes property tax, sales, lodging, and occupational license taxes were expected to increase from fiscal year 2019 by 3.6%. State revenues are expected to be less by \$196,000 or 1.4%. Federal revenues are projected to increase by \$185,000 or 43.2% due to a SAFER grant to support Fire & Life Safety.

The fiscal year 2020 Budget represents a carefully considered fiscal plan. It reflects a plan that invests in all of the Board's strategic priorities as outlined in the Letter of Transmittal without a tax rate increase and addresses staffing needs in the Sheriff's office and Fire & Life Safety. In addition, it fully funds the School Division's request and provides a favorable compensation package for County staff.

REQUESTS FOR INFORMATION

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

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COUNTY OF YORK, VIRGINIA
Statement of Net Position
June 30, 2019

	Primary Government			Discretely Presented Component Units		
	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Marquis Community Development Authority
ASSETS						
Cash and investments	\$ 88,338,024	\$ 12,959,100	\$ 101,297,124	\$ 16,157,380	\$ 1,332,097	\$ -
Restricted cash	2,232,274	1,650,713	3,882,987	-	14,510	1,019,476
Receivables, net	16,367,851	4,304,911	20,672,762	3,474,879	52,246	1,743
Due from Primary Government	-	-	-	15,707,143	-	364,978
Due from component unit - EDA	150,000	17,327	167,327	-	-	-
Prepaid expenses	427,954	42,271	470,225	2,564,600	15	-
Other assets	-	-	-	-	1,988,514	-
Net OPEB asset	-	-	-	1,850,981	-	-
Net pension asset	-	-	-	203,378	-	-
Internal balances	2,450,000	(2,450,000)	-	-	-	-
Capital assets:						
Nondepreciable/nonamortizable	22,258,288	7,802,743	30,061,031	16,329,059	652,738	24,416,800
Depreciable/amortizable	143,596,461	196,486,876	340,083,337	239,380,308	860,517	9,000
Less accumulated depreciation/amortization	(78,169,677)	(75,657,933)	(153,827,610)	(98,765,745)	(217,058)	(9,000)
Total assets	<u>197,651,175</u>	<u>145,156,008</u>	<u>342,807,183</u>	<u>196,901,983</u>	<u>4,683,579</u>	<u>25,802,997</u>
DEFERRED OUTFLOWS OF RESOURCES						
Debt refundings resulting in loss transactions, net of accumulated amortization	1,429,334	346,422	1,775,756	-	-	-
OPEB costs	13,208,283	1,417,594	14,625,877	2,341,080	-	-
Pension costs	4,868,748	461,074	5,329,822	14,316,973	-	-
Total deferred outflows of resources	<u>19,506,365</u>	<u>2,225,090</u>	<u>21,731,455</u>	<u>16,658,053</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 217,157,540</u>	<u>\$ 147,381,098</u>	<u>\$ 364,538,638</u>	<u>\$ 213,560,036</u>	<u>\$ 4,683,579</u>	<u>\$ 25,802,997</u>
LIABILITIES						
Accounts payable	\$ 4,029,453	\$ 1,020,391	\$ 5,049,844	\$ 6,538,484	\$ 9,054	\$ 1,561
Retainage payable	268,929	20,483	289,412	450,998	-	-
Deposits payable	753,908	60,784	814,692	-	14,510	-
Salaries, taxes and benefits payable	2,200,367	216,388	2,416,755	14,169,099	-	-
Unearned revenues	1,614,592	1,265,726	2,880,318	83,749	37,003	16,060
Due to Primary Government	-	-	-	-	167,327	-
Due to component unit - School Division	15,707,143	-	15,707,143	-	-	-
Due to component unit - CDA	364,978	-	364,978	-	-	-
Accrued interest payable	1,576,466	142,146	1,718,612	-	-	409,600
Noncurrent liabilities:						
Due within one year	8,328,563	596,200	8,924,763	3,255,618	20,000	-
Due in more than one year	127,647,163	22,553,438	150,200,601	119,442,922	56,667	37,331,384
Total liabilities	<u>162,491,562</u>	<u>25,875,556</u>	<u>188,367,118</u>	<u>143,940,870</u>	<u>304,561</u>	<u>37,758,605</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid taxes, fees and receivables	1,399,064	-	1,399,064	-	-	-
OPEB costs	11,177,790	1,200,341	12,378,131	1,229,000	-	-
Pension costs	2,590,486	249,334	2,839,820	13,841,810	-	-
Total deferred inflows of resources	<u>15,167,340</u>	<u>1,449,675</u>	<u>16,617,015</u>	<u>15,070,810</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	61,388,220	110,543,036	171,931,256	156,943,622	1,296,197	(11,685,784)
Restricted for:						
Public safety	2,409,662	-	2,409,662	-	-	-
Tourism	469,192	-	469,192	-	-	-
Judicial services	75,240	-	75,240	-	-	-
Other purposes	892,369	-	892,369	-	-	-
Debt service	-	122,713	122,713	-	-	-
Food service	-	-	-	1,185,624	-	-
Unrestricted (deficit)	(25,736,045)	9,390,118	(16,345,927)	(103,580,890)	3,082,821	(269,824)
Total net position	<u>39,498,638</u>	<u>120,055,867</u>	<u>159,554,505</u>	<u>54,548,356</u>	<u>4,379,018</u>	<u>(11,955,608)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 217,157,540</u>	<u>\$ 147,381,098</u>	<u>\$ 364,538,638</u>	<u>\$ 213,560,036</u>	<u>\$ 4,683,579</u>	<u>\$ 25,802,997</u>

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

COUNTY OF YORK, VIRGINIA
Statement of Activities
For the Year Ended June 30, 2019

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position						
					Primary Government			Discretely Presented Component Units			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Division	Economic Development Authority	Marquis Community Development Authority	
Primary Government:											
Governmental activities:											
General administration	\$ 4,195,707	\$ 179,970	\$ 47,586	\$ 270,136	\$ (3,698,015)	\$ -	\$ (3,698,015)	\$ -	\$ -	\$ -	
Judicial services	3,102,522	602,875	1,318,826	-	(1,180,821)	-	(1,180,821)	-	-	-	
Public safety	37,867,220	3,949,345	3,881,390	45,000	(29,991,485)	-	(29,991,485)	-	-	-	
Management services	11,029,496	614,300	361,048	-	(10,054,148)	-	(10,054,148)	-	-	-	
Education	65,751,397	51,304	166,616	264,983	(65,268,494)	-	(65,268,494)	-	-	-	
Human services	9,900,319	335,960	5,724,812	-	(3,839,547)	-	(3,839,547)	-	-	-	
Public works	11,607,674	1,337,489	3,900	84,186	(10,182,099)	-	(10,182,099)	-	-	-	
Community development	4,551,850	862,596	83,737	1,593,802	(2,011,715)	-	(2,011,715)	-	-	-	
Community services	7,201,508	680,005	149,849	483,902	(5,887,752)	-	(5,887,752)	-	-	-	
Interest and fiscal charges on noncurrent debt	3,422,992	-	-	-	(3,422,992)	-	(3,422,992)	-	-	-	
Total governmental activities	158,630,685	8,613,844	11,737,764	2,742,009	(135,537,068)	-	(135,537,068)	-	-	-	
Business-type activities:											
Sewer Utility	11,582,981	11,678,458	280,880	1,501,760	-	1,878,117	1,878,117	-	-	-	
Water Utility	4,036,161	320,586	-	-	-	(3,715,575)	(3,715,575)	-	-	-	
Solid Waste	4,830,364	4,676,104	12,174	-	-	(142,086)	(142,086)	-	-	-	
Yorktown Operations	72,335	158,467	-	-	-	86,132	86,132	-	-	-	
Sanitary Districts	418,134	-	-	-	-	(418,134)	(418,134)	-	-	-	
Regional Radio System	4,075,751	2,965,402	-	-	-	(1,110,349)	(1,110,349)	-	-	-	
Total business-type activities	25,015,726	19,799,017	293,054	1,501,760	-	(3,421,895)	(3,421,895)	-	-	-	
Total Primary Government	\$ 183,646,411	\$ 28,412,861	\$ 12,030,818	\$ 4,243,769	(135,537,068)	(3,421,895)	(138,958,963)	-	-	-	
Component units:											
School Division	\$ 145,295,377	\$ 2,963,846	\$ 74,208,314	\$ -	-	-	-	\$ (68,123,217)	\$ -	\$ -	
Economic Development Authority	1,093,130	387,256	-	240,000	-	-	-	-	(465,874)	-	
Marquis Community Development Authority	2,235,245	-	-	22,411	-	-	-	-	-	(2,212,834)	
Total component units	\$ 148,623,752	\$ 3,351,102	\$ 74,208,314	\$ 262,411	-	-	-	(68,123,217)	(465,874)	(2,212,834)	
General revenues:											
Taxes:											
Property taxes					91,611,559	-	91,611,559	-	-	-	
Local sales and use taxes					14,921,971	-	14,921,971	-	-	-	
Hotel and motel room taxes					5,241,150	-	5,241,150	-	-	-	
Restaurant food taxes					5,258,588	1,446,798	6,705,386	-	-	-	
Business license taxes					7,330,820	-	7,330,820	-	-	-	
Motor vehicle licenses					1,623,247	-	1,623,247	-	-	-	
Taxes on recordation and wills					1,601,992	-	1,601,992	-	-	-	
Other local taxes					1,893,226	-	1,893,226	-	-	-	
Personal property tax relief from Commonwealth of Virginia, net Local Aid to Commonwealth					8,741,680	-	8,741,680	-	-	-	
Payment from Primary Government					-	-	-	62,577,101	858,778	1,180,789	
Unrestricted shared intergovernmental revenues					-	-	-	13,467,499	-	-	
Unrestricted investment earnings					1,386,131	134,586	1,520,717	817	16,406	-	
Miscellaneous					210,254	8,469	218,723	386,051	4,000	-	
Gain on disposal of capital assets					-	1,680	1,680	-	-	-	
Transfers					(1,135,786)	1,135,786	-	-	-	-	
Total general revenues and transfers					138,684,832	2,727,319	141,412,151	76,431,468	879,184	1,180,789	
Change in net position					3,147,764	(694,576)	2,453,188	8,308,251	413,310	(1,032,045)	
Net position, beginning					36,350,874	120,750,443	157,101,317	46,240,105	3,965,708	(10,923,563)	
Net position, ending					\$ 39,498,638	\$ 120,055,867	\$ 159,554,505	\$ 54,548,356	\$ 4,379,018	\$ (11,955,608)	

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

COUNTY OF YORK, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2019

ASSETS	General	Tourism Special Revenue	Capital Project		Debt Service Education	Nonmajor Governmental Funds	Total Governmental Funds
			Yorktown Capital Improvements	County Capital			
Cash and investments	\$ 37,292,155	\$ 190,689	\$ 678,768	\$ 26,109,227	\$ 150,416	\$ 13,001,222	\$ 77,422,477
Restricted cash	17,909	-	-	2,214,365	-	-	2,232,274
Receivables, net	12,518,550	384,417	76,667	1,136,141	27,892	2,287,490	16,431,157
Due from component unit - EDA	-	-	-	-	-	150,000	150,000
Prepaid expenditures	34,894	-	-	-	-	16,060	50,954
Advances to other funds	6,483,797	4,033,797	-	-	-	-	10,517,594
Total assets	<u>\$ 56,347,305</u>	<u>\$ 4,608,903</u>	<u>\$ 755,435</u>	<u>\$ 29,459,733</u>	<u>\$ 178,308</u>	<u>\$ 15,454,772</u>	<u>\$ 106,804,456</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,027,842	\$ 80,794	\$ -	\$ 1,695,187	\$ 13,525	\$ 665,537	\$ 3,482,885
Retainage payable	-	-	-	261,226	-	7,703	268,929
Deposits payable	729,045	-	-	-	-	24,863	753,908
Salaries, taxes and benefits payable	1,965,307	25,120	-	-	-	163,106	2,153,533
Unearned revenues	40,481	-	-	1,350,977	-	220,845	1,612,303
Due to component unit - School Division	15,707,143	-	-	-	-	-	15,707,143
Due to component unit - CDA	-	-	-	-	-	364,978	364,978
Advances from other funds	-	4,033,797	4,033,797	-	-	-	8,067,594
Total liabilities	<u>19,469,818</u>	<u>4,139,711</u>	<u>4,033,797</u>	<u>3,307,390</u>	<u>13,525</u>	<u>1,447,032</u>	<u>32,411,273</u>
Deferred inflows of resources:							
Unavailable revenues - property taxes, fees and grants	3,081,477	-	-	-	-	10,000	3,091,477
Deferred revenues - prepaid taxes, fees and receivables	581,329	-	-	801,675	-	16,060	1,399,064
Total deferred inflows of resources	<u>3,662,806</u>	<u>-</u>	<u>-</u>	<u>801,675</u>	<u>-</u>	<u>26,060</u>	<u>4,490,541</u>
Fund balances (deficit):							
Nonspendable	6,518,691	-	-	-	-	-	6,518,691
Restricted	11,645	469,192	-	2,389,547	-	976,079	3,846,463
Committed	3,327,357	-	-	3,759,551	-	12,311,965	19,398,873
Assigned	5,786,348	-	-	19,201,570	164,783	693,636	25,846,337
Unassigned	17,570,640	-	(3,278,362)	-	-	-	14,292,278
Total fund balances (deficit)	<u>33,214,681</u>	<u>469,192</u>	<u>(3,278,362)</u>	<u>25,350,668</u>	<u>164,783</u>	<u>13,981,680</u>	<u>69,902,642</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 56,347,305</u>	<u>\$ 4,608,903</u>	<u>\$ 755,435</u>	<u>\$ 29,459,733</u>	<u>\$ 178,308</u>	<u>\$ 15,454,772</u>	<u>\$ 106,804,456</u>

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

COUNTY OF YORK, VIRGINIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2019

Fund balances - Total governmental funds \$ 69,902,642

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. 84,507,533

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	\$ 3,091,477	
Less allowance for doubtful accounts, fees	<u>(118,179)</u>	2,973,298

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

Deferred outflows of resources related to OPEB costs	\$ 12,956,914	
Deferred inflows of resources related to OPEB costs	(10,965,045)	
Deferred outflows of resources related to pension costs	4,775,741	
Deferred inflows of resources related to pension costs	<u>(2,541,355)</u>	4,226,255

Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.

Deferred charge on refunded debt	\$ 2,049,699	
Less accumulated amortization	<u>(620,365)</u>	1,429,334

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	\$ 11,347,420	
Capital assets	8,575,970	
Less accumulated depreciation/amortization	(5,398,431)	
Deferred outflows of resources	<u>344,376</u>	
	14,869,335	
Liabilities	(2,368,855)	
Deferred inflows of resources	<u>(261,876)</u>	12,238,604

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

Accrued interest payable	\$ (1,576,466)	
Net OPEB liability	(9,806,848)	
Net pension liability	(16,202,088)	
General obligation bonds, net	(74,271,325)	
Capital leases	(1,997,074)	
Lease revenue bonds, net	(25,446,020)	
Compensated absences	<u>(6,479,207)</u>	(135,779,028)

Total net position - Statement of Net Position \$ 39,498,638

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, 2019

			<u>Capital Project</u>				
	<u>General</u>	<u>Tourism Special Revenue</u>	<u>Yorktown Capital Improvements</u>	<u>County Capital</u>	<u>Debt Service Education</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
General property taxes	\$ 90,807,442	\$ -	\$ -	\$ -	\$ -	\$ 366,777	\$ 91,174,219
Other local taxes	31,490,036	3,611,826	-	-	-	2,740,875	37,842,737
Intergovernmental:							
Federal	695,534	-	-	-	55,785	5,800,241	6,551,560
State	13,540,933	-	-	200,348	104,460	2,499,407	16,345,148
Permits, fees, and licenses	1,104,298	-	-	-	-	-	1,104,298
Fines and forfeitures	433,857	-	-	-	-	-	433,857
Use of money and property	1,338,334	4,221	11,304	286,700	-	107,793	1,748,352
Charges for services	4,341,511	-	-	-	-	166,324	4,507,835
Miscellaneous	348,607	-	-	69,641	-	143,098	561,346
Recovered costs	1,670,945	-	-	69,800	104,738	306,970	2,152,453
Total revenues	<u>145,771,497</u>	<u>3,616,047</u>	<u>11,304</u>	<u>626,489</u>	<u>264,983</u>	<u>12,131,485</u>	<u>162,421,805</u>
EXPENDITURES							
Current:							
General administration	2,860,531	-	-	-	-	-	2,860,531
Judicial services	2,990,820	-	-	-	-	17,218	3,008,038
Public safety	33,833,691	253,457	-	-	-	861,545	34,948,693
Management services	9,180,813	438,600	-	-	-	-	9,619,413
Education	55,461,717	-	-	-	8,628,819	1,672,652	65,763,188
Human services	1,454,150	-	-	-	-	8,438,233	9,892,383
Public works	8,617,408	60,000	-	-	-	-	8,677,408
Community development	2,368,950	-	-	-	-	1,661,203	4,030,153
Community services	3,177,534	2,127,883	-	-	-	513,215	5,818,632
Non-departmental	1,493,959	-	-	-	-	1,043,296	2,537,255
Capital outlay	-	-	-	9,918,982	-	1,164,645	11,083,627
Debt service:							
Principal retirement	-	55,335	-	-	3,830,000	3,206,311	7,091,646
Interest and fiscal charges	-	-	-	-	2,702,910	1,138,240	3,841,150
Debt issuance costs	-	-	-	-	43,418	2,500	45,918
Total expenditures	<u>121,439,573</u>	<u>2,935,275</u>	<u>-</u>	<u>9,918,982</u>	<u>15,205,147</u>	<u>19,719,058</u>	<u>169,218,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,331,924</u>	<u>680,772</u>	<u>11,304</u>	<u>(9,292,493)</u>	<u>(14,940,164)</u>	<u>(7,587,573)</u>	<u>(6,796,230)</u>
OTHER FINANCING SOURCES (USES)							
Insurance recovery	54,673	-	-	-	-	-	54,673
Transfers in	162,000	-	657,513	10,487,469	6,450,002	8,218,988	25,975,972
Issuance of debt	-	-	-	-	7,765,000	-	7,765,000
Refunding bonds issued	-	-	-	-	3,540,000	-	3,540,000
Premium on bonds issued	-	-	-	-	879,737	-	879,737
Deposits for refunding	-	-	-	-	(3,540,000)	-	(3,540,000)
Transfers out	(27,020,148)	(657,513)	-	-	-	(162,000)	(27,839,661)
Total other financing sources and uses, net	<u>(26,803,475)</u>	<u>(657,513)</u>	<u>657,513</u>	<u>10,487,469</u>	<u>15,094,739</u>	<u>8,056,988</u>	<u>6,835,721</u>
Net change in fund balance	(2,471,551)	23,259	668,817	1,194,976	154,575	469,415	39,491
Fund balance (deficit), beginning of year restated	<u>35,686,232</u>	<u>445,933</u>	<u>(3,947,179)</u>	<u>24,155,692</u>	<u>10,208</u>	<u>13,512,265</u>	<u>69,863,151</u>
Fund balance (deficit), end of year	<u>\$ 33,214,681</u>	<u>\$ 469,192</u>	<u>\$ (3,278,362)</u>	<u>\$ 25,350,668</u>	<u>\$ 164,783</u>	<u>\$ 13,981,680</u>	<u>\$ 69,902,642</u>

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

COUNTY OF YORK, VIRGINIA
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 39,491

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

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay expenditures, depreciation and amortization expenses and the loss on disposal of capital assets in the current period are provided below.

Capital outlay expenditures	\$ 8,783,013	
Capital contribution of land	349,800	
Transfer of capital asset to proprietary fund	(55,490)	
Depreciation and amortization expenses	(5,228,539)	
Gain on disposal of capital assets	19,200	
Loss on disposal of capital assets	<u>(91,972)</u>	3,776,012

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

364,540

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has an effect on net position. Governmental funds report the effect of premiums, discounts and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

Principal repayments	\$ 7,091,646	
Issuance of debt	(7,765,000)	
Refunding bonds issued	(3,540,000)	
Premium on issuance of noncurrent debt, net	(879,737)	
Deferred charge on refunded debt	100,325	
Deposits for refunding	3,540,000	
Amortization of premium on issuance of noncurrent debt	639,984	
Amortization of deferred charge on refunded debt	<u>(161,695)</u>	(974,477)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Retirement liabilities, accrued interest and compensated absences changed by the amounts provided below in the current year.

Accrued interest payable	\$ (114,538)	
Net OPEB liability	829,430	
Net pension liability	248,323	
Compensated absences	<u>(1,722,906)</u>	(759,691)

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

701,889

Change in net position of governmental activities \$ 3,147,764

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

COUNTY OF YORK, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 11,623,616	\$ 1,335,484	\$ 12,959,100	\$ 10,915,547
Restricted cash	1,650,713	-	1,650,713	-
Receivable, net	2,171,341	2,133,570	4,304,911	54,873
Due from component unit - EDA	-	17,327	17,327	-
Prepaid expenses	5,939	36,332	42,271	377,000
Total current assets	<u>15,451,609</u>	<u>3,522,713</u>	<u>18,974,322</u>	<u>11,347,420</u>
Noncurrent assets:				
Nondepreciable capital assets:				
Land	501,353	3,445,402	3,946,755	-
Construction in progress	3,167,735	-	3,167,735	18,870
Easements	677,308	10,945	688,253	-
Depreciable capital assets:				
Land improvements	62,025	-	62,025	262,573
Buildings	18,155,052	5,033,608	23,188,660	-
Buildings improvements	53,289	295,438	348,727	-
Infrastructure	136,831,116	23,422,860	160,253,976	-
Equipment	4,770,884	4,583,240	9,354,124	1,487,505
Vehicles	1,711,272	1,497,820	3,209,092	6,705,510
Computer software	70,272	-	70,272	101,512
Less accumulated depreciation	(50,203,162)	(25,384,499)	(75,587,661)	(5,296,919)
Less accumulated amortization	(70,272)	-	(70,272)	(101,512)
Total noncurrent assets	<u>115,726,872</u>	<u>12,904,814</u>	<u>128,631,686</u>	<u>3,177,539</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt refundings resulting in loss transactions, net of accumulated amortization	346,422	-	346,422	-
Deferred outflows related to OPEB costs	1,197,206	220,388	1,417,594	251,369
Deferred outflows related to pension costs	363,066	98,008	461,074	93,007
Total deferred outflows	<u>1,906,694</u>	<u>318,396</u>	<u>2,225,090</u>	<u>344,376</u>
Total assets and deferred outflows of resources	<u>\$ 133,085,175</u>	<u>\$ 16,745,923</u>	<u>\$ 149,831,098</u>	<u>\$ 14,869,335</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 327,743	\$ 692,648	\$ 1,020,391	\$ 546,568
Retainage payable	20,483	-	20,483	-
Deposits payable	48,784	12,000	60,784	-
Salaries, taxes and benefits payable	175,960	40,428	216,388	46,834
Unearned revenue	1,202,798	62,928	1,265,726	2,289
Accrued interest payable	142,146	-	142,146	-
Revenue bonds	570,000	-	570,000	-
Compensated absences	25,000	1,200	26,200	7,000
Total current liabilities	<u>2,512,914</u>	<u>809,204</u>	<u>3,322,118</u>	<u>602,691</u>
Noncurrent liabilities:				
Revenue bonds	19,393,073	-	19,393,073	-
Compensated absences	444,718	91,190	535,908	116,100
Claims payable	-	-	-	1,147,100
Net OPEB liability	858,576	176,269	1,034,845	189,749
Net pension liability	1,258,292	331,320	1,589,612	313,215
Advance from other fund	-	2,450,000	2,450,000	-
Total noncurrent liabilities	<u>21,954,659</u>	<u>3,048,779</u>	<u>25,003,438</u>	<u>1,766,164</u>
Total liabilities	<u>24,467,573</u>	<u>3,857,983</u>	<u>28,325,556</u>	<u>2,368,855</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB costs	1,014,039	186,302	1,200,341	212,745
Deferred inflows related to pension costs	197,367	51,967	249,334	49,131
Total deferred inflows of resources	<u>1,211,406</u>	<u>238,269</u>	<u>1,449,675</u>	<u>261,876</u>
NET POSITION				
Net investment in capital assets	97,638,223	12,904,813	110,543,036	3,177,540
Restricted for debt service	122,713	-	122,713	-
Unrestricted	9,645,260	(255,142)	9,390,118	9,061,064
Total net position	<u>107,406,196</u>	<u>12,649,671</u>	<u>120,055,867</u>	<u>12,238,604</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 133,085,175</u>	<u>\$ 16,745,923</u>	<u>\$ 149,831,098</u>	<u>\$ 14,869,335</u>

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

COUNTY OF YORK, VIRGINIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Use of property	\$ -	\$ 3,210,521	\$ 3,210,521	\$ -
Other local taxes	1,446,798	-	1,446,798	-
Charges for services	11,678,458	4,910,038	16,588,496	18,099,254
Miscellaneous	1,073	7,396	8,469	104,334
Total operating revenues	<u>13,126,329</u>	<u>8,127,955</u>	<u>21,254,284</u>	<u>18,203,588</u>
Operating Expenses				
Personal services	4,460,785	1,288,473	5,749,258	1,751,336
Contractual services	486,096	7,234,967	7,721,063	13,658,250
Materials and supplies	1,878,691	465,988	2,344,679	2,393,365
Depreciation	3,662,978	725,495	4,388,473	555,358
Amortization	1,795	-	1,795	-
Total operating expenses	<u>10,490,345</u>	<u>9,714,923</u>	<u>20,205,268</u>	<u>18,358,309</u>
Operating income (loss)	<u>2,635,984</u>	<u>(1,586,968)</u>	<u>1,049,016</u>	<u>(154,721)</u>
Nonoperating Revenues (Expenses)				
Federal subsidy for interest on debt	280,880	-	280,880	-
Grant income	-	12,174	12,174	-
Interest income	114,945	19,641	134,586	83,487
Amortization of debt premium	108,114	-	108,114	-
Interest and fiscal charges	(1,200,750)	-	(1,200,750)	-
Donated property	-	(3,717,822)	(3,717,822)	-
Gain (loss) on disposal of capital assets	-	1,680	1,680	(10,270)
Total nonoperating revenues (expenses), net	<u>(696,811)</u>	<u>(3,684,327)</u>	<u>(4,381,138)</u>	<u>73,217</u>
Income (loss) before contributions and transfers, net	<u>1,939,173</u>	<u>(5,271,295)</u>	<u>(3,332,122)</u>	<u>(81,504)</u>
Capital Contributions	1,557,250	-	1,557,250	-
Transfers In	-	1,080,306	1,080,306	783,393
Transfers Out	(10)	-	(10)	-
Change in net position	<u>3,496,413</u>	<u>(4,190,989)</u>	<u>(694,576)</u>	<u>701,889</u>
Total net position, beginning of year restated	<u>103,909,783</u>	<u>16,840,660</u>	<u>120,750,443</u>	<u>11,536,715</u>
Total net position, end of year	<u>\$ 107,406,196</u>	<u>\$ 12,649,671</u>	<u>\$ 120,055,867</u>	<u>\$ 12,238,604</u>

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

COUNTY OF YORK, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities			Governmental Activities
	Sewer Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 11,320,276	\$ 7,730,673	\$ 19,050,949	\$ 18,104,656
Other receipts	1,447,871	7,396	1,455,267	83,784
Payments to suppliers for goods and services	(2,677,208)	(7,484,950)	(10,162,158)	(16,449,611)
Payments to employees for services	(4,394,952)	(1,168,668)	(5,563,620)	(1,638,686)
Receipts (payments) from (for) interfund activity	-	(50,000)	(50,000)	20,550
Net cash provided by (used in) operating activities	<u>5,695,987</u>	<u>(965,549)</u>	<u>4,730,438</u>	<u>120,693</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant income	-	12,174	12,174	-
Transfers in	-	1,080,306	1,080,306	783,393
Transfers out	(10)	-	(10)	-
Net cash provided by (used in) noncapital financing activities	<u>(10)</u>	<u>1,092,480</u>	<u>1,092,470</u>	<u>783,393</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,460,044)	(494,626)	(1,954,670)	(769,706)
Net proceeds from the disposal of capital assets	-	1,680	1,680	33,545
Federal subsidy for interest on debt	280,880	-	280,880	-
Principal paid on capital debt	(545,000)	-	(545,000)	-
Interest paid on capital debt	(1,169,771)	-	(1,169,771)	-
Net cash used in capital and related financing activities	<u>(2,893,935)</u>	<u>(492,946)</u>	<u>(3,386,881)</u>	<u>(736,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	114,945	20,731	135,676	91,175
Net cash provided by investing activities	<u>114,945</u>	<u>20,731</u>	<u>135,676</u>	<u>91,175</u>
Net increase (decrease) in cash and cash equivalents	2,916,987	(345,284)	2,571,703	259,100
Cash and cash equivalents, beginning of year	<u>10,357,342</u>	<u>1,680,768</u>	<u>12,038,110</u>	<u>10,656,447</u>
Cash and cash equivalents, end of year	<u>\$ 13,274,329</u>	<u>\$ 1,335,484</u>	<u>\$ 14,609,813</u>	<u>\$ 10,915,547</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments	\$ 11,623,616	\$ 1,335,484	\$ 12,959,100	\$ 10,915,547
Restricted cash	1,650,713	-	1,650,713	-
Cash and cash equivalents, end of year	<u>\$ 13,274,329</u>	<u>\$ 1,335,484</u>	<u>\$ 14,609,813</u>	<u>\$ 10,915,547</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,635,984	\$ (1,586,968)	\$ 1,049,016	\$ (154,721)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,662,978	725,495	4,388,473	555,358
Amortization	1,795	-	1,795	-
Decrease (increase) in:				
Receivables	(84,357)	(375,726)	(460,083)	3,113
Due from/to component unit - EDA	-	1,388	1,388	-
Prepaid expenses	-	(18,113)	(18,113)	(377,000)
Increase (decrease) in:				
Accounts payable	25,501	216,005	241,506	(289,465)
Retainage payable	(348,223)	-	(348,223)	-
Deposits payable	10,301	-	10,301	-
Salaries, taxes and benefits payable	19,481	5,255	24,736	11,920
Unearned revenues	(273,825)	2,565	(271,260)	2,289
Net OPEB liability and related outflows/inflows	(72,181)	(899)	(73,080)	(1,500)
Net pension liability and related outflows/inflows	8,963	64,180	73,143	40,543
Claims payable	-	-	-	268,469
Compensated absences	109,570	51,269	160,839	61,687
Advance from other fund	-	(50,000)	(50,000)	-
Net cash provided by (used in) operating activities	<u>\$ 5,695,987</u>	<u>\$ (965,549)</u>	<u>\$ 4,730,438</u>	<u>\$ 120,693</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 1,501,760	-	\$ 1,501,760	-
Transfer in of capital assets	\$ 55,490	-	\$ 55,490	-

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

COUNTY OF YORK, VIRGINIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	\$ -	\$ 3,921,258
Investments at fair value:		
Investment in pooled funds - County		
Fixed Income	2,034,782	-
Stocks	5,232,296	-
Real Estate	678,261	-
Alternative Investments	1,744,099	-
Investment in pooled funds - School Division		
Fixed Income	1,596,556	-
Stocks	4,105,430	-
Real Estate	532,185	-
Alternative Investments	1,368,476	-
Other receivables	-	162,011
Total assets	<u>\$ 17,292,085</u>	<u>\$ 4,083,269</u>
LIABILITIES		
Accounts payable	\$ -	\$ 807,919
Deposits payable	-	6,097
Salaries, taxes and benefits payable	-	284,330
Amounts held for others	-	2,984,923
Total liabilities	<u>\$ -</u>	<u>\$ 4,083,269</u>
NET POSITION		
Restricted for postemployment benefits other than pensions	<u>\$ 17,292,085</u>	
Total liabilities and net position	<u><u>\$ 17,292,085</u></u>	

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

COUNTY OF YORK, VIRGINIA
Statement of Changes in Fiduciary Net Position
Other Postemployment Benefits Trust Fund
For the Year Ended June 30, 2019

	Other Postemployment Benefit Trust Fund
ADDITIONS	
Contributions:	
County	\$ 930,691
School Division	593,608
Total contributions	<u>\$ 1,524,299</u>
Investment earnings:	
Net increase in fair value of investments	\$ 748,412
Less administrative expenses	<u>(18,686)</u>
Total investment earnings, net	<u>729,726</u>
 Total additions	 <u>\$ 2,254,025</u>
DEDUCTIONS	
Retirement benefits	\$ 1,240,644
Total deductions	<u>\$ 1,240,644</u>
 Change in net position	 <u>1,013,381</u>
Total net position restricted for postemployment benefits other than pensions, beginning of year	<u>16,278,704</u>
Total net position restricted for postemployment benefits other than pensions, end of year	<u>\$ 17,292,085</u>

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

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COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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 2019, the County adopted the provisions of a new GASB statement: GASB Statement No. 88 ("GASB 88"), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which provides guidance for improving the information that is disclosed in the notes related to debt, including direct borrowings and direct placements. It also clarifies the disclosures for debt related to significant events of default.

The Reporting Entity

The County's financial reporting entity is defined and its financial statements are presented in accordance with GAAP where in it defines the distinction between the County as a Primary Government and its related entities. The financial reporting entity consists of the Primary Government and its discretely presented component units, which are legally, separate organizations for which the elected officials of the Primary Government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the Primary Government, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the Primary Government. The Primary Government may also be financially accountable if the component unit is fiscally dependent on the Primary Government regardless of whether the component unit has a separately elected governing board.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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 Board; however, the School Division is fiscally dependent upon the County because the Board of Supervisors approves the School Division's annual budget and levies the necessary taxes to finance the School Division's operations. The Board of Supervisors makes an annual appropriation to the School Division, but is prohibited from exercising any control over specific expenditures of the School Division's operating funds. The School Division may not issue debt, so the Board of Supervisors borrows funds to finance the acquisition, construction, and improvement of School Division property. The School Division holds title to this property, while the County remains responsible for repayment of the debt. The majority of the School Division's funding is from the County and the Commonwealth of Virginia. Separate audited financial statements are available from the School Division at 302 Dare Road, Yorktown, Virginia, 23692.

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The CDA is fiscally dependent upon the County for the remittance of the incremental tax revenues to fund the CDA's debt service requirements. On November 28, 2007, the Authority issued \$32,860,000 Revenue Bonds, Series 2007 which were restructured on March 1, 2012. On October 27, 2015, the CDA issued convertible capital appreciation revenue bonds. The principal of and the interest on the 2007 bonds do not constitute a pledge of the faith and credit of the County and therefore the faith and credit of the County have not been pledged to the payment of the principal of or interest on the 2007 bonds. The issuance of the bonds does not directly, indirectly or contingently obligate the County to levy any taxes or to make any appropriation for their payment except from the revenues and receipts pledged therefore. Pursuant to the Act, the County is expressly precluded from paying the principal of or interest on the bonds except from the special assessments and the incremental tax revenues. A separate board appointed by the Board of Supervisors governs the CDA. Separate audited financial statements are available from Theresa S. Owens, Marquis Community Development Authority at 120 Alexander Hamilton Boulevard, Yorktown, Virginia 23690.

Joint Venture Government Organizations

The County does not include in the basic financial statements certain authorities created as separate governments under the laws of the Commonwealth of Virginia. These authorities are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the County although the County Board of Supervisors appoints certain members of their governing bodies. While the County may have some reversionary interest in the assets of these entities in the event they are dissolved, the nature and extent of that interest would be subject to negotiation at the time of dissolution. The County does not include these entities as component units because they do not meet the criteria as set forth in GAAP.

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

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

Government-wide and Fund Financial Statements

The basic financial statements are composed of both government-wide and fund financial statements. The government-wide statements, the Statement of Net Position and the Statement of Activities, report information on all of the nonfiduciary activities of the County and its component units.

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

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

Measurement Focus, Basis of Accounting, Financial Statement Presentation

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which are custodial in nature (assets and liabilities) and have no measurement focus.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following nonmajor governmental funds:

Special Revenue Funds: The Revenue Stabilization (previously combined with the General Fund), Children and Family Services, Virginia Public Assistance, Grant and Donations (previously included with the General Fund), Law Library and Community Development Authority Revenue Account Funds are used to account for the proceeds of federal, state, and local sources that are legally restricted to expenditures for specified purposes.

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The County reports the following major enterprise fund:

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

The County reports the following nonmajor enterprise funds:

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

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

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

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

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

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

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

The County reports the following additional fund types:

Internal Service Funds: The Vehicle Maintenance Fund accounts for the operation of the vehicle maintenance and replacement services provided to County departments on a cost reimbursement basis. The Health and Dental Insurance Fund accounts for the payment of claims and other expenses related to medical and dental benefits provided to employees and retirees. The Workers' Compensation Fund accounts for the claims and related expenses for workers' compensation. The Information Technology Fund accounts for the costs of providing computer technical support, software support, internet and telecommunications services.

Fiduciary Funds:

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's Sewer Utility and various other functions of the government; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted on an as needed basis.

Property Taxes

The two major sources of property taxes are described below:

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

Real estate taxes are billed in semi-annual installments due June 25 and December 5. Liens are placed on the property on the date real estate taxes are delinquent, June 26 and December 6, and must be satisfied prior to the sale or transfer of the property. Real estate taxes reported as revenue are for the assessment due December 5, 2018 and June 25, 2019, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar year 2018 and 2019 was \$0.795, per \$100 of assessed value.

Personal Property: The County levies personal property taxes on motor vehicles and tangible personal business property. These levies are made each year as of January 1. Personal property taxes are billed in equal semi-annual installments due June 25 and December 5. Personal property taxes do not create a lien on property. The personal property taxes reported as revenue are for the levies due December 5, 2018, and June 25, 2019, less an allowance for uncollectible amounts and taxes not collected within 45 days after year-end. The tax rate for calendar years 2018 and 2019 was \$4.00 per \$100 of assessed value.

The County's property tax collection records show that 96.52% of the property taxes due for the current tax year were collected.

Allowance for Uncollectible Amounts

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

Cash and Temporary Investments

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

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

Prepays

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

Advances

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

Capital Assets

Capital assets include land, land improvements, buildings and improvements, infrastructure, equipment, and vehicles. Intangible assets include easements and computer software. Infrastructure acquired prior to 2002 that meets the County's capitalization threshold has been reported. All acquisitions of land and easements; land improvements, infrastructure, equipment, and computer software that individually costs \$5,000 or more; vehicles that individually cost \$10,000 or more; and buildings and improvements that individually cost \$30,000 or more and with useful lives greater than one year are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if constructed or purchased. Donated capital assets are recorded at acquisition value at the date of donation. Capital and intangible assets are depreciated and amortized over their estimated useful lives using the straight-line, half-year convention method. Land and permanent easements have an indefinite life. Temporary easements are amortized over the period of time the easement covers. The estimated useful lives of other capital and intangible assets are as follows: land improvements (15 - 20), buildings and improvements (10 - 50), infrastructure (10 - 50), equipment (3 - 20), vehicles (3 - 20), and computer software (3 - 7).

Compensated Absences

County employees are granted vacation and sick pay in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination or death, may be compensated for certain amounts at their then current rates of pay. A liability for these amounts is reported in governmental funds only if they have matured, for the reasons stated above. The current and noncurrent liability for accrued vacation and sick leave benefits at June 30, 2019 has been reported in the government-wide statements, representing the County's commitment to fund such costs from future operations. In the proprietary funds, the amount of compensated absences recognized is the amount earned. Such benefits are included in the government-wide statements. The amount due within one year has been estimated based on historic trends.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Deferred Outflows and Inflows of Resources

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

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

Fund Balances

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

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

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

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

Assigned: Amounts that are intended to be used for specific purposes, but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

the General Fund, assigned amounts represent intended uses established by the Board of Supervisors, or as delegated to the County Administrator. The Board of Supervisors has by resolution authorized the County Administrator to assign fund balance. Unlike commitments, assignments generally only exist temporarily and an additional action is not normally required to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

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

Net Position

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

Statement of Cash Flows

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

Use of Estimates

Management of the County has made a number of estimates and assumptions relating to the reporting of assets, liabilities and deferred flows of resources and related disclosures to prepare these financial statements in conformity with GAAP. Any differences between these estimates and actual results should immaterially affect the County's reporting of its financial position.

Credit Risk

The assessed value of real estate and personal property for the County's ten largest taxpayers comprises 10.53% of the County's tax base. Concentration of credit risk with respect to receivables is limited due to the large number of customers comprising the County's customer base. The *Code of Virginia* (Code), as amended, requires the election of a County Treasurer. The County's Treasurer is the custodian of cash and investments for the County, EDA and School Division. Oversight for investment activity is the responsibility of the Treasurer.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

2. DEPOSITS AND INVESTMENTS

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

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in a manner consistent with the "2a7 like pool" risk limiting requirements of GAAP with the portfolio securities valued by the amortized cost method, which approximates fair value. Investments with a maturity date of one year or less are stated at amortized cost. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

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

The carrying amount of the Primary Government's cash and investments at June 30, 2019 is as follows:

	Amount
Restricted cash	\$ 3,882,987
Investments	62,125,163
Deposits with financial institutions	43,088,964
Petty cash	4,255
Total cash and investments	<u><u>\$109,101,369</u></u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

2. DEPOSITS AND INVESTMENTS (Continued)

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	\$ 101,297,124	\$ 16,157,380	\$ 1,332,097	\$ -	\$ 118,786,601
Restricted cash	3,882,987	-	14,510	1,019,476	4,916,973
Fiduciary funds:					
Restricted cash	-	72,538	-	-	72,538
Restricted investments	-	1,597,646	-	-	1,597,646
Agency funds	3,921,258	1,695,951	-	-	5,617,209
Total cash and investments	<u>\$ 109,101,369</u>	<u>\$ 19,523,515</u>	<u>\$ 1,346,607</u>	<u>\$ 1,019,476</u>	<u>\$ 130,990,967</u>

Restricted Cash

The County's restricted cash of \$3,882,987 at June 30, 2019 consisted of the following: \$5,000 of surety deposits for junkyards held in the County and junkyards' names; \$12,909 of surety deposits for developments; \$2,214,365 for debt reserves on the 2018 bonds; and \$1,650,713 for debt reserves on the 2010 sewer revenue bonds.

Credit Risk

As required by state statute, the policy requires that commercial paper be rated "prime quality" by at least two nationally recognized statistical rating organizations (A-1 by both Standard & Poor's and Moody's Investor Service) and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor's and Moody's Investor Service. The County's policy further limits credit risk by limiting investments in securities that have higher credit risks. As of June 30, 2019, the County's investments as rated by Standard & Poor's were as follows:

Investment Type	AAA	AA	Unrated
LGIP	\$ 15,271,655	\$ -	\$ -
Money market	-	-	39,048
Treasury bills	2,874,371	-	-
Federal agency bonds and notes	-	39,573,377	-
Corporate obligations	-	4,366,712	-
Total investments	<u>\$ 18,146,026</u>	<u>\$ 43,940,089</u>	<u>\$ 39,048</u>

Concentration of Credit Risk

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

2. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the County's policy limits the investment portfolio holdings to no more than 24 months, unless approved by the Treasurer. As of June 30, 2019, 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-LGIP	\$ 15,271,655	0.02
Money market	39,048	0.02
Treasury bills	2,874,371	0.35
Federal agency bonds and notes	39,573,377	1.41
Corporate obligations	4,366,712	1.19
Total investments	<u>\$ 62,125,163</u>	
Weighted average of portfolio		<u>1.00</u>

Custodial Credit Risk

The policy requires that all investment securities purchased by the County be held by an independent third-party custodian and evidenced by safekeeping receipts in the County's name. As of June 30, 2019, all of the County's investments were held in a bank's trust department in the County's name.

Fair Value Hierarchy

GAAP establishes a hierarchy (3 Levels) of valuation techniques used to measure fair value. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are inputs other than quoted prices that are observable either directly or indirectly. Level 3 inputs are unobservable inputs. The County has the following fair value measurements as of June 30, 2019:

Fair Value Measurements Using

Investments- At fair value	June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market	\$ 39,048	\$ 39,048	\$ -
Treasury bills	2,874,371	2,874,371	-
Federal agency bonds and notes	39,573,377	12,377,574	27,195,803
Corporate obligations	4,366,712	-	4,366,712
Total investments	<u>\$ 46,853,508</u>	<u>\$ 15,290,993</u>	<u>\$ 31,562,515</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

2. DEPOSITS AND INVESTMENTS (Continued)

In addition, investments held by the Virginia Pooled OPEB Trust Fund in the pool in which the County and the School Division participate (Portfolio I) as reported by the Fund's investment advisor, Asset Consulting Group, at June 30, 2019 are \$898.7 million, of which the County and the School Division have \$17,292,085 invested.

Discretely Presented Component Units

At June 30, 2019, and excluding fiduciary funds of \$3,366,135 not held by the County Treasurer, the School Division had investments of \$173,635 with LGIP, rated AAA by Standard and Poor's.

At June 30, 2019, the EDA had bank deposits of \$930,370 (\$14,510 of which was restricted for tenant security deposits) and investments in LGIP of \$416,237, rated AAAM by Standard & Poor's.

The CDA's restricted cash and investments of \$1,019,476 at June 30, 2019, consisted of unspent bond proceeds. The total amount was invested in the U.S. Treasury money market funds. The U.S. Treasury money market funds are rated AAAM by Standard & Poor's and were stated at cost, which approximates fair value.

3. RECEIVABLES

At June 30, 2019, receivables were as follows:

	<u>General</u>	<u>Tourism</u>	Yorktown Capital <u>Imps</u>	County <u>Capital</u>	Education Debt <u>Service</u>	Nonmajor Governmental <u>Funds</u>	Sewer <u>Utility</u>	Nonmajor Enterprise <u>Funds</u>	Internal Service <u>Funds</u>
Property taxes	\$ 5,557,403	\$ -	\$ -	\$ -	\$ -	\$ 77	\$ -	\$ -	\$ -
Vehicle registration fees	687,601	-	-	-	-	-	-	-	-
Other taxes	2,535,550	440,182	-	-	-	288,950	168,291	-	-
Accounts	574,986	-	-	65,300	-	89,861	2,101,594	2,181,792	54,873
Interest	-	-	-	-	-	-	-	-	-
Notes	-	-	76,667	801,675	-	-	-	-	-
Intergovernmental:									
Federal	102,656	-	-	-	27,892	1,415,739	-	-	-
State	4,440,624	-	-	269,166	-	492,863	-	-	-
Receivables, gross	13,898,820	440,182	76,667	1,136,141	27,892	2,287,490	2,269,885	2,181,792	54,873
Less allowance for doubtful accounts	(1,380,270)	(55,765)	-	-	-	-	(98,544)	(48,222)	-
Receivables, net	<u>\$ 12,518,550</u>	<u>\$ 384,417</u>	<u>\$ 76,667</u>	<u>\$ 1,136,141</u>	<u>\$ 27,892</u>	<u>\$ 2,287,490</u>	<u>\$ 2,171,341</u>	<u>\$ 2,133,570</u>	<u>\$ 54,873</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

4. INTERFUND AND COMPONENT UNIT TRANSACTIONS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Advance from Fund</u>	<u>Advance to Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Tourism	Infrastructure	\$ 4,033,797
	Nonmajor Enterprise Funds	Land purchase	<u>2,450,000</u>
Total Advances to other funds			<u>\$ 6,483,797</u>
	Yorktown Capital Improvements		
Tourism		Infrastructure	<u>\$ 4,033,797</u>

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

Due to/from Primary Government:

<u>Due from Entity</u>	<u>Due to Entity</u>	<u>Purpose</u>	<u>Amount</u>
County of York	School Division	Operations	<u>\$ 15,707,143</u>
EDA	County of York	Riverwalk Landing lease	<u>\$ 17,327</u>
EDA	County of York	Stormwater project	<u>\$ 150,000</u>
County of York	CDA	Incremental tax revenues	<u>\$ 364,978</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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

Transfers In and Out:

<u>Fund</u>	<u>Transfers Out Fund</u>	<u>Transfers In Fund</u>
General	\$ 27,020,148	\$ 162,000
Tourism	657,513	-
Yorktown Capital Improvements	-	657,513
County Capital	-	10,487,469
Debt Service Education	-	6,450,002
Nonmajor governmental	162,000	8,218,988
Sewer Utility	10	-
Nonmajor enterprise	-	1,080,306
Internal service	-	783,393
Total	<u>\$ 27,839,671</u>	<u>\$ 27,839,671</u>

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 2019 were as follows:

Payments from County to School Division for School operations	\$ 54,487,094
Payments from County to School Division for school capital projects	1,123,085
Payments to County from School Division - year-end reversion entry	<u>(3,327,357)</u>
Total General Fund	<u>\$ 52,282,822</u>
 Payments from County to School Division for School operations	 \$ 300,000
Payments from County to School Division for school capital projects	<u>1,365,460</u>
Total Nonmajor Special Revenue Fund	<u>\$ 1,665,460</u>
 Bond proceeds from County to School Division for construction -	
Education Debt Service	<u>\$ 8,628,819</u>
Statement of Activities - Payment from County of York	<u>\$ 62,577,101</u>
 Payment from County General Fund to Economic Development Authority	
for operations; Statement of Activities - Payment from County of York	<u>\$ 858,778</u>
Payment from County to Community Development Authority for incremental tax revenue -	
Nonmajor Governmental Fund; Statement of Activities - Payment from County of York	<u>\$ 1,180,789</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government:

Governmental Activities:	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets not being depreciated/amortized:				
Land	\$ 12,177,626	\$ 718,800	\$ (349,800)	\$ 12,546,626
Easements	782,620	-	-	782,620
Construction in progress	3,251,427	7,674,246	(1,996,631)	8,929,042
Total capital assets not being depreciated/amortized	16,211,673	8,393,046	(2,346,431)	22,258,288
Capital assets being depreciated/amortized:				
Land improvements	23,171,781	122,293	-	23,294,074
Buildings	37,524,147	-	-	37,524,147
Building improvements	13,841,246	137,017	-	13,978,263
Infrastructure	14,876,646	239,245	-	15,115,891
Equipment	29,321,738	826,916	(869,846)	29,278,808
Vehicles	20,988,636	2,486,144	(424,543)	23,050,237
Computer software	1,347,042	7,999	-	1,355,041
Total capital assets being depreciated/amortized	141,071,236	3,819,614	(1,294,389)	143,596,461
Less accumulated depreciation/amortization for:				
Land improvements	(16,047,795)	(1,301,915)	-	(17,349,710)
Buildings	(14,732,120)	(733,863)	-	(15,465,983)
Building improvements	(3,095,551)	(383,600)	-	(3,479,151)
Infrastructure	(6,924,272)	(466,830)	-	(7,391,102)
Equipment	(20,547,769)	(1,521,462)	807,956	(21,261,275)
Vehicles	(11,066,265)	(1,294,948)	350,646	(12,010,567)
Computer software	(1,130,610)	(81,279)	-	(1,211,889)
Total accumulated depreciation/amortization	(73,544,382)	(5,783,897)	1,158,602	(78,169,677)
Total capital assets being depreciated/amortized, net	67,526,854	(1,964,283)	(135,787)	65,426,784
Governmental activities capital assets, net	\$ 83,738,527	\$ 6,428,763	\$ (2,482,218)	\$ 87,685,072

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

5. CAPITAL ASSETS (Continued)

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

General administration	\$ 1,163,854
Judicial services	325,278
Public safety	2,065,319
Management services	190,965
Education	105,258
Human services	9,237
Public works	287,055
Community services	1,081,573
Internal Service Fund - charged to functions based on usage	<u>555,358</u>
Total depreciation and amortization expenses - governmental activities	<u>\$ 5,783,897</u>

Business-type Activities:	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets not being depreciated/amortized:				
Land	\$ 3,946,755	\$ -	\$ -	\$ 3,946,755
Easements	683,213	5,040	-	688,253
Construction in progress	<u>12,605,419</u>	<u>995,110</u>	<u>(10,432,794)</u>	<u>3,167,735</u>
Total capital assets not being depreciated/amortized	<u>17,235,387</u>	<u>1,000,150</u>	<u>(10,432,794)</u>	<u>7,802,743</u>
Capital assets being depreciated/amortized:				
Land improvements	37,155	24,870	-	62,025
Buildings	22,538,660	650,000	-	23,188,660
Building improvements	295,438	53,289	-	348,727
Infrastructure	155,606,546	4,647,430	-	160,253,976
Equipment	6,023,247	3,344,058	(13,181)	9,354,124
Vehicles	2,701,997	507,095	-	3,209,092
Computer software	<u>70,272</u>	<u>-</u>	<u>-</u>	<u>70,272</u>
Total capital assets being depreciated/amortized	<u>187,273,315</u>	<u>9,226,742</u>	<u>(13,181)</u>	<u>196,486,876</u>
Less accumulated depreciation/amortization for:				
Land improvements	(20,150)	(2,478)	-	(22,628)
Buildings	(15,368,302)	(716,430)	-	(16,084,732)
Building improvements	(277,589)	(13,231)	-	(290,820)
Infrastructure	(49,565,548)	(3,119,585)	2	(52,685,131)
Equipment	(4,765,388)	(360,222)	13,181	(5,112,429)
Vehicles	(1,215,394)	(176,527)	-	(1,391,921)
Computer software	<u>(68,477)</u>	<u>(1,795)</u>	<u>-</u>	<u>(70,272)</u>
Total accumulated depreciation/amortization	<u>(71,280,848)</u>	<u>(4,390,268)</u>	<u>13,183</u>	<u>(75,657,933)</u>
Total capital assets being depreciated/amortized, net	<u>115,992,467</u>	<u>4,836,474</u>	<u>2</u>	<u>120,828,943</u>
Business-type activities capital assets, net	<u>\$ 133,227,854</u>	<u>\$ 5,836,624</u>	<u>\$ (10,432,792)</u>	<u>\$ 128,631,686</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

5. CAPITAL ASSETS (Continued)

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

Sanitary District No. 2	\$ 370,659
Solid waste	155,810
Sewer utility	3,664,773
York Sanitary District	31,734
Upper County utility	15,741
Water utility	5,586
Regional radio	<u>145,965</u>
Total depreciation and amortization expenses (excluding amortization on capitalized debt costs) - business-type activities	 <u>\$ 4,390,268</u>

Discretely Presented Component Unit - School Division

Capital assets not being depreciated:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Land	\$ 4,824,818	\$ -	\$ -	\$ 4,824,818
Construction in progress	<u>5,367,783</u>	<u>9,503,652</u>	<u>(3,367,194)</u>	<u>11,504,241</u>
Total capital assets not being depreciated	<u>10,192,601</u>	<u>9,503,652</u>	<u>(3,367,194)</u>	<u>16,329,059</u>

Capital assets being depreciated:

Buildings	211,950,559	3,205,904	-	215,156,463
Building improvements	5,995,316	161,290	-	6,156,606
Equipment	2,941,088	25,450	(11,933)	2,954,605
Vehicles	<u>14,973,687</u>	<u>873,981</u>	<u>(735,034)</u>	<u>15,112,634</u>
Total capital assets being depreciated	<u>235,860,650</u>	<u>4,266,625</u>	<u>(746,967)</u>	<u>239,380,308</u>

Less accumulated depreciation for:

Buildings	(80,737,677)	(4,217,478)	-	(84,955,155)
Building improvements	(3,406,440)	(240,353)	-	(3,646,793)
Equipment	(1,836,062)	(169,849)	11,834	(1,994,077)
Vehicles	<u>(7,962,257)</u>	<u>(936,818)</u>	<u>729,355</u>	<u>(8,169,720)</u>
Total accumulated depreciation	<u>(93,942,436)</u>	<u>(5,564,498)</u>	<u>741,189</u>	<u>(98,765,745)</u>

Total capital assets being depreciated, net

School Division capital assets, net

<u>141,918,214</u>	<u>(1,297,873)</u>	<u>(5,778)</u>	<u>140,614,563</u>
<u>\$ 152,110,815</u>	<u>\$ 8,205,779</u>	<u>\$ (3,372,972)</u>	<u>\$ 156,943,622</u>

Discretely Presented Component Unit - EDA

Capital assets not being depreciated:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Buildings	\$ -	\$ 652,738	\$ -	\$ 652,738
Total capital assets not being depreciated	<u>-</u>	<u>652,738</u>	<u>-</u>	<u>652,738</u>

Capital assets being depreciated:

Land improvements	9,604	-	-	9,604
Infrastructure	<u>850,913</u>	<u>-</u>	<u>-</u>	<u>850,913</u>
Total capital assets being depreciated	<u>860,517</u>	<u>-</u>	<u>-</u>	<u>860,517</u>

Less accumulated depreciation for:

Land improvements	(4,161)	(640)	-	(4,801)
Infrastructure	<u>(183,956)</u>	<u>(28,301)</u>	<u>-</u>	<u>(212,257)</u>
Total accumulated depreciation	<u>(188,117)</u>	<u>(28,941)</u>	<u>-</u>	<u>(217,058)</u>
Total capital assets being depreciated, net	<u>672,400</u>	<u>(28,941)</u>	<u>-</u>	<u>643,459</u>
Economic Development Authority capital assets, net	<u>\$ 672,400</u>	<u>\$ 623,797</u>	<u>\$ -</u>	<u>\$ 1,296,197</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

5. CAPITAL ASSETS (Continued)

<u>Discretely Presented Component Unit - CDA</u>	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets not being depreciated:				
Construction in progress	\$ 18,561,448	\$ -	\$ -	\$ 18,561,448
Capitalized interest expense	2,821,491	-	-	2,821,491
Less interest revenue on investments	(496,139)	-	-	(496,139)
Public improvements 2015 to be transferred	3,530,000	-	-	3,530,000
Total capital assets not being depreciated	24,416,800	-	-	24,416,800
Capital assets being amortized:				
Computer software	9,000	-	-	9,000
Less accumulated amortization	(9,000)	-	-	(9,000)
Total capital assets being amortized, net	-	-	-	-
Community Development Authority capital assets, net	\$ 24,416,800	\$ -	\$ -	\$ 24,416,800

6. UNEARNED REVENUE AND DEFERRED INFLOWS

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue at the fund level arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Deferred inflows represent an acquisition of net position that will not be recognized as revenue until a future period. At June 30, 2019, unearned revenues and deferred inflows are provided in the table below.

	<u>General</u>	<u>County Capital</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>Unearned Revenues</u>						
Advance payments for fees, services and rents	\$ 40,481	\$ 1,350,977	\$ 220,845	\$ 1,202,798	\$ 62,928	\$ 2,289
<u>Deferred Inflows</u>						
Unavailable property taxes and fees	\$ 3,081,477	\$ -	\$ -	\$ -	\$ -	\$ -
Unavailable grants	-	-	10,000	-	-	-
Prepaid taxes and services	581,329	-	16,060	-	-	-
Long-term notes receivable	-	801,675	-	-	-	-
Total	\$ 3,662,806	\$ 801,675	\$ 26,060	\$ -	\$ -	\$ -

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt during the year ended June 30, 2019:

<u>Primary Government:</u>	Balance			Balance	Due Within
<u>Governmental Activities:</u>	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>One Year</u>
General obligation bonds	\$ 66,025,000	\$ 11,305,000	\$ (7,370,000)	\$ 69,960,000	\$ 4,260,000
Premium on bonds	3,787,399	879,737	(355,811)	4,311,325	-
Capital leases	3,423,720	-	(1,426,646)	1,997,074	466,463
Lease revenue bonds	24,470,000	-	(1,835,000)	22,635,000	2,080,000
Premium on bonds	3,095,193	-	(284,173)	2,811,020	-
Compensated absences	4,817,714	6,367,662	(4,583,069)	6,602,307	375,000
Claims liabilities, IBNR	878,631	1,147,100	(878,631)	1,147,100	1,147,100
Net pension liability	13,496,268	19,408,318	(16,389,283)	16,515,303	-
Net OPEB liability	3,248,428	25,038,404	(18,290,235)	9,996,597	-
Total Governmental Activities	<u>\$ 123,242,353</u>	<u>\$ 64,146,221</u>	<u>\$ (51,412,848)</u>	<u>\$ 135,975,726</u>	<u>\$ 8,328,563</u>

<u>Primary Government:</u>	Balance			Balance	Due Within
<u>Business-type Activities:</u>	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>One Year</u>
Revenue bonds	\$ 19,490,000	\$ -	\$ (545,000)	\$ 18,945,000	\$ 570,000
Premium on bonds	1,126,187	-	(108,114)	1,018,073	-
Compensated absences	401,269	537,510	(376,671)	562,108	26,200
Net pension liability	1,217,350	1,850,626	(1,478,364)	1,589,612	-
Net OPEB liability	279,514	2,726,866	(1,971,535)	1,034,845	-
Total Business-type Activities	<u>\$ 22,514,320</u>	<u>\$ 5,115,002</u>	<u>\$ (4,479,684)</u>	<u>\$ 23,149,638</u>	<u>\$ 596,200</u>

<u>Discretely Presented</u>	Balance			Balance	Due Within
<u>Component Units:</u>	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>	<u>One Year</u>
<u>School Division</u>					
Compensated absences	\$ 2,688,760	\$ 1,386,638	\$ (1,240,040)	\$ 2,835,358	\$ 1,230,000
Claims liabilities	3,863,529	957,205	(400,552)	4,420,182	2,025,618
Net pension liability *	104,715,000	22,946,000	(28,817,000)	98,844,000	-
Net OPEB liability	16,791,000	2,294,000	(2,486,000)	16,599,000	-
	<u>\$ 128,058,289</u>	<u>\$ 27,583,843</u>	<u>\$ (32,943,592)</u>	<u>\$ 122,698,540</u>	<u>\$ 3,255,618</u>

* Beginning balance restated to remove School Division's Nonprofessional (non-teacher) retirement plan and York County Public Schools - Option Plan, which are both net pension assets in the current year.

Economic Development Authority

Notes payable	<u>\$ 96,667</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 76,667</u>	<u>\$ 20,000</u>
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Community Development Authority

Refunding bonds payable	\$ 28,875,000	\$ -	\$ -	\$ 28,875,000	\$ -
Capital Appreciation bonds payable	4,404,482	-	-	4,404,482	-
Total bonds payable	<u>\$ 33,279,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,279,482</u>	<u>\$ -</u>
Accretion of interest payable:					
Refunding bonds	\$ 2,315,625	\$ 365,625	\$ -	\$ 2,681,250	\$ -
Capital Appreciation bonds	960,682	409,970	-	1,370,652	-
Total accretion of interest payable	<u>\$ 3,276,307</u>	<u>\$ 775,595</u>	<u>\$ -</u>	<u>\$ 4,051,902</u>	<u>\$ -</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

7. LONG-TERM DEBT (Continued)

Arbitrage

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury. As of June 30, 2019, there was no rebate liability.

General Obligation Bonds

General obligations bonds (GOB) are backed by the full faith and credit of the County. There are no sinking fund requirements. Outstanding general obligation bonds at June 30, 2019 of the Primary Government governmental activities are as follows:

GOB Series	Purpose	Bond Date	Maturity Date	Interest Rate	Balance June 30, 2019
VPSA 05	York High and School Board renovations	11/10/05	07/15/25	4.60-5.10%	6,975,000
VPSA 10	Grafton Bethel Elementary	07/08/10	06/01/27	1.085-1.925%	535,000
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%	5,480,000
VPSA 14	Various schools HVAC, roofs, kitchens, gyms and other repairs	11/20/14	01/15/35	2.05-5.05%	7,465,000
VPSA 14B	Yorktown Middle and New Horizons renovations	05/15/14	07/15/26	3.60-5.35%	5,660,000
VPSA 15	Dare, Magruder, Yorktown Elementary classrooms	02/17/15	07/15/28	4.10-5.35%	3,380,000
VPSA 16	Waller Mill roof and Magruder HVAC and roof	05/17/16	01/15/37	2.30-5.05%	10,815,000
VPSA 16B	Dare and Mt. Vernon Elementary and Tabb High	11/17/16	07/15/29	3.05-4.05%	2,650,000
VPSA 17	York HVAC, roof and Bethel Manor roof, renovation Tabb Elementary HVAC, Grafton Complex and Yorktown Elementary Roof, York High School Interior	04/30/17	07/15/37	3.05-5.05%	7,845,000
VPSA 18A	doors, modular classrooms	04/15/18	07/15/38	3.05%-5.05%	7,850,000
VPSA 19A	Tabb, Dare, Mt. Vernon, Coventry Elementary, Tabb Middle, and Grafton Complex various renovations	05/21/19	07/15/39	3.05%-5.05%	7,765,000
VPSA 19B	Bruton High	05/21/19	07/15/22	2.35-5.10%	2,180,000
VPSA 19B	Queens Lake	05/21/19	07/15/23	3.10-5.35%	1,360,000
					<u>\$ 69,960,000</u>

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

Year	Governmental Activities	
	Principal	Interest
2020	\$ 4,260,000	\$ 2,817,933
2021	4,705,000	2,702,468
2022	4,950,000	2,469,815
2023	5,195,000	2,224,079
2024	4,825,000	1,984,011
2025-2029	20,455,000	6,629,313
2030-2034	14,925,000	3,021,899
2035-2039	10,095,000	785,941
2040	550,000	8,731
	<u>\$ 69,960,000</u>	<u>\$ 22,644,190</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

7. LONG-TERM DEBT (Continued)

Compensated Absences

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

Net OPEB and Pension Liabilities

For governmental activities, net OPEB and pension obligations are typically liquidated by the General Fund. For business-type activities, net OPEB and pension obligations are liquidated by the respective fund.

Lease Revenue Bonds

Principal payments will be made in annual installments and interest payments will be made in semi-annual installments. Outstanding lease revenue bonds at June 30, 2019 of the Primary Government governmental activities are as follows:

<u>Series</u>	<u>Purpose</u>	<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>
2014	Communications system and building, equipment, parking garage	02/27/14	07/15/23	2.000-4.500%	\$ 4,705,000
2016	Sports Field Complex-Partial refunding of Series 2008	05/25/16	10/01/29	4.163-5.125%	10,375,000
2018A	Fire Apparatus, Grafton Fire Station and Carver Gardens	05/23/18	10/01/38	1.918%-5.125%	7,555,000
					<u>\$ 22,635,000</u>

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

<u>Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,080,000	\$ 978,191
2021	2,160,000	895,956
2022	2,255,000	796,913
2023	2,360,000	693,378
2024	1,180,000	584,769
2025-2029	6,810,000	1,967,694
2030-2034	3,265,000	712,235
2035-2039	2,525,000	254,813
	<u>\$ 22,635,000</u>	<u>\$ 6,883,949</u>

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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, 2019 of the Primary Government business-type activities are as follows:

<u>Series</u>	<u>Purpose</u>	<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2019</u>
2010	Sewer systems	12/01/10	06/01/40	2.00-6.607%	13,165,000
2016C	Sewer systems refunding	11/16/16	10/01/28	2.125-5.125%	5,780,000
					<u>\$ 18,945,000</u>

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

<u>Year</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 570,000	\$ 1,142,632
2021	600,000	1,112,517
2022	630,000	1,082,973
2023	660,000	1,049,917
2024	695,000	1,015,195
2025-2029	3,710,000	4,536,710
2030-2034	4,810,000	3,379,250
2035-2039	5,930,000	1,650,429
2040-2041	1,340,000	88,534
	<u>\$ 18,945,000</u>	<u>\$ 15,058,157</u>

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

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 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%. The bonds have been paid in full during FY2019.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

7. LONG-TERM DEBT (Continued)

Economic Development Authority

In November 2012, the Authority executed a property lease for the Riverwalk Restaurant and an adjacent vacant space for another restaurant to a new private company. As part of the negotiations, the Authority also entered into an equipment lease. The lease is for \$200,000, with repayments starting on May 1, 2013 for 120 months and with interest on the outstanding balance of 3.14% per annum. The balance at June 30, 2019 is \$76,667.

Marquis Community Development Authority

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

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:

<u>Year Ending</u> <u>June 30,</u>	<u>Series A Bonds 5.100%</u>		<u>Series B Bonds 5.625%</u>		<u>Series C Bonds 5.625%</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ -	\$ 289,425	\$ -	\$ 939,375	\$ -	\$ -
2021	-	289,425	-	939,375	-	-
2022	-	289,425	-	939,375	-	-
2023	-	289,425	-	939,375	-	-
2024	-	289,425	-	939,375	-	-
2025-2029	1,255,000	1,353,413	-	4,696,875	-	-
2030-2034	2,555,000	814,599	3,610,000	4,399,594	-	-
2035-2039	1,865,000	145,988	7,500,000	2,673,282	-	-
2040-2042	-	-	5,590,000	482,907	6,500,000	26,890,476
Total	<u>\$ 5,675,000</u>	<u>\$ 3,761,125</u>	<u>\$ 16,700,000</u>	<u>\$ 16,949,533</u>	<u>\$ 6,500,000</u>	<u>\$ 26,890,476</u>

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

7. LONG-TERM DEBT (Continued)

The Authority's long-term debt activity for the 2015 Bonds for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Series 2015 CAB Bonds	\$ 4,404,482	\$ -	\$ -	\$ 4,404,482
Accretion of interest payable	960,682	409,970	-	1,370,652
Total	<u>\$ 5,365,164</u>	<u>\$ 409,970</u>	<u>\$ -</u>	<u>\$ 5,775,134</u>

Mandatory debt service requirements after conversion consist of the following:

<u>Year Ending</u> <u>June 30,</u>	<u>Series 2015 CAB Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ -	\$ -
2021	-	-
2022	-	253,988
2023	-	507,975
2024	-	507,975
2025-2029	-	2,539,875
2030-2034	-	2,539,875
2035-2039	-	2,539,875
2040-2044	2,258,000	2,455,200
2045-2046	<u>4,515,000</u>	<u>338,588</u>
Total	<u>\$ 6,773,000</u>	<u>\$ 11,683,351</u>

8. FUND BALANCE (DEFICIT)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

8. FUND BALANCE (DEFICIT) (Continued)

<u>Purpose</u>	<u>General</u>	<u>Tourism</u>	<u>Yorktown Capital Imps</u>	<u>County Capital</u>	<u>Debt Service Education</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Prepaid expenditures	\$ 34,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,894
Advances	6,483,797	-	-	-	-	-	6,483,797
Total nonspendable	<u>\$ 6,518,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,518,691</u>
Restricted:							
Judicial services and Commonwealth's Attorney grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,240	\$ 75,240
Public safety grants and donations	11,645	-	-	1,624,106	-	773,911	2,409,662
Community services grants and donations	-	-	-	-	-	112,857	112,857
Tourism projects	-	469,192	-	-	-	-	469,192
Transportation Improvements	-	-	-	765,441	-	-	765,441
Other purposes	-	-	-	-	-	14,071	14,071
Total restricted	<u>\$ 11,645</u>	<u>\$ 469,192</u>	<u>\$ -</u>	<u>\$ 2,389,547</u>	<u>\$ -</u>	<u>\$ 976,079</u>	<u>\$ 3,846,463</u>
Committed:							
School reversion	\$ 3,327,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,327,357
Intergovernmental revenue shortfalls for School Division	-	-	-	-	-	7,852,212	7,852,212
Meals tax for drainage projects	-	-	-	-	-	4,459,753	4,459,753
Environmental and transportation improvements	-	-	-	3,759,551	-	-	3,759,551
Total committed	<u>\$ 3,327,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,759,551</u>	<u>\$ -</u>	<u>\$ 12,311,965</u>	<u>\$ 19,398,873</u>
Assigned:							
Backup power emergency shelter support	\$ -	\$ -	\$ -	\$ 728,369	\$ -	\$ -	\$ 728,369
Capital outlay/one time expenditures	5,149,206	-	-	7,697,117	-	-	12,846,323
Communications system	-	-	-	1,050,000	-	-	1,050,000
Contractual services	71,765	-	-	-	-	-	71,765
Courthouse security and operations	-	-	-	1,981	-	-	1,981
Economic development	-	-	-	1,887,090	-	-	1,887,090
Emergency communications operations	20,526	-	-	-	-	-	20,526
Environmental and transportation improvements	-	-	-	690,414	-	-	690,414
Facility maintenance and repair	-	-	-	1,373,794	-	-	1,373,794
Facility renovation & relocation	-	-	-	285,619	-	-	285,619
Facility security	-	-	-	299,952	-	-	299,952
Fire & Life Safety equipment and operations	45,317	-	-	2,326,085	-	-	2,371,402
Grounds maintenance repairs, operations and equipment	-	-	-	85,494	-	-	85,494
Head Start and Social Services programs	-	-	-	-	-	632,246	632,246
Information technology: hardware/software	40,492	-	-	1,255,547	-	-	1,296,039
Library renovation & expansion	-	-	-	242,430	-	-	242,430
Other purposes/miscellaneous	172,938	-	-	-	164,783	61,390	399,111
Parks and recreation improvements	-	-	-	399,596	-	-	399,596
Public works operations	65,214	-	-	-	-	-	65,214
Sheriff operations, equipment and training facility	120,890	-	-	869,386	-	-	990,276
Trolley	-	-	-	5,528	-	-	5,528
Video services equipment	-	-	-	3,168	-	-	3,168
Workers' compensation	100,000	-	-	-	-	-	100,000
Total assigned	<u>\$ 5,786,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,201,570</u>	<u>\$ 164,783</u>	<u>\$ 693,636</u>	<u>\$ 25,846,337</u>
Unassigned:	<u>\$ 17,570,640</u>	<u>\$ -</u>	<u>\$ (3,278,362)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,292,278</u>
Total fund balances (deficit)	<u>\$ 33,214,681</u>	<u>\$ 469,192</u>	<u>\$ (3,278,362)</u>	<u>\$ 25,350,668</u>	<u>\$ 164,783</u>	<u>\$ 13,981,680</u>	<u>\$ 69,902,642</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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, 2019 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2020	\$ 437,989	\$ 171,161
2021	287,276	171,161
2022	282,129	171,161
2023	282,099	171,161
2024	283,375	14,263
2025-2029	1,197,690	-
2030-2034	1,197,690	-
2035-2039	1,197,690	-
2040-2044	1,176,552	-
2045-2049	1,068,550	-
2050-2054	210,000	-
Total minimum lease payments	<u>\$ 7,621,040</u>	<u>\$ 698,907</u>

Rental expenditures for the year ended June 30, 2019 for all operating leases were \$458,241 and \$173,795 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 \$9,374,371 for a carrying amount of \$18,319 at June 30, 2019. A summary of the future minimum rental receipts under noncancellable operating leases as of June 30, 2019 is as follows:

<u>Year</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit - School Division</u>
2020	\$ 360,236	\$ 392,499
2021	338,750	392,631
2022	338,750	393,115
2023	340,774	392,894
2024	277,353	393,011
2025-2029	1,053,204	-
2030-2034	872,602	-
2035-2039	393,700	-
2040-2044	84,562	-
2045-2049	10	-
2050-2054	10	-
Total minimum lease payments	<u>\$ 4,059,951</u>	<u>\$ 1,964,150</u>

Rental revenue receipts for all operating leases were \$567,798 for the County and \$392,150 for the School Division for the year ended June 30, 2019.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

9. LEASES (Continued)

Capital Leases

The County leases certain equipment and a building under capital lease agreements. In July 2016, the County executed a four-year lease-purchase agreement with Motorola for 800 MHz system upgrades on behalf of York, James City and Gloucester Counties. Also, a Memorandum of Understanding was executed with the County's partner counties that will empower York to act as their fiscal agent for purposes of this contract and committing the local government partners to make their proportional contributions over the next five fiscal years. The total cost of the upgrade is \$10,492,814, and York and James City County's shares are each \$4,736,044 and Gloucester's share is \$1,020,276. A summary of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2019 is as follows:

	Primary Government - Governmental
<u>Year</u>	<u>Activities</u>
2020	\$ 498,890
2021	1,450,960
2022	23,000
2023	23,000
2024	23,000
2025-2028	47,353
Total minimum lease payments	2,066,203
Less amount representing interest	(69,129)
Present value of principal	<u>\$ 1,997,074</u>

The gross value of capital assets under capital lease agreements is as follows: Governmental Activities - \$8,042,193 (equipment) with Accumulated Depreciation of \$4,182,939.

10. DEFINED BENEFIT PENSION PLANS

Virginia Retirement System

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

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
<u>About Plan 1</u> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	<u>About Plan 2</u> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	<u>About the Hybrid Plan</u> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, 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.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Vesting</u> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of 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.	<u>Vesting</u> Same as Plan 1.	<u>Vesting</u> <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of 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. <u>Defined Contribution Component:</u> Defined contribution vesting refers to minimum length of service a member needs to be eligible to withdraw employer contributions from the defined contribution component of the plan. Members are always 100% vested in contributions they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law until age 70½.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<u>Cost-of-Living Adjustment (COLA) in Retirement</u> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. <u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of 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. <u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within 5 years of qualifying for an unreduced retirement benefit as of Jan. 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability 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.	<u>Cost-of-Living Adjustment (COLA) in Retirement</u> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. <u>Eligibility:</u> Same as Plan 1. <u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.	<u>Cost-of-Living Adjustment (COLA) in Retirement</u> <u>Defined Benefit Component:</u> Same as Plan 2. <u>Defined Contribution Component:</u> Not applicable. <u>Eligibility:</u> Same as Plan 1 and Plan 2. <u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

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

1. Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County</u>	<u>(Nonprofessional) Schools</u>
Inactive Members or Their Beneficiaries		
Currently Receiving Benefits	466	195
Inactive Members:		
Vested Inactive Members	125	26
Non-Vested Inactive Members	199	139
Inactive Members Active Elsewhere in VRS	247	54
Total Inactive Members	571	219
Active Members	741	289
Total Covered Employees	<u>1,778</u>	<u>703</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

2. Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2019 was 15.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

The School Division's contractually required contribution rate for the year ended June 30, 2019 was 15.68% of covered employee compensation (professional employees). This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Division were \$10,917,764 and \$10,867,762 for the years ended June 30, 2019 and June 30, 2018, respectively.

In addition, for the Nonprofessional (non-teacher) employees, the School Division is contractually required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code and approved by the VRS Board of Trustees. The School Division contribution rate for the fiscal year ended 2019 was 5.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$4,341,119 and \$4,170,856 for the year ended June 30, 2019 and 2018, respectively. Contributions to the pension plan from the School Division were \$327,734 and \$355,364 for the years ended June 30, 2019 and June 30, 2018, respectively.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

3. Net Pension Liability

The County and School Division's net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net position. The County's net pension liability was measured as of June 30, 2018 and totaled \$18,104,915. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017, rolled forward to the measurement date of June 30, 2018.

At June 30, 2019, the School Division reported a net pension liability of \$98,844,000 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, 2018 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, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the School Division's proportion was 0.84051% as compared to 0.85148% at June 30, 2017.

In addition, the School Division's net pension liability for the Nonprofessional (non-teacher) Retirement Plan was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to the measurement date of June 30, 2018. At June 30, 2019, the School Division reported an asset of \$198,995 for the Nonprofessional (non-teacher) Retirement Plan.

4. Pension Expense

For the year ended June 30, 2019, the County recognized pension expense of \$4,202,180.

For the year ended June 30, 2019, the School Division recognized pension expense of \$6,556,000 of the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

In addition, for the year ended June 30, 2019, the School Division recognized pension expense of \$(92,787) for the Nonprofessional (non-teacher) Retirement Plan.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 988,703	\$749,594
Difference between projected and actual earnings on pension plan investments	-	1,619,789
Change in assumptions	-	470,437
Employer contributions subsequent to the measurement date	4,341,119	-
Total	<u>\$ 5,329,822</u>	<u>\$ 2,839,820</u>

\$4,341,119 reported as deferred outflows of resources related to pensions results from the County's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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
2020	\$ 41,246
2021	2,316
2022	(1,740,037)
2023	(154,642)
Total	<u>\$ (1,851,117)</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

5. Deferred Outflows/Inflows of Resources

At June 30, 2019, for the Teacher Retirement Plan (Professional), the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$8,453,000
Change of assumptions	1,180,000	-
Net difference between projected and actual earnings on pension plan investments	-	2,096,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,886,000	2,854,000
Employer contributions subsequent to the measurement date	10,917,764	-
Total	<u>\$ 13,983,764</u>	<u>\$ 13,403,000</u>

The \$10,917,764 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, 2020. 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
2020	\$ (839,000)
2021	(2,270,000)
2022	(4,934,000)
2023	(1,789,000)
2024	(505,000)
Total	<u>\$ (10,337,000)</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

In addition, at June 30, 2019, for the Nonprofessional (non-teacher) Retirement Plan, the School Division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,475	\$ 110,806
Changes of assumptions	-	48,452
Net difference between projected and actual earnings on pension plan investments	-	208,658
Employer contributions subsequent to the measurement date	327,734	-
Total	<u>\$ 333,209</u>	<u>\$ 367,916</u>

The \$327,734 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, 2020. 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
2020	\$ (41,887)
2021	(64,858)
2022	(236,195)
2023	(19,501)
Total	<u>\$ (362,441)</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions

County Retirement Plan

The total pension liability for the County Retirement Plan was based on an actuarial valuation as of June 30, 2017, 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, 2018:

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 GAAP 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:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

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

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Political Subdivision Retirement Plan was based on an actuarial valuation as of June 30, 2017, 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, 2018.

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 GAAP 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:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Hazardous Duty:

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

All Others (Non 10 Largest) – Hazardous Duty:

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

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, 2017, 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, 2018:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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10. DEFINED BENEFIT PENSION PLANS (Continued)

6. Actuarial Assumptions (Continued)

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

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, 2017, 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, 2018.

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 GAAP 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: 15% of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

6. Actuarial Assumptions *(Continued)*

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

7. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
Inflation			<u>2.50%</u>
*Expected arithmetic nominal return			<u>7.30%</u>

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return of the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

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Notes to Basic Financial Statements
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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

8. Discount Rate

The discount rate used to measure the total pension liability was 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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015, actuarial valuations, whichever was greater. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the County's net pension liability 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:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's Net Pension Liability	\$ 45,311,967	\$ 18,104,915	\$ (4,593,925)

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	\$ 150,987,000	\$ 98,844,000	\$ 55,685,000

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10. DEFINED BENEFIT PENSION PLANS *(Continued)*

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

In addition, the following presents the net pension liability of the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 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 (Asset) for the Nonprofessional Plan	\$ 2,722,075	\$ (198,995)	\$ (2,657,986)

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, 2017	\$ 199,144,050	\$ 184,430,432	\$ 14,713,618
Changes for the fiscal year:			
Service cost	4,414,111	-	4,414,111
Interest	13,608,499	-	13,608,499
Changes in benefit terms	3,550,930	-	3,550,930
Difference between expected and actual experience	1,407,645	-	1,407,645
Contribution – employer	-	4,166,554	(4,166,554)
Contribution – employee	-	1,990,383	(1,990,383)
Net investment income	-	13,562,714	(13,562,714)
Benefit payments	(9,473,846)	(9,473,846)	-
Administrative expenses	-	(117,688)	117,688
Other changes	-	(12,075)	12,075
Net Changes	13,507,339	10,116,042	3,391,297
Balance – June 30, 2018	\$ 212,651,389	\$ 194,546,474	\$ 18,104,915

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

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

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balance – July 1, 2017	\$ 23,142,150	\$ 23,009,550	\$ 132,600
Changes for the fiscal year:			
Service cost	601,022	-	601,022
Interest	1,586,058	-	1,586,058
Difference between expected and actual experience	(180,060)	-	(180,060)
Contribution – employer	-	354,063	(354,063)
Contribution – employee	-	303,951	(303,951)
Net investment income	-	1,696,743	(1,696,743)
Benefit payments	(968,357)	(968,357)	-
Administrative expenses	-	(14,629)	14,629
Other changes	-	(1,513)	1,513
Net Changes	<u>1,038,663</u>	<u>1,370,258</u>	<u>(331,595)</u>
Balance – June 30, 2018	<u>\$ 24,180,813</u>	<u>\$ 24,379,808</u>	<u>\$ (198,995)</u>

12. Pension Plan Fiduciary Net Position – Teacher Retirement Plan

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018 CAFR. A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

10. DEFINED BENEFIT PENSION PLANS (Continued)

York County Public Schools - Optional Plan

Plan Description

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

Plan Membership – At June 30, 2019, pension plan membership consisted of the following:

Active plan members	8
Retirees and beneficiaries	68
Number of vested terminations	4
	<u>80</u>

Benefits Provided – The School Division provides retirement benefits. Retirement benefits for plan members are calculated as 1.5% of final 3-year average earnings times the member's years of participation. 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.

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, 2019, the average active member contribution rate was 0% of annual payroll, and the School Division's average contribution rate was 0% percent of annual payroll.

Summary of Significant Accounting Policies

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

Investments

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

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

Rate of Return – For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 10.67%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

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

Based on a measurement date of July 1, 2018, the components of the net pension liability (asset) of the School Division's Optional Plan at June 30, 2019, were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance – July 1, 2017	\$ 1,818,877	\$ 1,763,505	\$ 55,372
Changes for the fiscal year:			
Service cost	1,206	-	1,206
Interest	120,762	-	120,762
Difference between expected and actual experience	47,716	-	47,716
Change of assumptions	(11,814)	-	(11,814)
Net investment income	-	237,109	(237,109)
Benefit payments	(189,804)	(189,804)	-
Administrative expenses	-	(19,484)	19,484
Net Changes	<u>(31,934)</u>	<u>27,821</u>	<u>(59,755)</u>
Balance – June 30, 2018	<u>\$ 1,786,943</u>	<u>\$ 1,791,326</u>	<u>\$ (4,383)</u>

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

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

Pension Expense and Deferred Outflows/Inflows of Resources

At June 30, 2019, 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
Net difference between projected and actual earnings on pension plan investments	\$ 70,894

The School Division did not have any contributions subsequent to the measurement date to be reported as a deferred outflow of resources that will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to the Optional Plan will be recognized in pension expense as follows:

	Deferred Amounts
2020	\$ 3,028
2021	(21,002)
2022	(28,723)
2023	(24,197)
Total	\$ (70,894)

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10. DEFINED BENEFIT PENSION PLANS (Continued)

For the year ended June 30, 2019, the School Division recognized pension expense for the Optional Plan of \$32,896.

Sensitivity of the Net Pension Liability 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 Optional Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Net Pension Liability (Asset) for the Optional Plan	\$ 124,129	\$ (4,383)	\$ (117,658)

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

County and School Division OPEB Liability – VRS Plans

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

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

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

Actuarial Assumptions

The VRS OPEB liability was based on an actuarial valuation as of June 30, 2017, 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, 2018.

Inflation	2.5%
Salary increases, including inflation –	
General state employees	3.5% – 5.35%
Teachers	3.5% – 5.95%
SPORS & VaLORS employees	3.5% – 4.75%
JRS employees	4.5%

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

Locality – General employees	3.5% – 5.35%
Locality – Hazardous Duty employees	3.5% – 4.75%

Investment rate of return 7.0 Percent, net of investment expenses,
including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 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 the OPEB liabilities.

Mortality rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
Inflation			2.50%
* Expected arithmetic nominal return			7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

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Notes to Basic Financial Statements
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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Virginia Retirement System – Group Life Insurance Program

Plan Description

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

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

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

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

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS (Continued)
Reduction in benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,279 effective July 1, 2018.

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution; however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the County were \$225,979 and \$213,240 for the years ended June 30, 2019 and June 30, 2018, respectively. Contribution to the GLI Program from the School Division for nonprofessional employees were \$33,927 and \$33,613 for the years ended June 30, 2019 and June 30, 2018, respectively. Contributions to the GLI Program from the School Division for professional employees were \$370,627 and \$353,658 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the County reported a liability of \$3,276,000 for its proportionate share of the Net GLI OPEB Liability. At June 30, 2019, the School Division reported a liability of \$516,000 for its proportionate share of the Net GLI OPEB Liability for nonprofessional employees. At June 30, 2019, the School Division reported a liability of \$5,432,000 for its proportionate share of the Net GLI OPEB Liability for professional employees. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the participating employer's proportion was 0.21566% as compared to 0.21034% at June 30, 2017. At June 30, 2018, the participating employer's proportion was 0.03399% as compared to

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June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

0.03505% at June 30, 2017 for nonprofessional employees. At June 30, 2018, the participating employer's proportion was 0.35768% as compared to 0.36412% at June 30, 2017 for professional employees.

For the year ended June 30, 2019, the County recognized GLI OPEB expense of \$33,000. For the year ended June 30, 2019, the School Division recognized GLI OPEB expense of \$(2,000) for nonprofessional employees. For the year ended June 30, 2019, the School Division recognized GLI OPEB expense of \$4,000 for professional employees. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 160,000	\$ 59,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	107,000
Change in assumptions	-	136,000
Changes in proportionate share	75,000	16,000
Employer contributions subsequent to the measurement date	225,979	-
Total	<u>\$ 460,979</u>	<u>\$ 318,000</u>

\$225,979 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2020 for employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	\$ (38,000)
2021	(38,000)
2022	(38,000)
2023	(8,000)
2024	24,000
Thereafter	15,000
Total	<u>\$ (83,000)</u>

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11. OTHER POSTEMPLOYMENT BENEFITS *(Continued)*

At June 30, 2019, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB for nonprofessional employees from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,000	\$ 9,000
Net difference between projected and actual earnings on OPEB plan investments	-	17,000
Changes of assumptions	-	22,000
Changes in proportionate share	-	27,000
Employer costs subsequent to the measurement date	33,927	-
Total	<u>\$ 58,927</u>	<u>\$ 75,000</u>

\$33,927 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2020 for nonprofessional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	\$ (14,000)
2021	(14,000)
2022	(14,000)
2023	(9,000)
2024	(1,000)
Thereafter	2,000
Total	<u>\$ (50,000)</u>

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

At June 30, 2019, the School Division reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB for professional employees from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 266,000	\$ 97,000
Net difference between projected and actual earnings on OPEB plan investments	-	177,000
Changes of assumptions	-	226,000
Changes in proportionate share	-	165,000
Employer costs subsequent to the measurement date	370,627	-
Total	<u>\$ 636,627</u>	<u>\$ 665,000</u>

\$370,627 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2020 for professional employees. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	\$ (114,000)
2021	(114,000)
2022	(114,000)
2023	(64,000)
2024	(6,000)
Thereafter	13,000
Total	<u>\$ (399,000)</u>

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,113,508
Plan Fiduciary Net Position	<u>1,594,773</u>
Employers' Net GLI OPEB Liability	<u><u>\$ 1,518,735</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.22%

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following presents the employer's proportionate share of the net GLI OPEB liability for County employees using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
County's Proportionate Share of the GLI Program Net OPEB Liability	\$ 4,281,000	\$ 3,276,000	\$ 2,460,000

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the employer's proportionate share of the net GLI OPEB liability for nonprofessional employees using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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 GLI Program Net OPEB Liability - nonprofessional	\$ 675,000	\$ 516,000	\$ 388,000

The following presents the employer's proportionate share of the net GLI OPEB liability for professional employees using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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 GLI Program Net OPEB Liability - professional	\$ 7,099,000	\$ 5,432,000	\$ 4,079,000

Virginia Retirement System – Health Insurance Credit Program

Plan Description

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

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefit Amounts

The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement** – For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.
- **Disability Retirement** – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:
 - \$4.00 per month, multiplied by twice the amount of service credit, or
 - \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Health Insurance Credit Program Notes:

- The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.
- Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2019 was 0.17% of covered employee compensation for employees in the VRS Health Insurance Credit Program. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the VRS Health Insurance Credit Program were \$51,431 and \$54,191 for the years ended June 30, 2018 and June 30, 2018, respectively. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$852,109 and \$832,471 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the County reported a HIC Program Net OPEB liability of \$333,966. At June 30, 2019, the School Division reported a liability of \$10,626,000 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2018 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation as of that date.

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The School Division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion of the VRS Teacher Employee HIC Program was 0.83687% as compared to 0.84856% at June 30, 2017.

For the year ended June 30, 2019, the County recognized VRS HIC Program OPEB expense of \$36,760. Since there was a change in proportionate share between June 30, 2017 and June 30, 2018 a portion of the VRS HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,374
Net difference between projected and actual earnings on HIC OPEB program investments	-	22,452
Change in assumptions	-	30,661
Employer contributions subsequent to the measurement date	51,431	-
Total	<u>\$ 51,431</u>	<u>\$ 54,487</u>

\$51,431 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	\$ (14,731)
2021	(14,731)
2022	(14,731)
2023	(7,583)
2024	(2,667)
Thereafter	(44)
Total	<u>\$ (54,487)</u>

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2019, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$810,000. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the School Division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 53,000
Net difference between projected and actual earnings on OPEB plan investments	-	8,000
Changes of assumptions	-	93,000
Changes in proportionate share	-	332,000
Employer contributions subsequent to the measurement date	852,109	-
Total	<u>\$ 852,109</u>	<u>\$ 486,000</u>

\$852,109 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	\$ (84,000)
2021	(84,000)
2022	(84,000)
2023	(79,000)
2024	(81,000)
Thereafter	(74,000)
Total	<u>\$ (486,000)</u>

Net HIC OPEB Liability

The net OPEB liability (NOL) for the County's HIC Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the VRS HIC Program is as follows (amounts expressed in thousands):

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	HIC OPEB Program
Total HIC OPEB Liability	\$ 40,550,000
Plan Fiduciary Net Position	<u>23,171,000</u>
Employers' Net HIC OPEB Liability	<u><u>17,379,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	57.14%

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Credit Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2018, the amounts for the VRS HIC Program is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Program
Total Teacher Employee HIC OPEB Liability	\$ 1,381,313
Plan Fiduciary Net Position	<u>111,639</u>
Teacher Employee Net HIC OPEB Liability	<u><u>1,269,674</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	8.08%

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB fiduciary

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) – (b)
Balance – July 1, 2017	\$ 1,247,711	\$ 884,769	\$ 362,942
Changes for the fiscal year:			
Service cost	22,681	-	22,681
Interest	84,301	-	84,301
Difference between expected and actual experience	(1,640)	-	(1,640)
Contribution – employer	-	77,571	(77,571)
Net investment income	-	62,659	(62,659)
Benefit payments	(86,835)	(86,835)	-
Administrative expenses	-	(1,474)	1,474
Other changes	-	(4,438)	4,438
Net Changes	18,507	47,483	(28,976)
Balance – June 30, 2018	\$ 1,266,218	\$ 932,252	\$ 333,966

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

The following presents the employer's proportionate share of the net HIC OPEB liability for County employees using the discount rate of 7.00%, as well as what the employer's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
County's Proportionate Share of the HIC Program Net OPEB Liability	\$ 469,870	\$ 333,966	\$ 218,024

The following presents the School Division's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the School Division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Proportionate Share of the HIC Program Net OPEB Liability	\$ 11,868,000	\$ 10,626,000	\$ 8,569,000

Virginia Retirement System – Virginia Local Disability Program

Plan Description

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

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

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

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11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefit Amounts

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

Short-Term Disability –

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

Long-Term Disability –

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

Virginia Local Disability Program Notes:

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

Contributions

Nonprofessional - The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2018 was 0.72% of covered employee compensation for employees in the VRS Political Subdivision Employee Virginia Local Disability Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were \$10,848 and \$8,070 for the years ended June 30, 2019 and June 30, 2018, respectively.

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June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Professional - The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2018 was 0.41% of covered employee compensation for employees in the VRS Political Subdivision Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions were \$51,201 and \$31,234 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

Nonprofessional - At June 30, 2019, the political subdivision reported a liability of \$4,000 for its proportionate share of the VRS Political Subdivision Employee Virginia Local Disability Program Net OPEB Liability. The Net VRS Political Subdivision Employee VLDP OPEB Liability was measured as of June 30, 2018 and the total VRS Political Subdivision Employee VLDP OPEB liability used to calculate the Net VRS Political Subdivision Employee VLDP OPEB Liability was determined by an actuarial valuation as of that date. The political subdivision's proportion of the Net VRS Political Subdivision Employee VLDP OPEB Liability was based on the political subdivision's actuarially determined employer contributions to the VRS Political Subdivision Employee VLDP OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the political subdivision's proportion of the VRS Political Subdivision Employee VLDP was 0.55393% as compared to 0.58111% at June 30, 2017.

For the year ended June 30, 2019, the political subdivision recognized VRS Political Subdivision Employee VLDP OPEB expense of \$10,000. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,000
Employer costs subsequent to the measurement date	10,848	-
Total	<u>\$ 10,848</u>	<u>\$ 1,000</u>

\$10,848 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision Employee

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

VLDP OPEB Liability in the Fiscal Year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

	Deferred Amounts
2020	<u>\$ (1,000)</u>

Professional - At June 30, 2019, the political subdivision reported a liability of \$21,000 for its proportionate share of the VRS Political Subdivision Employee VLDP Program Net OPEB Liability. The Net VRS Political Subdivision Employee VLDP OPEB Liability was measured as of June 30, 2018 and the total VRS Political Subdivision Employee VLDP OPEB liability used to calculate the Net VRS Political Subdivision Employee VLDP OPEB Liability was determined by an actuarial valuation as of that date. The political subdivision's proportion of the Net VRS Political Subdivision Employee VLDP OPEB Liability was based on the political subdivision's actuarially determined employer contributions to the VRS Political Subdivision Employee VLDP OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the political subdivision's proportion of the VRS Political Subdivision Employee VLDP was 2.70217% as compared to 2.91011% at June 30, 2017.

For the year ended June 30, 2019, the political subdivision recognized VRS Political Subdivision Employee VLDP OPEB expense of \$36,000. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,000
Changes of assumptions	1,000	-
Employer costs subsequent to the measurement date	51,201	-
Total	<u>\$ 52,201</u>	<u>\$ 2,000</u>

\$51,201 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision Employee VLDP OPEB Liability in the Fiscal Year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

	Deferred Amounts
2020	<u>\$ (1,000)</u>

Net Political Subdivision Employee VLDP OPEB Liability

The net OPEB liability (NOL) for the Political Subdivision Employee VLDP Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2018, net VRS Political Subdivision Employee VLDP liabilities are as follows (amounts expressed in thousands):

	Political Subdivision Employee VLDP OPEB Plan	Teacher Employee VLDP OPEB Plan
Total VLDP OPEB Liability	\$ 1,588,000	\$ 1,401,000
Plan Fiduciary Net Position	816,000	647,000
Net VLDP OPEB Liability	<u>\$ 772,000</u>	<u>\$ 754,000</u>

Plan Fiduciary Net Position as a Percentage of the		
Total VLDP OPEB Liability	51.39%	46.18%

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

Discount Rate

The discount rate used to measure the total Political Subdivision Employee VLDP OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2018, the rate contributed by the political subdivision for the VRS Political Subdivision Employee Virginia Local Disability Program 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, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Political Subdivision Employee VLDP OPEB 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 Political Subdivision Employee VLDP OPEB liability.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the proportionate share of the net VLDP OPEB liability using the discount rate of 7.00%, as well as what the proportionate share of the net VLDP OPEB 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 VLDP OPEB liability - nonprofessional employees	\$ 5,000	\$ 4,000	\$ 3,000
	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School Division's Proportionate Share of the net VLDP OPEB liability - professional employees	\$ 26,000	\$ 21,000	\$ 17,000

County and School Division OPEB Liability – Health and Dental Insurance

Plan Description

The County and School Division's OPEB plan are each single-employer defined benefit plans administered by the County and School Division. At July 1, 2018, the County had 739 active members and the School Division had 1,638 active members of the plan.

In accordance with Article 8, Chapter 15, Title 15.2 of the *Code of Virginia*, the County and School Division have elected to establish a pooled trust for the purpose of accumulating and investing assets to fund Other Postemployment Benefits. The School Division in accordance with this election has joined the Virginia Pooled OPEB Trust Fund (Trust Fund), an irrevocable trust, with the purpose to fund other postemployment benefits. The Trust Fund issues separate financial statements, which can be obtained by requesting a copy from the plan administrator, VML/VACo Finance, 919 E. Main Street, Suite 1100, Richmond, Virginia 23219.

Benefits Provided

Employees retiring after January 1, 2002 and having twenty or more years of service with the County and receiving a VRS annuity will qualify for a health insurance premium contribution from the County. The retiree's VRS annuity may be either a full or reduced benefit. The amount of the County's contribution shall be equal to 50% of the retiree's total monthly health insurance premium subject to the following provision: the County's 50% contribution will be reduced by the amount of any health insurance credit that the retiree may qualify for under the VRS program (retiring employees who have fifteen years of service with the VRS will qualify for the VRS Retiree HIC Program).

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

At June 30, 2019, 106 retirees were participating in this program. The School Division's contribution for retirees having 20 or more years of service with the School Division is 50% of the medical premium and 100% of the dental premium cost, regardless of the plan or coverage tier elected. The School Division's contribution is reduced by the amount of any VRS HIC received by the retiree.

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

Contributions

Contribution requirements are established and may be amended by the Board of Supervisors and School Board. The required contributions were actuarially determined and are based upon projected pay-as-you-go financing requirements. The actuarially determined contribution at June 30, 2019 was \$80,363 and \$223,313 for the County and School Division, respectively.

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

At June 30, 2019, the County reported an OPEB liability of \$7,421,476 for its share of the Net OPEB Liability. The Net OPEB Liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2017. The covered employer's proportion of the Net OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Program for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions.

For the year ended June 30, 2019, the County recognized OPEB expense of \$255,471. OPEB expense was calculated as follows:

	OPEB Expense
Service cost	\$ 94,396
Interest	479,609
Administrative expenses	10,499
Expected Investment Return Net of Investment Expenses	(646,412)
Recognition of Deferred Inflows/Outflows of Resources	
Economic/demographic gains or losses	861,906
Assumption changes or inputs	(549,281)
Investment gains or losses	4,754
OPEB Expense	<u>\$ 255,471</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,257,630	\$ -
Net difference between projected and actual earnings	58,917	-
Change in assumptions	8,796,920	12,005,644
Total	<u>\$ 14,113,467</u>	<u>\$ 12,005,644</u>

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

	Deferred Amounts
2020	\$ 317,379
2021	317,379
2022	317,378
2023	357,281
2024	312,625
Thereafter	485,781
Total	<u>\$ 2,107,823</u>

For the year ended June 30, 2019, the School Division recognized OPEB expense of \$189,465. At June 30, 2019, the School Division reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 118,800	\$ -
Changes of assumptions	564,212	-
Net difference between projected and actual earnings on OPEB plan investments	47,356	-
Total	<u>\$ 730,368</u>	<u>\$ -</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

	Deferred Amounts
2020	\$ 79,045
2021	79,045
2022	79,047
2023	110,443
2024	75,056
Thereafter	307,732
Total	<u>\$ 730,368</u>

Net OPEB Liability – The components of the net OPEB liability (asset) for the year ended June 30, 2019 were as follows:

Total OPEB liability	\$ 17,110,914
Plan fiduciary net position	<u>\$ 9,689,438</u>
Net OPEB liability (asset)	<u>\$ 7,421,476</u>
Fiduciary net position as a percent of total OPEB liability	56.63%

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, 2019 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6.5% investment rate of return (annual returns net of both investment and non-actuarial administrative expenses), general inflation of 2.5% and an annual healthcare cost trend rate of 5.8% for Pre-Medicare eligible, grading to a rate of 4.2% for fiscal year ending June 30, 2088 and 5.2% for Post-Medicare eligible, grading to a rate of 4.4% for fiscal year ending June 30, 2090. The dental cost trend rate assumption per year is 4.2%.

Long-Term Expected Rate of Return

Rate of Return – For the year ended June 30, 2019, the annual money-weighted rate of return on cash flows on the plan investments, net of OPEB plan investment expense was 4.60%. The money-weighted return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The long-term expected rate of return on OPEB investments was determined by taking the annual average long-term future inflation and real return components, with each component being reasonable in our professional opinion, including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's December 31, 2018 capital market assumptions (real returns) and the 2018 Social Security Trustees Report (inflation). The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	19.60%	2.13%	2.02%
High Yield Bonds	1.40%	4.00%	3.54%
Large Cap US Equities	26.00%	4.90%	3.76%
Small Cap US Equities	10.00%	5.89%	4.11%
Developed Foreign Equities	13.00%	6.09%	4.59%
Emerging Market Equities	5.00%	8.14%	5.33%
Private Equity	5.00%	9.37%	5.57%
Hedge Funds/Absolute Return	10.00%	1.91%	1.66%
Real Estate (REITS)	7.00%	3.84%	3.13%
Commodities	3.00%	3.01%	1.42%
Total	<u>100.00%</u>		
Inflation			2.60%
Portfolio Real Mean Return		4.55%	3.95%
Portfolio Nominal Mean Return		7.15%	6.65%
Portfolio Standard Deviation			10.85%
Long-Term Expected Rate of Return			6.50%

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

Changes in Net OPEB Liability – County

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance – July 1, 2018	\$ 7,178,689	\$ 9,203,664	\$ (2,024,975)
Changes for the fiscal year:			
Service cost	94,396	-	94,396
Interest	479,609	-	479,609
Changes in assumptions	10,215,778	-	10,215,778
Contribution – employer	-	930,691	(930,691)
Net investment income	-	423,140	(423,140)
Benefit payments	(857,558)	(857,558)	-
Administrative expenses	-	(10,499)	10,499
Net Changes	9,932,225	485,774	9,446,451
Balance – June 30, 2019	\$ 17,110,914	\$ 9,689,438	\$ 7,421,476

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

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB Liability	\$ 9,325,747	\$ 7,421,476	\$ 5,811,092

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the County, as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower (4.8% decreasing to 3.2% or 1-percentage-point higher (6.8% decreasing to 5.2%) than the current healthcare cost trend rates:

	1.00% Decrease (4.8% decreasing to 3.2%)	Healthcare Cost Trend rates (5.8% decreasing to 4.2%)	1.00% Increase (6.8% decreasing to 5.2%)
Net OPEB Liability	\$ 5,424,658	\$ 7,421,476	\$ 9,808,745

Changes in Net OPEB Liability (Asset) – School Division

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance – July 1, 2018	\$ 4,772,236	\$ 7,075,040	\$ (2,302,804)
Changes for the fiscal year:			
Service cost	256,396	-	256,396
Interest	348,052	-	348,052
Effect of economic/demographic gains or losses	131,855	-	131,855
Effect of assumption changes or inputs	626,213	-	626,213
Contribution – employer	-	593,608	(593,608)
Net investment income	-	325,272	(325,272)
Benefit payments	(383,086)	(383,086)	-
Administrative expenses	-	(8,187)	8,187
Net Changes	979,430	527,607	451,823
Balance – June 30, 2019	\$ 5,751,666	\$ 7,602,647	\$ (1,850,981)

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

	1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
Net OPEB Asset	\$ (1,441,305)	\$ (1,850,981)	\$ (2,229,957)

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

	1.00% Decrease (3.6% decreasing to 3.2%)	Healthcare Cost Trend Rates (4.6% decreasing to 4.2%)	1.00% Increase (5.6% decreasing to 5.2%)
Net OPEB Liability (Asset)	\$ (2,444,624)	\$ (1,850,981)	\$ (1,165,370)

12. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the participants. Investments are managed by the plan's trustee under one or a combination of 21 investment options. The participants make the choice of the investment options.

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

The County offered to its employees a retirement health savings plan, which was available to all full-time, regular County employees who have worked in that capacity for at least one full year. 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 9 investment options.

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

13. COMMITMENTS AND CONTINGENT LIABILITIES

Significant Commitments

Significant commitments as of June 30, 2019 were as follows:

	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Project:		
Victory Industrial Park Drainage Improvement	\$ -	\$ 1,784,353
Fire Station #1 Replacement	5,138,634	1,456,246
Wormley Creek Headwaters Culvert Improvement	154,058	1,048,151
Greensprings Drainage Improvement	-	838,729
Fire & Rescue Self Contained Breathing Apparatus	4,176	824,357
Mobile Data Terminals for Public Safety	-	698,238
Sinclair Lane Sanitary Sewer	409,662	526,993
Payne's Road Gravity Sanitary Sewer	-	349,400
Tyler-Munis - Human Resources Software Phase II	265,053	192,787
Tourism Building Interior Renovation	-	173,620
Yorktown Library Expansion - Architectural & Engineering Fees	308,750	137,043
Dare Elementary School Gym Floor-County Contribution	-	120,000
Tyler-Munis - Financial Software	87,219	108,355
Cook Road Shoulder Expansion	311,058	104,886
Dockmaster & Restroom Facility-A&E	4,963	94,293
Bypass Road Sidewalk Rehabilitation	50,060	91,654
Yorktown Properties Parking Lot (Tourism)	118,864	91,498
Carver Gardens Housing Rehabilitation	47,088	86,498
County Administration Fire Alarm & Security System	-	84,400
Breathing Air Compressor	-	83,428
Dare Heights Pump Station Controls	-	77,530
	<u>\$ 6,899,585</u>	<u>\$ 8,972,459</u>

Risk Management

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

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

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

13. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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

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

The County's health care liability at June 30 has been included in claims payable in the County's internal service funds. The County had available \$6,638,850 for health care and dental claims and \$1,039,685 for workers' compensation claims at June 30, 2019, which is considered sufficient.

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

	<u>2019</u>	<u>2018</u>
Accrued liability/committed fund balance, beginning of fiscal year	\$ 7,376,372	\$ 4,895,671
Claims and changes in estimates	13,274,344	13,057,593
Claims payments	<u>(13,003,363)</u>	<u>(10,576,892)</u>
Accrued liability/committed fund balance, end of fiscal year	<u>\$ 7,647,353</u>	<u>\$ 7,376,372</u>

The School Division's health care claim liability of \$1,550,618 at June 30, 2019 is reasonably estimated and has been included in claims payable in the School Division's internal service fund. The School Division's workers' compensation claims liability of \$2,869,564 at June 30, 2019 is included in long-term debt, and is considered sufficient to cover pending claims and incurred but not reported claims that may arise. Changes in the reported amounts since June 30, 2017 resulted from the following:

	<u>2019</u>	<u>2018</u>
Accrued liability/committed fund balance, beginning of fiscal year	\$ 3,863,529	\$ 4,485,163
Claims and changes in estimates	957,205	281,714
Claims payment	<u>(400,552)</u>	<u>(903,348)</u>
Accrued liability/committed fund balance, end of fiscal year	<u>\$ 4,420,182</u>	<u>\$ 3,863,529</u>

COUNTY OF YORK, VIRGINIA
Notes to Basic Financial Statements
June 30, 2019

13. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Consent Order

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

Litigation

The County is a defendant in various lawsuits and although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel, 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. RECLASSIFICATION OF PRIOR PERIOD FUND BALANCE

During the year ended June 30, 2019, the County reclassified the Workers' Compensation Fund from the General Fund to an Internal Service Fund. Also, the County reclassified the Revenue Stabilization Fund from the General Fund to a Special Revenue Fund. As a result, fund balance of the General Fund as of July 1, 2018, has been adjusted accordingly in the governmental fund statements:

	General Fund	Nonmajor Governmental Funds	Internal Service Funds
Balance, as previously reported, June 30, 2018	\$ 46,628,594	\$ 4,061,552	\$ 10,045,066
Adjustments:			
Revenue Stabilization Fund - Special Revenue	(9,450,713)	9,450,713	-
Workers' Compensation Fund - Internal Service	(1,491,649)	-	1,491,649
Total adjustments	(10,942,362)	9,450,713	1,491,649
Balance, as restated, June 30, 2018	<u>\$ 35,686,232</u>	<u>\$ 13,512,265</u>	<u>\$ 11,536,715</u>

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**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISON SCHEDULE**

GENERAL FUND

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

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

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General property taxes:				
Real property taxes	\$ 70,730,000	\$ 70,730,000	\$ 71,319,935	\$ 589,935
Real and personal property taxes-public service corporation	3,500,000	3,500,000	3,584,888	84,888
Personal property taxes	14,320,000	14,320,000	15,141,296	821,296
Machinery and tools taxes	130,000	130,000	149,398	19,398
Boat taxes > 5 tons	-	-	125	125
Penalties and interest	625,000	625,000	611,800	(13,200)
Total general property taxes	89,305,000	89,305,000	90,807,442	1,502,442
Other local taxes:				
Local sales and use taxes	10,000,000	10,000,000	10,127,186	127,186
Historic Triangle local sales and use taxes	-	4,000,000	4,070,792	70,792
Hotel and motel room taxes	1,550,000	1,550,000	1,629,324	79,324
Restaurant food taxes	3,290,000	3,290,000	3,360,564	70,564
Business license taxes	6,570,000	6,570,000	7,226,009	656,009
Consumer utility taxes	240,000	240,000	232,768	(7,232)
Communications sales taxes	1,200,000	1,200,000	1,115,481	(84,519)
Vehicle registration fees	1,600,000	1,600,000	1,621,817	21,817
Bank stock taxes	300,000	300,000	348,604	48,604
Franchise taxes	3,000	3,000	4,403	1,403
Taxes on recordation and wills	1,641,000	1,641,000	1,601,992	(39,008)
Rental taxes	120,000	120,000	151,096	31,096
Total other local taxes	26,514,000	30,514,000	31,490,036	976,036
From the Federal Government:				
Payments in lieu of taxes	11,000	11,000	10,967	(33)
Categorical aid:				
Civil Defense grant	-	45,000	89,163	44,163
Universal Service Library E-rate program	10,000	10,000	10,542	542
Violence Against Women Formula grant	27,000	27,000	27,894	894
Crime Victim Assistance grant	100,000	100,000	116,370	16,370
DMV Traffic Enforcement grant	-	-	33,450	33,450
Section 8 Housing Choice Vouchers program	100,000	100,000	109,245	9,245
Assistance to Firefighters grant (SAFER)	-	67,085	67,085	-
Indirect Cost Allocation reimbursement	180,000	180,000	173,822	(6,178)
State Criminal Alien Assistance program	-	5,255	5,255	-
Edward Byrne Memorial State and Local Law Enforcement grant	-	-	39,116	39,116
Bureau of Justice Assistance grant	-	12,645	12,625	(20)
Total categorical aid	417,000	546,985	684,567	137,582
Total revenues from the Federal Government	428,000	557,985	695,534	137,549
From the Commonwealth of Virginia:				
Non-categorical aid:				
Mobile home taxes	10,000	10,000	10,188	188
Rolling stock taxes	20,000	20,000	19,719	(281)
Personal property tax relief	8,742,000	8,742,000	8,741,680	(320)
Total non-categorical aid	8,772,000	8,772,000	8,771,587	(413)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	548,000	548,000	556,693	8,693
Sheriff	2,736,000	2,736,000	2,654,132	(81,868)
Commissioner of the Revenue	204,000	204,000	198,194	(5,806)
Treasurer	165,000	165,000	152,312	(12,688)
Registrar	39,000	39,000	38,842	(158)
Electoral Board	9,000	9,000	8,744	(256)
Clerk of the Circuit Court	569,000	516,745	526,136	9,391
Total shared expenses	4,270,000	4,217,745	4,135,053	(82,692)
Other categorical aid:				
Emergency services grant	30,000	30,000	-	(30,000)
Fire and life safety grants	-	-	11,645	11,645
Wireless E911 services	250,000	250,000	303,059	53,059
Crime Victim Assistance grant	30,000	30,000	38,790	8,790
VA Juvenile Community Crime Control Act grant	55,000	55,000	54,684	(316)
VA Supreme Court extradition	-	10,000	20,163	10,163
Emergency Home Repair grant	-	18,989	33,394	14,405
Arts Commission grant	4,000	8,500	4,500	(4,000)
Library Aid	155,000	155,000	156,006	1,006
Court services postage reimbursement	11,000	11,000	12,052	1,052
Total other categorical aid	535,000	568,489	634,293	65,804
Total categorical aid	4,805,000	4,786,234	4,769,346	(16,888)
Total revenues from the Commonwealth of Virginia	13,577,000	13,558,234	13,540,933	(17,301)

(Continued)

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Revenues and Other Financing Sources
Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	50,000	50,000	68,733	18,733
Permits and other licenses	750,000	750,000	1,035,565	285,565
Total permits, privilege fees and regulatory licenses	800,000	800,000	1,104,298	304,298
Fines and forfeitures	329,000	329,000	433,857	104,857
Revenues from use of money and property:				
Use of money	424,000	424,000	617,781	193,781
Unrealized gain (loss) on investment	-	-	284,993	284,993
Use of property	398,000	398,000	435,560	37,560
Total revenues from use of money and property	822,000	822,000	1,338,334	516,334
Charges for services:				
Court costs	110,000	110,000	86,649	(23,351)
Charges for Commonwealth's Attorney	13,000	13,000	16,020	3,020
Charges for fiscal accounting services	3,000	3,000	3,620	620
Charges for law enforcement and traffic control	168,000	209,745	169,319	(40,426)
Charges for fire and life safety operations	-	-	5,310	5,310
Charges for emergency medical services	1,400,000	1,400,000	1,485,127	85,127
Charges for parks and recreation	501,000	557,000	552,966	(4,034)
Charges for library	35,000	49,000	40,944	(8,056)
Charges for mosquito control	-	-	750	750
Charges for information technology	5,000	5,000	4,058	(942)
Charges for grounds maintenance	1,135,000	1,135,000	1,135,000	-
Charges for law enforcement	349,000	634,000	562,720	(71,280)
Charges for video services	167,000	167,000	179,970	12,970
Charges for radio maintenance services	99,000	99,000	99,000	-
Charges for other	-	-	58	58
Total charges for services	3,985,000	4,381,745	4,341,511	(40,234)
Miscellaneous:				
Miscellaneous	195,000	195,000	275,422	80,422
Sale of surplus property	-	-	73,185	73,185
Total miscellaneous revenues	195,000	195,000	348,607	153,607
Recovered costs:				
City of Poquoson shared court services	395,000	395,000	427,004	32,004
City of Poquoson E911 services	333,000	333,000	333,000	-
City of Poquoson cooperative extension services	9,000	9,000	9,738	738
City of Williamsburg E911 services	573,000	573,000	573,000	-
City of Williamsburg public safety	1,000	1,000	36,831	35,831
City of Newport News public safety	-	-	392	392
Regional radio system staffing	45,000	45,000	-	(45,000)
Assistance for fire & life safety training and Virginia Task Force	-	-	42,410	42,410
Fiscal agent fees	238,000	238,000	241,300	3,300
Streetlight operations	5,000	5,000	1,315	(3,685)
Signage	5,000	5,000	2,500	(2,500)
Riverwalk Landing repairs and maintenance	-	-	2,415	2,415
Commissioner of Accounts' postage and phone reimbursement	1,000	1,000	1,040	40
Total recovered costs	1,605,000	1,605,000	1,670,945	65,945
Total revenues	137,560,000	142,067,964	145,771,497	3,703,533
Other financing sources:				
Insurance recovery	-	29,863	54,673	24,810
Transfers in	157,000	157,000	162,000	5,000
Total other financing sources	157,000	186,863	216,673	29,810
Total revenues and other financing sources	\$ 137,717,000	\$ 142,254,827	\$ 145,988,170	\$ 3,733,343

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
General Administration:				
Legislative Department: Board of Supervisors	\$ 387,332	\$ 387,332	\$ 369,286	\$ 18,046
Executive Department:				
County Administrator	542,663	542,663	590,738	(48,075)
Public Affairs	428,147	432,197	437,668	(5,471)
Video Services	516,814	518,314	461,784	56,530
County Attorney	574,284	574,284	600,627	(26,343)
Registrar	294,191	294,191	308,895	(14,704)
Electoral Board	111,758	111,758	91,533	20,225
Total General Administration	<u>2,855,189</u>	<u>2,860,739</u>	<u>2,860,531</u>	<u>208</u>
Judicial Services:				
Circuit Court	95,820	95,820	67,679	28,141
General District Court	29,217	29,217	30,455	(1,238)
Juvenile and Domestic Relations Court	19,956	19,956	15,378	4,578
Clerk of the Circuit Court	972,999	1,019,345	902,924	116,421
Colonial Group Home Commission	528,828	528,828	528,828	-
Magistrate	2,000	2,000	1,513	487
Commonwealth's Attorney	1,183,100	1,183,100	1,167,112	15,988
Victim/Witness	213,316	213,316	223,606	(10,290)
Domestic Violence	51,101	51,101	53,325	(2,224)
Total Judicial Services	<u>3,096,337</u>	<u>3,142,683</u>	<u>2,990,820</u>	<u>151,863</u>
Public Safety:				
Sheriff General Operations	2,050,837	2,085,469	2,034,498	50,971
Law Enforcement	6,193,742	6,256,298	6,307,497	(51,199)
Investigations	1,812,416	1,884,058	1,769,098	114,960
Civil Operations/Court Security	1,469,624	1,452,739	1,468,980	(16,241)
Adult Corrections	2,470,844	2,476,099	2,475,799	300
School Resource Officers	530,181	828,868	992,667	(163,799)
DARE Grant Program	-	-	6,110	(6,110)
Fire and Life Safety Administration	556,306	699,765	645,443	54,322
Fire and Rescue Operations	12,034,427	12,041,826	11,921,910	119,916
Technical Services and Special Operations	465,674	446,498	497,512	(51,014)
Prevention and Community Safety	386,677	387,754	365,333	22,421
Juvenile Corrections	382,753	382,753	367,743	15,010
Animal Control	413,634	417,944	420,474	(2,530)
Emergency Management	267,831	267,831	193,002	74,829
Support Services	460,164	490,756	534,224	(43,468)
Emergency Communications/911	3,543,511	3,654,897	3,652,714	2,183
Radio Maintenance	229,069	223,683	180,687	42,996
Total Public Safety	<u>33,267,690</u>	<u>33,997,238</u>	<u>33,833,691</u>	<u>163,547</u>
Management Services:				
Finance Administration	338,033	338,033	279,588	58,445
Information Technology	2,026,121	2,119,712	2,247,338	(127,626)
Human Resources	884,407	1,012,419	896,768	115,651
Accounting and Financial Reporting	372,964	372,964	335,583	37,381
Budget	395,064	395,064	305,507	89,557
Fiscal Accounting Services	741,492	741,492	722,290	19,202
Commissioner of the Revenue	1,266,388	1,266,388	1,286,794	(20,406)
Treasurer	962,594	962,594	915,022	47,572
Real Estate Assessment	661,541	661,541	661,823	(282)
Central Purchasing	450,160	450,160	436,048	14,112
Central Administrative Services	6,000	13,100	143,065	(129,965)
Central Insurance	137,611	163,110	175,263	(12,153)
Economic Development	134,366	284,366	284,366	-
Office of Economic Development	497,541	497,541	491,358	6,183
Total Management Services	<u>8,874,282</u>	<u>9,278,484</u>	<u>9,180,813</u>	<u>97,671</u>

(Continued)

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

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
General Fund - Expenditures and Other Financing Uses
Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Education:				
County of York Public School Division - Local	54,487,094	55,610,179	52,282,822	3,327,357
Library Services	3,125,279	3,125,279	3,116,552	8,727
Cooperative Extension	64,483	64,483	62,343	2,140
Total Education	57,676,856	58,799,941	55,461,717	3,338,224
Human Services:				
Social Services - payments to Board members	5,850	5,850	549	5,301
Contributions	1,511,663	1,511,663	1,453,601	58,062
Total Human Services	1,517,513	1,517,513	1,454,150	63,363
Public Works:				
Administration	148,564	175,071	160,773	14,298
Engineering and Facility Maintenance	3,316,944	3,309,404	3,111,277	198,127
Grounds Maintenance and Construction	3,281,012	3,298,071	3,349,397	(51,326)
Stormwater	2,223,349	1,880,432	1,484,750	395,682
Mosquito Control	-	297,436	511,211	(213,775)
Total Public Works	8,969,869	8,960,414	8,617,408	343,006
Community Development:				
Building Safety	1,025,725	1,050,725	1,054,611	(3,886)
Board of Zoning/Subdivision Appeals	4,115	4,115	2,664	1,451
Development and Compliance	748,818	748,818	834,185	(85,367)
Planning	319,169	334,169	455,027	(120,858)
Planning Commission	31,032	31,032	16,799	14,233
Planning and Development Admin	288,149	288,149	5,664	282,485
Total Community Development	2,417,008	2,457,008	2,368,950	88,058
Community Services:				
Administration	285,830	285,830	292,396	(6,566)
Housing	614,242	633,231	605,271	27,960
Parks and Recreation	2,318,251	2,318,396	2,209,911	108,485
Freight Shed	50,964	50,964	69,956	(18,992)
Total Community Services	3,269,287	3,288,421	3,177,534	110,887
Non-departmental:				
Employee benefits	989,903	1,061,765	1,056,308	5,457
Contributions	400,523	408,824	402,423	6,401
Appropriated reserves	61,000	47,000	19,000	28,000
Disasters	-	-	16,228	(16,228)
Total Non-departmental	1,451,426	1,517,589	1,493,959	23,630
Capital Outlay	19,035	19,035	-	19,035
Total expenditures	123,414,492	125,839,065	121,439,573	4,399,492
Other Financing Uses:				
Transfers out	18,849,405	27,210,004	27,020,148	189,856
Total other financing uses	18,849,405	27,210,004	27,020,148	189,856
Total expenditures and other financing uses	\$ 142,263,897	\$ 153,049,069	\$ 148,459,721	\$ 4,589,348

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

**REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISON SCHEDULE**

TOURISM FUND

To account for the receipt and disbursement of 3% of the lodging tax and the \$2.00 additional tax restricted by the Commonwealth of Virginia for tourism activities. Per Section 58.1-3823 of the Code of Virginia, one-half of the revenues collected from the additional tax shall be deposited into the Historic Triangle Marketing Fund. The other half is retained by the County. This fund is a major special revenue fund, with a legally adopted annual budget.

COUNTY OF YORK, VIRGINIA
Required Supplementary Information - Budgetary Comparison Schedule
Tourism Fund
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Other local taxes	\$ 3,425,000	\$ 3,607,514	\$ 3,611,826	\$ 4,312
Use of money and property	5,500	5,500	4,221	(1,279)
Total revenues	<u>3,430,500</u>	<u>3,613,014</u>	<u>3,616,047</u>	<u>3,033</u>
EXPENDITURES				
Current:				
Public safety	180,000	180,000	253,457	(73,457)
Management services	438,600	438,600	438,600	-
Public works	60,000	60,000	60,000	-
Community services	2,955,938	2,498,908	2,127,883	371,025
Debt service - principal retirement	49,558	49,558	55,335	(5,777)
Total expenditures	<u>3,684,096</u>	<u>3,227,066</u>	<u>2,935,275</u>	<u>291,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(253,596)</u>	<u>385,948</u>	<u>680,772</u>	<u>294,824</u>
OTHER FINANCING USES				
Transfers out	<u>(383,756)</u>	<u>(831,881)</u>	<u>(657,513)</u>	<u>174,368</u>
Total other financing sources and uses	<u>(383,756)</u>	<u>(831,881)</u>	<u>(657,513)</u>	<u>174,368</u>
Net change in fund balances	(637,352)	(445,933)	23,259	469,192
Fund balances, beginning of year	<u>(2,044,727)</u>	<u>(2,044,727)</u>	<u>445,933</u>	<u>2,490,660</u>
Fund balances, end of year	<u>\$ (2,682,079)</u>	<u>\$ (2,490,660)</u>	<u>\$ 469,192</u>	<u>\$ 2,959,852</u>

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

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

COUNTY OF YORK, VIRGINIA
Schedule of Employer's Share of Net Pension Liability
School Board's Professional Employees
Years Ended June 30, 2019

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

Schedule is intended to show information for 10 years. Since 2019 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

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

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

	(a)	(b)	(c)	(d)	(e)
	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess) (a) - (b)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll (b) / (d)
Date					
County					
June 30, 2019	\$ 4,341,119	\$ 4,341,119	-	\$ 43,554,938	9.97%
June 30, 2018	4,170,856	4,170,856	-	41,074,204	10.15%
June 30, 2017	3,686,802	3,686,802	-	39,079,963	9.43%
June 30, 2016	4,480,621	4,480,621	-	38,259,805	11.71%
June 30, 2015	4,359,173	4,359,173	-	37,197,611	11.72%
June 30, 2014	6,183,660	6,183,660	-	37,009,571	16.71%
June 30, 2013	6,020,741	6,020,741	-	36,232,767	16.62%
June 30, 2012	4,887,296	4,887,296	-	34,397,352	14.21%
June 30, 2011	5,002,989	5,002,989	-	35,320,303	14.16%
June 30, 2010	4,809,039	4,809,039	-	36,442,031	13.20%
School Board Nonprofessional					
June 30, 2019	\$ 327,734	\$ 327,734	\$ -	\$ 6,466,346	5.07%
June 30, 2018	355,364	355,364	-	6,347,608	5.60%
June 30, 2017	363,194	363,194	-	6,373,699	5.70%
June 30, 2016	489,081	489,081	-	6,361,525	7.69%
June 30, 2015	475,903	475,903	-	6,167,447	7.72%
June 30, 2014	542,604	542,604	-	6,035,633	8.99%
June 30, 2013	519,830	519,830	-	5,782,294	8.99%
June 30, 2012	699,906	699,906	-	6,016,887	11.63%
June 30, 2011	717,579	717,579	-	6,164,768	11.64%
June 30, 2010	743,242	743,242	-	6,142,499	12.10%
School Board Professional					
June 30, 2019	\$ 10,917,764	\$ 10,917,764	\$ -	\$ 70,985,746	15.38%
June 30, 2018	10,867,762	10,867,762	-	67,691,857	16.05%
June 30, 2017	9,684,516	9,684,516	-	66,894,061	14.48%
June 30, 2016	9,271,511	9,271,511	-	66,367,678	13.97%
June 30, 2015	9,180,878	9,180,878	-	63,559,725	14.44%
June 30, 2014	7,081,843	7,081,843	-	60,755,750	11.66%
June 30, 2013	6,906,219	6,906,219	-	59,230,011	11.66%
June 30, 2012	6,876,567	6,876,567	-	60,693,441	11.33%
June 30, 2011	5,482,734	5,482,734	-	61,396,807	8.93%
June 30, 2010	7,043,137	7,043,137	-	62,498,365	11.27%
School Board Optional					
June 30, 2019	\$ -	\$ -	\$ -	\$ 315,384	0.00%
June 30, 2018	-	-	-	393,083	0.00%
June 30, 2017	20,000	20,000	-	416,038	4.81%
June 30, 2016	5,370	10,000	(4,630)	490,949	2.04%
June 30, 2015	-	-	-	540,694	0.00%
June 30, 2014	-	-	-	-	0.00%
June 30, 2013	-	-	-	-	0.00%
June 30, 2012	41,786	41,786	-	-	0.00%
June 30, 2011	45,923	45,923	-	-	0.00%
June 30, 2010	37,710	37,710	-	-	0.00%

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

COUNTY OF YORK, VIRGINIA

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

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

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only two additional years are available. However, additional years will be included as they become available.

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

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

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

	County	
	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 22,681	\$ 25,337
Interest	84,301	84,360
Assumption changes or inputs	-	(44,791)
Difference between expected and actual	(1,640)	-
Benefit payments	(86,835)	(44,700)
Net change in total OPEB liability	18,507	20,206
Total OPEB liability - beginning	1,247,711	1,227,505
Total OPEB liability - ending	<u>\$ 1,266,218</u>	<u>\$ 1,247,711</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 77,571	\$ 73,420
Net investment income	62,659	90,253
Benefit payments	(86,835)	(44,700)
Administrative expenses	(1,474)	(1,503)
Other changes	(4,438)	4,438
Net change in plan fiduciary net position	47,483	121,908
Plan fiduciary net position - beginning	884,769	762,861
Plan fiduciary net position - ending	<u>\$ 932,252</u>	<u>\$ 884,769</u>
Net OPEB liability	<u>\$ 333,966</u>	<u>\$ 362,942</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>73.62%</u>	<u>70.91%</u>
Covered payroll	<u>\$ 30,253,324</u>	<u>\$ 28,521,474</u>
Net OPEB liability as a percentage of covered payroll	<u>1.10%</u>	<u>1.27%</u>

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year is available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Schedule of Employer HIC OPEB Contributions
For the Years Ended June 30, 2010 through 2019

	(a)	(b)	(c)	(d)	(e)
<u>Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess) (a) - (b)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll (b) / (d)</u>
County					
June 30, 2019	\$ 51,431	\$ 51,431	-	\$ 30,253,324	0.17%
June 30, 2018	54,191	54,191	-	28,521,474	0.19%
June 30, 2017	51,206	51,206	-	26,950,520	0.19%
June 30, 2016	50,313	50,313	-	26,480,681	0.19%
June 30, 2015	49,503	49,503	-	26,054,442	0.19%
June 30, 2014	41,680	41,680	-	26,049,790	0.16%
June 30, 2013	57,577	57,577	-	35,985,373	0.16%
June 30, 2012	52,474	52,474	-	34,982,680	0.15%
June 30, 2011	53,720	53,720	-	35,813,638	0.15%
June 30, 2010	83,728	83,728	-	36,403,354	0.23%
School Board Professional					
June 30, 2019	\$ 852,109	\$ 852,109	\$ -	\$ 71,009,117	1.20%
June 30, 2018	832,471	832,471	-	67,680,531	1.23%
June 30, 2017	743,350	743,350	-	66,968,466	1.11%
June 30, 2016	703,335	703,335	-	66,352,331	1.06%
June 30, 2015	673,859	673,859	-	63,571,618	1.06%
June 30, 2014	674,705	674,705	-	60,784,260	1.11%
June 30, 2013	657,477	657,477	-	59,232,163	1.11%
June 30, 2012	364,850	364,850	-	60,808,301	0.60%
June 30, 2011	368,935	368,935	-	61,489,088	0.60%
June 30, 2010	463,345	463,345	-	62,617,916	0.74%

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

COUNTY OF YORK, VIRGINIA
Schedule of Employer GLI OPEB Contributions
For the Years Ended June 30, 2010 through 2019

	(a)	(b)	(c)	(d)	(e)
<u>Date</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess) (a) - (b)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll (b) / (d)</u>
County					
June 30, 2019	\$ 225,979	\$ 225,979	-	\$ 43,457,502	0.52%
June 30, 2018	213,240	213,240	-	41,007,670	0.52%
June 30, 2017	201,745	201,745	-	38,797,164	0.52%
June 30, 2016	182,606	182,606	-	38,042,921	0.48%
June 30, 2015	179,206	179,206	-	37,334,631	0.48%
June 30, 2014	178,047	178,047	-	37,093,209	0.48%
June 30, 2013	173,173	173,173	-	36,077,655	0.48%
June 30, 2012	98,058	98,058	-	35,020,634	0.28%
June 30, 2011	100,373	100,373	-	35,847,507	0.28%
June 30, 2010	73,889	73,889	-	27,366,315	0.27%
School Board Nonprofessional					
June 30, 2018	\$ 33,927	\$ 33,927	\$ -	\$ 6,524,499	0.52%
June 30, 2018	33,613	33,613	-	6,464,042	0.52%
June 30, 2017	33,621	33,621	-	6,465,629	0.52%
June 30, 2016	31,104	31,104	-	6,479,929	0.48%
June 30, 2015	29,858	29,858	-	6,220,361	0.48%
June 30, 2014	29,091	29,091	-	6,060,588	0.48%
June 30, 2013	28,253	28,253	-	5,885,972	0.48%
June 30, 2012	16,918	16,918	-	6,042,070	0.28%
June 30, 2011	17,495	17,495	-	6,248,301	0.28%
June 30, 2010	12,120	12,120	-	6,238,902	0.19%
School Board Professional					
June 30, 2018	\$ 370,627	\$ 370,627	\$ -	\$ 71,274,389	0.52%
June 30, 2018	353,658	353,658	-	68,011,166	0.52%
June 30, 2017	349,251	349,251	-	67,163,557	0.52%
June 30, 2016	319,402	319,402	-	66,542,088	0.48%
June 30, 2015	306,106	306,106	-	63,772,157	0.48%
June 30, 2014	292,259	292,259	-	60,887,315	0.48%
June 30, 2013	284,574	284,574	-	59,286,277	0.48%
June 30, 2012	170,304	170,304	-	60,822,776	0.28%
June 30, 2011	172,205	172,205	-	61,501,849	0.28%
June 30, 2010	120,348	120,348	-	62,630,962	0.19%

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the second year for this presentation, only one additional year of data is available. However, additional years will be included as they become available.

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

COUNTY OF YORK, VIRGINIA
Schedule of Employer Virginia Local Disability Program (VLDP)
For the Years Ended June 30, 2014 through 2019

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

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

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

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

Schedule is intended to show information for 10 years. Since 2019 is the third year for this presentation, only three years of data are available. However, additional years will be included as they become available.

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2019

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, 2019, as amended. The budget may be amended by the Board of Supervisors through supplemental appropriations or transfers as necessary. The legal level of budgetary control rests at the fund level with the exception of the General Fund, which is appropriated at the functional level. In addition, the County Code provides that the County Administrator may transfer funds within appropriation functions. These transfers may be made to allow the disbursement of funds for unanticipated costs incurred in daily County operations.

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

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

2. PENSION DATA

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

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

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2018

2. PENSION DATA (Continued)

Largest 10 – Non-Hazardous Duty:

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

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

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

Largest 10 – Hazardous Duty:

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

All Others (Non 10 Largest) – Hazardous Duty:

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

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2018

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

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

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – General Employees:

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

Non-Largest – General Employees:

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

Largest 10 – Hazardous Duty:

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

COUNTY OF YORK, VIRGINIA
Notes to Required Supplementary Information
June 30, 2018

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

Non-Largest – Hazardous Duty:

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

4. OTHER POSTEMPLOYMENT BENEFITS (OPEB) DATA

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Information pertaining to the OPEB plans can be found in the notes to the financial statements.

The County and School Division pre-fund benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contribution as calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed period. The following methods and assumptions were used to calculate the Actuarially Determined Contribution for the fiscal year ending June 30, 2019.

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percentage of payroll, layered over 29 years
Asset valuation method:	Market value
Inflation:	2.5 percent
Payroll growth:	3.0 percent
Discount rate:	7.0 percent
Medical cost trend:	Pre-65 is 5.8 percent graded to 4.2 percent for fiscal year ending June 30, 2088 Post-65 is 5.2 percent graded to 4.2 percent for fiscal year ending June 30, 2085
Dental cost trend:	4.2 percent

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

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

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

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

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

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

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

Debt Service Funds:

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

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

Capital Project Funds:

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue								Total Nonmajor Governmental Funds
	Revenue Stabilization	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	Grant and Donations	Debt Service County	Stormwater Capital Project	
ASSETS									
Cash and investments	\$ 7,852,212	\$ 125,187	\$ -	\$ 22,701	\$ 244,797	\$ 129,793	\$ 52,879	\$ 4,573,653	\$ 13,001,222
Receivables, net	-	245,486	606,067	-	120,181	1,116,387	-	199,369	2,287,490
Due from component unit - EDA	-	-	-	-	-	-	-	150,000	150,000
Prepaid expenditures	-	-	-	-	16,060	-	-	-	16,060
Total assets	<u>\$ 7,852,212</u>	<u>\$ 370,673</u>	<u>\$ 606,067</u>	<u>\$ 22,701</u>	<u>\$ 381,038</u>	<u>\$ 1,246,180</u>	<u>\$ 52,879</u>	<u>\$ 4,923,022</u>	<u>\$ 15,454,772</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ 35,978	\$ 143,062	\$ 1,188	\$ -	\$ 250,588	\$ -	\$ 234,721	\$ 665,537
Retainage payable	-	-	-	-	-	-	-	7,703	7,703
Deposits payable	-	-	-	-	-	24,863	-	-	24,863
Salaries, taxes and benefits payable	-	58,451	104,655	-	-	-	-	-	163,106
Unearned revenue	-	-	-	-	-	-	-	220,845	220,845
Due to component unit - CDA	-	-	-	-	364,978	-	-	-	364,978
Total liabilities	<u>-</u>	<u>94,429</u>	<u>247,717</u>	<u>1,188</u>	<u>364,978</u>	<u>275,451</u>	<u>-</u>	<u>463,269</u>	<u>1,447,032</u>
Deferred inflows of resources:									
Unavailable revenues - property taxes, fees and grants	-	-	-	-	-	10,000	-	-	10,000
Deferred revenues - prepaid taxes	-	-	-	-	16,060	-	-	-	16,060
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,060</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>26,060</u>
Fund balances:									
Restricted	-	2,348	-	21,513	-	952,218	-	-	976,079
Committed	7,852,212	-	-	-	-	-	-	4,459,753	12,311,965
Assigned	-	273,896	358,350	-	-	8,511	52,879	-	693,636
Total fund balances	<u>7,852,212</u>	<u>276,244</u>	<u>358,350</u>	<u>21,513</u>	<u>-</u>	<u>960,729</u>	<u>52,879</u>	<u>4,459,753</u>	<u>13,981,680</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,852,212</u>	<u>\$ 370,673</u>	<u>\$ 606,067</u>	<u>\$ 22,701</u>	<u>\$ 381,038</u>	<u>\$ 1,246,180</u>	<u>\$ 52,879</u>	<u>\$ 4,923,022</u>	<u>\$ 15,454,772</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue								
	Revenue Stabilization	Children & Family Services	Virginia Public Assistance	Law Library	Community Development Authority Revenue Account	Grants and Donations	Debt Service County	Stormwater Capital Project	Total Nonmajor Governmental Funds
REVENUES									
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 366,777	\$ -	\$ -	\$ -	\$ 366,777
Other local taxes	-	-	-	-	837,927	-	-	1,902,948	2,740,875
Intergovernmental:									
Federal	-	1,137,517	2,797,344	-	-	1,865,380	-	-	5,800,241
State	-	-	1,616,129	-	-	833,892	-	49,386	2,499,407
Use of money and property	66,959	1,369	-	162	592	8,508	1,639	28,564	107,793
Charges for services	-	4,000	1,156	8,818	-	-	-	152,350	166,324
Miscellaneous	-	3,250	-	-	-	139,848	-	-	143,098
Recovered costs	-	-	306,970	-	-	-	-	-	306,970
Total revenues	<u>66,959</u>	<u>1,146,136</u>	<u>4,721,599</u>	<u>8,980</u>	<u>1,205,296</u>	<u>2,847,628</u>	<u>1,639</u>	<u>2,133,248</u>	<u>12,131,485</u>
EXPENDITURES									
Current:									
Judicial services	-	-	-	4,095	-	13,123	-	-	17,218
Public Safety	-	-	-	-	-	861,545	-	-	861,545
Education	1,665,460	-	-	-	-	7,192	-	-	1,672,652
Human services	-	1,536,546	6,901,687	-	-	-	-	-	8,438,233
Community development	-	-	-	-	-	1,661,203	-	-	1,661,203
Community services	-	-	-	-	-	513,215	-	-	513,215
Nondepartmental	-	-	-	-	1,043,296	-	-	-	1,043,296
Capital outlay	-	-	-	-	-	-	-	1,164,645	1,164,645
Debt service:									
Principal retirement	-	-	-	-	-	-	3,206,311	-	3,206,311
Interest and fiscal charges	-	-	-	-	-	-	1,138,240	-	1,138,240
Debt issuance costs	-	-	-	-	-	-	2,500	-	2,500
Total expenditures	<u>1,665,460</u>	<u>1,536,546</u>	<u>6,901,687</u>	<u>4,095</u>	<u>1,043,296</u>	<u>3,056,278</u>	<u>4,347,051</u>	<u>1,164,645</u>	<u>19,719,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,598,501)</u>	<u>(390,410)</u>	<u>(2,180,088)</u>	<u>4,885</u>	<u>162,000</u>	<u>(208,650)</u>	<u>(4,345,412)</u>	<u>968,603</u>	<u>(7,587,573)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	250,000	2,218,269	-	-	1,169,379	4,381,340	200,000	8,218,988
Transfers out	-	-	-	-	(162,000)	-	-	-	(162,000)
Total other financing sources (uses), net	<u>-</u>	<u>250,000</u>	<u>2,218,269</u>	<u>-</u>	<u>(162,000)</u>	<u>1,169,379</u>	<u>4,381,340</u>	<u>200,000</u>	<u>8,056,988</u>
Net change in fund balances	<u>(1,598,501)</u>	<u>(140,410)</u>	<u>38,181</u>	<u>4,885</u>	<u>-</u>	<u>960,729</u>	<u>35,928</u>	<u>1,168,603</u>	<u>469,415</u>
Fund balances, beginning of year	<u>9,450,713</u>	<u>416,654</u>	<u>320,169</u>	<u>16,628</u>	<u>-</u>	<u>-</u>	<u>16,951</u>	<u>3,291,150</u>	<u>13,512,265</u>
Fund balances, end of year	<u>\$ 7,852,212</u>	<u>\$ 276,244</u>	<u>\$ 358,350</u>	<u>\$ 21,513</u>	<u>\$ -</u>	<u>\$ 960,729</u>	<u>\$ 52,879</u>	<u>\$ 4,459,753</u>	<u>\$ 13,981,680</u>

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2019

	Revenue Stabilization				Children and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ -	\$ -	\$ -	\$ -	\$ 1,098,048	\$ 1,137,517	\$ 1,137,517	\$ -
State	-	-	-	-	-	-	-	-
Use of money and property	-	-	66,959	66,959	1,800	1,800	1,369	(431)
Charges for services	-	-	-	-	18,650	18,650	4,000	(14,650)
Miscellaneous	-	-	-	-	2,400	3,250	3,250	-
Recovered costs	-	-	-	-	-	-	-	-
Total revenues	-	-	66,959	66,959	1,120,898	1,161,217	1,146,136	(15,081)
EXPENDITURES								
Current:								
Education	1,300,000	1,665,460	1,665,460	-	-	-	-	-
Human services	-	-	-	-	1,431,614	1,537,866	1,536,546	1,320
Total expenditures	1,300,000	1,665,460	1,665,460	-	1,431,614	1,537,866	1,536,546	1,320
Excess (deficiency) of revenues over (under) expenditures	(1,300,000)	(1,665,460)	(1,598,501)	66,959	(310,716)	(376,649)	(390,410)	(13,761)
OTHER FINANCING SOURCES								
Transfers in	-	-	-	-	250,000	250,000	250,000	-
Total other financing sources	-	-	-	-	250,000	250,000	250,000	-
Net change in fund balances	(1,300,000)	(1,665,460)	(1,598,501)	66,959	(60,716)	(126,649)	(140,410)	(13,761)
Fund balances, beginning of year	600,000	600,000	9,450,713	8,850,713	(88,831)	(95,435)	416,654	512,089
Fund balances, end of year	\$ (700,000)	\$ (1,065,460)	\$ 7,852,212	\$ 8,917,672	\$ (149,547)	\$ (222,084)	\$ 276,244	\$ 498,328

	Virginia Public Assistance				Law Library			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ 2,475,740	\$ 2,475,740	\$ 2,797,344	\$ 321,604	\$ -	\$ -	\$ -	\$ -
State	1,887,577	1,887,577	1,616,129	(271,448)	-	-	-	-
Use of money and property	-	-	-	-	90	90	162	72
Charges for services	-	-	1,156	1,156	8,000	8,000	8,818	818
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	272,500	272,500	306,970	34,470	-	-	-	-
Total revenues	4,635,817	4,635,817	4,721,599	85,782	8,090	8,090	8,980	890
EXPENDITURES								
Current:								
Judicial services	-	-	-	-	9,000	9,000	4,095	4,905
Human services	7,057,983	7,057,983	6,901,687	156,296	-	-	-	-
Total expenditures	7,057,983	7,057,983	6,901,687	156,296	9,000	9,000	4,095	4,905
Excess (deficiency) of revenues over (under) expenditures	(2,422,166)	(2,422,166)	(2,180,088)	242,078	(910)	(910)	4,885	5,795
OTHER FINANCING SOURCES								
Transfers in	2,397,125	2,397,125	2,218,269	(178,856)	-	-	-	-
Total other financing sources	2,397,125	2,397,125	2,218,269	(178,856)	-	-	-	-
Net change in fund balances	(25,041)	(25,041)	38,181	63,222	(910)	(910)	4,885	5,795
Fund balances, beginning of year	18,913	18,913	320,169	301,256	7,235	7,235	16,628	9,393
Fund balances, end of year	\$ (6,128)	\$ (6,128)	\$ 358,350	\$ 364,478	\$ 6,325	\$ 6,325	\$ 21,513	\$ 15,188

COUNTY OF YORK, VIRGINIA
Budgetary Comparison Schedule
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2019

	Community Development Authority Revenue Account				Grants and Donations			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
General property taxes	\$ 321,204	\$ 321,204	\$ 366,777	\$ 45,573	\$ -	\$ -	\$ -	\$ -
Other local taxes	575,600	575,600	837,927	262,327	-	-	-	-
Intergovernmental								
Federal	-	-	-	-	-	2,086,479	1,865,380	(221,099)
State	-	-	-	-	365,000	849,793	833,892	(15,901)
Use of money and property	-	-	592	592	-	8,508	8,508	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	145,316	139,848	(5,468)
Recovered costs	-	-	-	-	-	-	-	-
Total revenues	<u>896,804</u>	<u>896,804</u>	<u>1,205,296</u>	<u>308,492</u>	<u>365,000</u>	<u>3,090,096</u>	<u>2,847,628</u>	<u>(242,468)</u>
EXPENDITURES								
Current:								
Judicial services	-	-	-	-	-	70,095	13,123	56,972
Public Safety	-	-	-	-	464,674	1,666,266	861,545	804,721
Management services	-	-	-	-	-	2,000	-	2,000
Education	-	-	-	-	-	16,915	7,192	9,723
Public Works	-	-	-	-	-	2,428	-	2,428
Human services	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	1,766,996	1,661,203	105,793
Community Services	-	-	-	-	146,639	756,323	513,215	243,108
Nondepartmental	<u>735,404</u>	<u>735,404</u>	<u>1,043,296</u>	<u>(307,892)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>735,404</u>	<u>735,404</u>	<u>1,043,296</u>	<u>(307,892)</u>	<u>611,313</u>	<u>4,281,023</u>	<u>3,056,278</u>	<u>1,224,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>161,400</u>	<u>161,400</u>	<u>162,000</u>	<u>600</u>	<u>(246,313)</u>	<u>(1,190,927)</u>	<u>(208,650)</u>	<u>982,277</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	11,000	1,180,379	1,169,379	(11,000)
Transfers out	<u>(161,400)</u>	<u>(161,400)</u>	<u>(162,000)</u>	<u>(600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses), net	<u>(161,400)</u>	<u>(161,400)</u>	<u>(162,000)</u>	<u>(600)</u>	<u>11,000</u>	<u>1,180,379</u>	<u>1,169,379</u>	<u>(11,000)</u>
Net change in fund balances	-	-	-	-	(235,313)	(10,548)	960,729	971,277
Fund balances, beginning of year	-	-	-	-	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (235,313)</u>	<u>\$ (10,548)</u>	<u>\$ 960,729</u>	<u>\$ 971,277</u>
Total								
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)				
REVENUES								
General property taxes	\$ 321,204	\$ 321,204	\$ 366,777	\$ 45,573				
Other local taxes	575,600	575,600	837,927	262,327				
Intergovernmental								
Federal	3,573,788	5,699,736	5,800,241	100,505				
State	2,252,577	2,737,370	2,450,021	(287,349)				
Use of money and property	1,890	10,398	77,590	67,192				
Charges for services	26,650	26,650	13,974	(12,676)				
Miscellaneous	2,400	148,566	143,098	(5,468)				
Recovered costs	<u>272,500</u>	<u>272,500</u>	<u>306,970</u>	<u>34,470</u>				
Total revenues	<u>7,026,609</u>	<u>9,792,024</u>	<u>9,996,598</u>	<u>204,574</u>				
EXPENDITURES								
Current:								
Judicial services	9,000	79,095	17,218	61,877				
Public Safety	464,674	1,666,266	861,545	804,721				
Management services	-	2,000	-	2,000				
Education	1,300,000	1,682,375	1,672,652	9,723				
Public Works	-	2,428	-	2,428				
Human services	8,489,597	8,595,849	8,438,233	157,616				
Community Development	-	1,766,996	1,661,203	105,793				
Community Services	146,639	756,323	513,215	243,108				
Nondepartmental	<u>735,404</u>	<u>735,404</u>	<u>1,043,296</u>	<u>(307,892)</u>				
Total expenditures	<u>11,145,314</u>	<u>15,286,736</u>	<u>14,207,362</u>	<u>1,079,374</u>				
Excess (deficiency) of revenues over (under) expenditures	<u>(4,118,705)</u>	<u>(5,494,712)</u>	<u>(4,210,764)</u>	<u>1,283,948</u>				
OTHER FINANCING SOURCES (USES)								
Transfers in	2,658,125	3,827,504	3,637,648	(189,856)				
Transfers out	<u>(161,400)</u>	<u>(161,400)</u>	<u>(162,000)</u>	<u>(600)</u>				
Total other financing sources (uses), net	<u>2,496,725</u>	<u>3,666,104</u>	<u>3,475,648</u>	<u>(190,456)</u>				
Net change in fund balances	(1,621,980)	(1,828,608)	(735,116)	1,093,492				
Fund balances, beginning of year	<u>537,317</u>	<u>530,713</u>	<u>10,204,164</u>	<u>9,673,451</u>				
Fund balances, end of year	<u>\$ (1,084,663)</u>	<u>\$ (1,297,895)</u>	<u>\$ 9,469,048</u>	<u>\$ 10,766,943</u>				

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Debt Service Funds
 For the Year Ended June 30, 2019

	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	\$ -	\$ -	\$ -	\$ -	\$ 55,547	\$ 55,547	\$ 55,785	\$ 238
Intergovernmental - State	-	-	-	-	86,493	86,493	104,460	17,967
Use of money and property	-	-	1,639	1,639	-	-	-	-
Recovered costs	-	-	-	-	104,738	104,738	104,738	-
Total revenues	-	-	1,639	1,639	246,778	246,778	264,983	18,205
EXPENDITURES								
Education	-	-	-	-	8,000,000	8,000,000	8,628,819	(628,819)
Debt service:								
Principal retirement	3,186,358	4,130,133	3,206,311	923,822	3,830,000	3,830,000	3,830,000	-
Interest and fiscal charges	1,179,769	1,236,194	1,140,740	95,454	2,706,780	2,706,780	2,702,910	3,870
Costs of issuance	30,000	30,000	-	30,000	160,000	160,000	43,418	116,582
Total expenditures	4,396,127	5,396,327	4,347,051	1,049,276	14,696,780	14,696,780	15,205,147	(508,367)
Excess (deficiency) of revenues over (under) expenditures	(4,396,127)	(5,396,327)	(4,345,412)	1,050,915	(14,450,002)	(14,450,002)	(14,940,164)	(490,162)
OTHER FINANCING SOURCES (USES)								
Transfers in	3,381,340	4,381,340	4,381,340	-	6,450,002	6,450,002	6,450,002	-
Issuance of debt, net	1,480,000	1,480,000	-	(1,480,000)	8,000,000	8,000,000	7,765,000	(235,000)
Refunding bonds issued	-	-	-	-	-	-	3,540,000	3,540,000
Premium on bonds issued	-	-	-	-	-	-	879,737	879,737
Deposits for refunding	-	-	-	-	-	-	(3,540,000)	(3,540,000)
Transfers out	(1,450,000)	(1,450,000)	-	1,450,000	-	-	-	-
Total other financing sources and uses, net	3,411,340	4,411,340	4,381,340	(30,000)	14,450,002	14,450,002	15,094,739	644,737
Net change in fund balances	(984,787)	(984,987)	35,928	1,020,915	-	-	154,575	154,575
Fund balances, beginning of year	(984,986)	15,014	16,951	1,937	-	-	10,208	10,208
Fund balances, end of year	\$ (1,969,773)	\$ (969,973)	\$ 52,879	\$ 1,022,852	\$ -	\$ -	\$ 164,783	\$ 164,783

	Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Intergovernmental - Federal	\$ 55,547	\$ 55,547	\$ 55,785	\$ 238
Intergovernmental - State	86,493	86,493	104,460	17,967
Use of money and property	-	-	1,639	1,639
Recovered costs	104,738	104,738	104,738	-
Total revenues	246,778	246,778	266,622	19,844
EXPENDITURES				
Education	8,000,000	8,000,000	8,628,819	(628,819)
Debt service:				
Principal retirement	7,016,358	7,960,133	7,036,311	923,822
Interest and fiscal charges	3,886,549	3,942,974	3,843,650	99,324
Refunding and other costs of issuance	190,000	190,000	43,418	146,582
Total expenditures	19,092,907	20,093,107	19,552,198	540,909
Excess (deficiency) of revenues over (under) expenditures	(18,846,129)	(19,846,329)	(19,285,576)	560,753
OTHER FINANCING SOURCES (USES)				
Transfers in	9,831,342	10,831,342	10,831,342	-
Issuance of debt	9,480,000	9,480,000	7,765,000	(1,715,000)
Refunding bonds issued	-	-	3,540,000	3,540,000
Premium on bonds issued	-	-	879,737	879,737
Deposits for refunding	-	-	(3,540,000)	(3,540,000)
Transfers out	(1,450,000)	(1,450,000)	-	1,450,000
Total other financing sources and uses, net	17,861,342	18,861,342	19,476,079	614,737
Net change in fund balances	(984,787)	(984,987)	190,503	1,175,490
Fund balances, beginning of year	(984,986)	15,014	27,159	12,145
Fund balances, end of year	\$ (1,969,773)	\$ (969,973)	\$ 217,662	\$ 1,187,635

COUNTY OF YORK, VIRGINIA
 Budgetary Comparison Schedule
 Capital Project Funds
 For the Year Ended June 30, 2019

	Stormwater Fund				Yorktown Capital Improvements			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	570,000	1,478,386	49,386	(1,429,000)	-	-	-	-
Other local taxes	822,500	822,500	1,902,948	1,080,448	-	-	-	-
Use of money and property	13,500	13,500	28,564	15,064	-	-	11,304	11,304
Miscellaneous	-	-	-	-	-	-	-	-
Charges for services	28,000	178,000	152,350	(25,650)	-	-	-	-
Total revenues	<u>1,434,000</u>	<u>2,492,386</u>	<u>2,133,248</u>	<u>(359,138)</u>	<u>-</u>	<u>-</u>	<u>11,304</u>	<u>11,304</u>
EXPENDITURES								
Capital outlay	6,242,415	5,983,537	1,164,645	4,818,892	248,264	248,264	-	248,264
Total expenditures	<u>6,242,415</u>	<u>5,983,537</u>	<u>1,164,645</u>	<u>4,818,892</u>	<u>248,264</u>	<u>248,264</u>	<u>-</u>	<u>248,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,808,415)</u>	<u>(3,491,151)</u>	<u>968,603</u>	<u>4,459,754</u>	<u>(248,264)</u>	<u>(248,264)</u>	<u>11,304</u>	<u>259,568</u>
OTHER FINANCING SOURCES								
Transfers in	200,000	200,000	200,000	-	111,875	550,000	657,513	107,513
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>111,875</u>	<u>550,000</u>	<u>657,513</u>	<u>107,513</u>
Net change in fund balances	(4,608,415)	(3,291,151)	1,168,603	4,459,754	(136,389)	301,736	668,817	367,081
Fund balances (deficit), beginning of year	<u>(5,616,647)</u>	<u>(5,616,647)</u>	<u>3,291,150</u>	<u>8,907,797</u>	<u>(6,882,302)</u>	<u>(6,882,302)</u>	<u>(3,947,179)</u>	<u>2,935,123</u>
Fund balances (deficit), end of year	<u>\$ (10,225,062)</u>	<u>\$ (8,907,798)</u>	<u>\$ 4,459,753</u>	<u>\$ 13,367,551</u>	<u>\$ (7,018,691)</u>	<u>\$ (6,580,566)</u>	<u>\$ (3,278,362)</u>	<u>\$ 3,302,204</u>
	County Capital				Total			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental:								
Federal	\$ -	\$ 146,567	\$ -	\$ (146,567)	\$ -	\$ 146,567	\$ -	\$ (146,567)
State	-	1,115,789	200,348	(915,441)	-	1,115,789	200,348	(915,441)
Other local taxes	-	-	-	-	822,500	822,500	1,902,948	1,080,448
Use of money and property	96,000	96,000	286,700	190,700	109,500	109,500	326,568	217,068
Charges for services	-	-	-	-	28,000	178,000	152,350	(25,650)
Miscellaneous	336,000	405,641	69,641	(336,000)	336,000	405,641	69,641	(336,000)
Recovered costs	69,800	69,800	69,800	-	69,800	69,800	69,800	-
Total revenues	<u>501,800</u>	<u>1,833,797</u>	<u>626,489</u>	<u>(1,207,308)</u>	<u>1,365,800</u>	<u>2,847,797</u>	<u>2,721,655</u>	<u>(126,142)</u>
EXPENDITURES								
Capital outlay	31,241,652	37,926,327	9,918,982	28,007,345	37,732,331	44,158,128	11,083,627	33,074,501
Total expenditures	<u>31,241,652</u>	<u>37,926,327</u>	<u>9,918,982</u>	<u>28,007,345</u>	<u>37,732,331</u>	<u>44,158,128</u>	<u>11,083,627</u>	<u>33,074,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,739,852)</u>	<u>(36,092,530)</u>	<u>(9,292,493)</u>	<u>26,800,037</u>	<u>(36,366,531)</u>	<u>(41,310,331)</u>	<u>(8,361,972)</u>	<u>32,948,359</u>
OTHER FINANCING SOURCES								
Transfers in	2,052,790	11,937,469	10,487,469	(1,450,000)	2,364,665	12,687,469	11,344,982	(1,342,487)
Total other financing sources	<u>2,052,790</u>	<u>11,937,469</u>	<u>10,487,469</u>	<u>(1,450,000)</u>	<u>2,364,665</u>	<u>12,687,469</u>	<u>11,344,982</u>	<u>(1,342,487)</u>
Net change in fund balances	(28,687,062)	(24,155,061)	1,194,976	25,350,037	(34,001,866)	(28,622,862)	2,983,010	31,605,872
Fund balances (deficit), beginning of year	<u>(52,672,932)</u>	<u>(42,045,970)</u>	<u>24,155,692</u>	<u>66,201,662</u>	<u>(65,171,881)</u>	<u>(54,544,919)</u>	<u>23,499,663</u>	<u>78,044,582</u>
Fund balances (deficit), end of year	<u>\$ (81,359,994)</u>	<u>\$ (66,201,031)</u>	<u>\$ 25,350,668</u>	<u>\$ 91,551,699</u>	<u>\$ (99,173,747)</u>	<u>\$ (83,167,781)</u>	<u>\$ 26,482,673</u>	<u>\$ 109,650,454</u>

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NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
ASSETS								
Current assets:								
Cash and investments	\$ 276,385	\$ 299	\$ -	\$ 847,148	\$ 211,652	\$ -	\$ -	\$ 1,335,484
Receivables, net	1,243	-	-	888,999	30,148	-	1,213,180	2,133,570
Due from component unit - EDA	17,327	-	-	-	-	-	-	17,327
Prepaid expenses	-	-	-	2,545	33,787	-	-	36,332
Total current assets	<u>294,955</u>	<u>299</u>	<u>-</u>	<u>1,738,692</u>	<u>275,587</u>	<u>-</u>	<u>1,213,180</u>	<u>3,522,713</u>
Noncurrent assets:								
Nondepreciable capital assets:								
Land	2,707,736	37,916	33,994	413,902	-	251,854	-	3,445,402
Easements	-	-	-	-	10,945	-	-	10,945
Depreciable capital assets:								
Buildings	-	783,982	-	1,550,467	-	2,699,159	-	5,033,608
Building improvements	-	-	-	295,438	-	-	-	295,438
Infrastructure	-	2,254,362	767,391	163,209	281,553	19,956,345	-	23,422,860
Equipment	-	446,216	-	763,892	-	453,831	2,919,301	4,583,240
Vehicles	-	-	-	1,497,820	-	-	-	1,497,820
Less accumulated depreciation	-	(2,932,111)	(562,114)	(2,991,991)	(77,200)	(18,675,118)	(145,965)	(25,384,499)
Total noncurrent assets	<u>2,707,736</u>	<u>590,365</u>	<u>239,271</u>	<u>1,692,737</u>	<u>215,298</u>	<u>4,686,071</u>	<u>2,773,336</u>	<u>12,904,814</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB costs	-	-	-	212,280	-	-	8,108	220,388
Deferred outflows related to pension costs	-	-	-	89,707	-	-	8,301	98,008
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,987</u>	<u>-</u>	<u>-</u>	<u>16,409</u>	<u>318,396</u>
Total assets	<u>\$ 3,002,691</u>	<u>\$ 590,664</u>	<u>\$ 239,271</u>	<u>\$ 3,733,416</u>	<u>\$ 490,885</u>	<u>\$ 4,686,071</u>	<u>\$ 4,002,925</u>	<u>\$ 16,745,923</u>
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 4,945	\$ -	\$ -	\$ 441,215	\$ -	\$ -	\$ 246,488	\$ 692,648
Deposits payable	-	-	-	12,000	-	-	-	12,000
Salaries, taxes and benefits payable	1,364	-	-	39,064	-	-	-	40,428
Unearned revenue	617	-	-	22,121	40,190	-	-	62,928
Compensated absences - current	-	-	-	1,200	-	-	-	1,200
Total current liabilities	<u>6,926</u>	<u>-</u>	<u>-</u>	<u>515,600</u>	<u>40,190</u>	<u>-</u>	<u>246,488</u>	<u>809,204</u>
Noncurrent liabilities:								
Compensated absences - net current	-	-	-	91,190	-	-	-	91,190
Net OPEB liability	-	-	-	167,417	-	-	8,852	176,269
Net pension liability	-	-	-	304,163	-	-	27,157	331,320
Advance from other fund	<u>2,450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450,000</u>
Total noncurrent liabilities	<u>2,450,000</u>	<u>-</u>	<u>-</u>	<u>562,770</u>	<u>-</u>	<u>-</u>	<u>36,009</u>	<u>3,048,779</u>
Total liabilities	<u>2,456,926</u>	<u>-</u>	<u>-</u>	<u>1,078,370</u>	<u>40,190</u>	<u>-</u>	<u>282,497</u>	<u>3,857,983</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB costs	-	-	-	179,517	-	-	6,785	186,302
Deferred inflows related to pension costs	-	-	-	47,707	-	-	4,260	51,967
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,224</u>	<u>-</u>	<u>-</u>	<u>11,045</u>	<u>238,269</u>
NET POSITION								
Net investment in capital assets	2,707,736	590,365	239,271	1,692,736	215,298	4,686,071	2,773,336	12,904,813
Unrestricted	<u>(2,161,971)</u>	<u>299</u>	<u>-</u>	<u>735,086</u>	<u>235,397</u>	<u>-</u>	<u>936,047</u>	<u>(255,142)</u>
Total net position	<u>545,765</u>	<u>590,664</u>	<u>239,271</u>	<u>2,427,822</u>	<u>450,695</u>	<u>4,686,071</u>	<u>3,709,383</u>	<u>12,649,671</u>
Total liabilities and net position	<u>\$ 3,002,691</u>	<u>\$ 590,664</u>	<u>\$ 239,271</u>	<u>\$ 3,733,416</u>	<u>\$ 490,885</u>	<u>\$ 4,686,071</u>	<u>\$ 4,002,925</u>	<u>\$ 16,745,923</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
Operating Revenues								
Use of property	\$ 101,119	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ 2,965,402	\$ 3,210,521
Other local taxes	-	-	-	-	-	-	-	-
Charges for services	57,348	-	-	4,532,104	320,586	-	-	4,910,038
Miscellaneous	77	-	-	7,319	-	-	-	7,396
Total operating revenues	<u>158,544</u>	<u>-</u>	<u>-</u>	<u>4,683,423</u>	<u>320,586</u>	<u>-</u>	<u>2,965,402</u>	<u>8,127,955</u>
Operating Expenses								
Personal services	28,316	-	-	1,146,992	-	-	113,165	1,288,473
Contractual services	39,232	-	-	3,400,243	11,027	-	3,784,465	7,234,967
Materials and supplies	4,787	-	-	127,319	301,726	-	32,156	465,988
Depreciation	-	31,734	15,741	155,810	5,586	370,659	145,965	725,495
Total operating expenses	<u>72,335</u>	<u>31,734</u>	<u>15,741</u>	<u>4,830,364</u>	<u>318,339</u>	<u>370,659</u>	<u>4,075,751</u>	<u>9,714,923</u>
Operating income (loss)	<u>86,209</u>	<u>(31,734)</u>	<u>(15,741)</u>	<u>(146,941)</u>	<u>2,247</u>	<u>(370,659)</u>	<u>(1,110,349)</u>	<u>(1,586,968)</u>
Nonoperating Revenues (Expenses)								
Grant income	-	-	-	12,174	-	-	-	12,174
Interest income	1,941	2	-	7,420	1,665	-	8,613	19,641
Gain on disposal of capital asset	-	-	-	1,680	-	-	-	1,680
Donated property	-	-	-	-	(3,717,822)	-	-	(3,717,822)
Total nonoperating revenues (expenses), net	<u>1,941</u>	<u>2</u>	<u>-</u>	<u>21,274</u>	<u>(3,716,157)</u>	<u>-</u>	<u>8,613</u>	<u>(3,684,327)</u>
Income before transfers	<u>88,150</u>	<u>(31,732)</u>	<u>(15,741)</u>	<u>(125,667)</u>	<u>(3,713,910)</u>	<u>(370,659)</u>	<u>(1,101,736)</u>	<u>(5,271,295)</u>
Transfers In	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,080,296</u>	<u>1,080,306</u>
Change in net position	<u>88,150</u>	<u>(31,722)</u>	<u>(15,741)</u>	<u>(125,667)</u>	<u>(3,713,910)</u>	<u>(370,659)</u>	<u>(21,440)</u>	<u>(4,190,989)</u>
Total net position, beginning of year	<u>457,615</u>	<u>622,386</u>	<u>255,012</u>	<u>2,553,489</u>	<u>4,164,605</u>	<u>5,056,730</u>	<u>3,730,823</u>	<u>16,840,660</u>
Total net position, end of year	<u>\$ 545,765</u>	<u>\$ 590,664</u>	<u>\$ 239,271</u>	<u>\$ 2,427,822</u>	<u>\$ 450,695</u>	<u>\$ 4,686,071</u>	<u>\$ 3,709,383</u>	<u>\$ 12,649,671</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	<u>Yorktown Operations</u>	<u>York Sanitary District</u>	<u>Upper County Utility</u>	<u>Solid Waste</u>	<u>Water Utility</u>	<u>Sanitary District No. 2</u>	<u>Regional Radio System</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 201,344	\$ -	\$ -	\$ 4,452,677	\$ 304,308	\$ -	\$ 2,772,344	\$ 7,730,673
Other receipts	77	-	-	7,319	-	-	-	7,396
Payments to suppliers for goods and services	(40,878)	-	-	(3,345,646)	(319,693)	-	(3,778,733)	(7,484,950)
Payments to employees for services	(28,817)	-	-	(1,057,331)	-	-	(82,520)	(1,168,668)
Payments for interfund activity	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	<u>81,726</u>	<u>-</u>	<u>-</u>	<u>57,019</u>	<u>(15,385)</u>	<u>-</u>	<u>(1,088,909)</u>	<u>(965,549)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grant income	-	-	-	12,174	-	-	-	12,174
Transfers in	-	10	-	-	-	-	1,080,296	1,080,306
Net cash provided by noncapital financing activities	<u>-</u>	<u>10</u>	<u>-</u>	<u>12,174</u>	<u>-</u>	<u>-</u>	<u>1,080,296</u>	<u>1,092,480</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	-	-	-	(486,337)	(8,289)	-	-	(494,626)
Net proceeds from disposal of capital assets	-	-	-	1,680	-	-	-	1,680
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(484,657)</u>	<u>(8,289)</u>	<u>-</u>	<u>-</u>	<u>(492,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest income	<u>2,117</u>	<u>2</u>	<u>-</u>	<u>8,334</u>	<u>1,665</u>	<u>-</u>	<u>8,613</u>	<u>20,731</u>
Net cash provided by investing activities	<u>2,117</u>	<u>2</u>	<u>-</u>	<u>8,334</u>	<u>1,665</u>	<u>-</u>	<u>8,613</u>	<u>20,731</u>
Net increase (decrease) in cash and cash equivalents	83,843	12	-	(407,130)	(22,009)	-	-	(345,284)
Cash and cash equivalents, beginning of year	<u>192,542</u>	<u>287</u>	<u>-</u>	<u>1,254,278</u>	<u>233,661</u>	<u>-</u>	<u>-</u>	<u>1,680,768</u>
Cash and cash equivalents, end of year	<u>\$ 276,385</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 847,148</u>	<u>\$ 211,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335,484</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:								
Cash and investments	<u>\$ 276,385</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 847,148</u>	<u>\$ 211,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335,484</u>
Cash and cash equivalents, end of year	<u>\$ 276,385</u>	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 847,148</u>	<u>\$ 211,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,335,484</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ 86,209	\$ (31,734)	\$ (15,741)	\$ (146,941)	\$ 2,247	\$ (370,659)	\$ (1,110,349)	\$ (1,586,968)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation	-	31,734	15,741	155,810	5,586	370,659	145,965	725,495
(Increase) decrease in:								
Receivables	42,088	-	-	(223,891)	(865)	-	(193,058)	(375,726)
Prepaid expenses	-	-	-	-	(18,113)	-	-	(18,113)
Due from/to component unit - EDA	1,388	-	-	-	-	-	-	1,388
Increase (decrease) in:								
Accounts payable	3,141	-	-	181,916	(6,940)	-	37,888	216,005
Salaries, taxes and benefits payable	(501)	-	-	5,756	-	-	-	5,255
Unearned revenue	(599)	-	-	464	2,700	-	-	2,565
Net OPEB liability and related outflows/inflows	-	-	-	(8,428)	-	-	7,529	(899)
Net pension liability and related outflows/inflows	-	-	-	41,064	-	-	23,116	64,180
Compensated absences	-	-	-	51,269	-	-	-	51,269
Advance from other fund	(50,000)	-	-	-	-	-	-	(50,000)
Net cash provided by (used in) operating activities	<u>\$ 81,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,019</u>	<u>\$ (15,385)</u>	<u>\$ -</u>	<u>\$ (1,088,909)</u>	<u>\$ (965,549)</u>

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis. An internal service fund may also be used to account for all or a portion of a government's risk financing activities.

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

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 2,947,063	\$ 6,514,515	\$ 1,055,253	\$ 398,716	\$ 10,915,547
Receivable, net	42,938	11,935	-	-	54,873
Prepaid expenses	-	377,000	-	-	377,000
Total current assets	<u>2,990,001</u>	<u>6,903,450</u>	<u>1,055,253</u>	<u>398,716</u>	<u>11,347,420</u>
Noncurrent assets:					
Nondepreciable capital assets:					
Construction in progress	-	-	-	18,870	18,870
Depreciable capital assets:					
Intangibles	101,512	-	-	-	101,512
Land improvements	262,573	-	-	-	262,573
Equipment	1,442,162	-	-	45,343	1,487,505
Vehicles	6,705,510	-	-	-	6,705,510
Less accumulated depreciation	(5,292,385)	-	-	(4,534)	(5,296,919)
Less accumulated amortization	(101,512)	-	-	-	(101,512)
Total noncurrent assets	<u>3,117,860</u>	<u>-</u>	<u>-</u>	<u>59,679</u>	<u>3,177,539</u>
Deferred outflows of resources					
Deferred outflows related to OPEB costs	250,687	-	682	-	251,369
Deferred outflows related to pension costs	85,714	-	7,293	-	93,007
Total deferred outflows of resources	<u>336,401</u>	<u>-</u>	<u>7,975</u>	<u>-</u>	<u>344,376</u>
Total assets	<u>\$ 6,444,262</u>	<u>\$ 6,903,450</u>	<u>\$ 1,063,228</u>	<u>\$ 458,395</u>	<u>\$ 14,869,335</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 255,646	\$ 262,311	\$ 19,968	\$ 8,643	\$ 546,568
Salaries, taxes and benefits payable	44,612	-	2,222	-	46,834
Unearned revenue	-	2,289	-	-	2,289
Compensated absences - current	7,000	-	-	-	7,000
Total current liabilities	<u>307,258</u>	<u>264,600</u>	<u>22,190</u>	<u>8,643</u>	<u>602,691</u>
Noncurrent liabilities:					
Compensated absences - net current	116,100	-	-	-	116,100
Claims payable	-	1,147,100	-	-	1,147,100
Net OPEB liability	184,937	-	4,812	-	189,749
Net pension liability	289,679	-	23,536	-	313,215
Total noncurrent liabilities	<u>590,716</u>	<u>1,147,100</u>	<u>28,348</u>	<u>-</u>	<u>1,766,164</u>
Total liabilities	<u>897,974</u>	<u>1,411,700</u>	<u>50,538</u>	<u>8,643</u>	<u>2,368,855</u>
Deferred inflows of resources					
Deferred inflows related to OPEB costs	212,249	-	496	-	212,745
Deferred inflows related to pension costs	45,440	-	3,691	-	49,131
	<u>257,689</u>	<u>-</u>	<u>4,187</u>	<u>-</u>	<u>261,876</u>
NET POSITION					
Net investment in capital assets	3,117,860	-	-	59,680	3,177,540
Unrestricted	2,170,739	5,491,750	1,008,503	390,072	9,061,064
Total net position	<u>5,288,599</u>	<u>5,491,750</u>	<u>1,008,503</u>	<u>449,752</u>	<u>12,238,604</u>
Total liabilities and net position	<u>\$ 6,444,262</u>	<u>\$ 6,903,450</u>	<u>\$ 1,063,228</u>	<u>\$ 458,395</u>	<u>\$ 14,869,335</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
Operating Revenues					
Charges for services	\$ 4,160,649	\$ 12,722,362	\$ -	\$ 1,216,243	\$ 18,099,254
Miscellaneous	81,173	20,550	2,611	-	104,334
Total operating revenues	<u>4,241,822</u>	<u>12,742,912</u>	<u>2,611</u>	<u>1,216,243</u>	<u>18,203,588</u>
Operating Expenses					
Personal services	1,048,635	608,787	93,914	-	1,751,336
Contractual services	649,355	11,899,242	401,420	708,233	13,658,250
Materials and supplies	1,858,613	-	-	534,752	2,393,365
Depreciation	550,824	-	-	4,534	555,358
Total operating expenses	<u>4,107,427</u>	<u>12,508,029</u>	<u>495,334</u>	<u>1,247,519</u>	<u>18,358,309</u>
Operating income (loss)	<u>134,395</u>	<u>234,883</u>	<u>(492,723)</u>	<u>(31,276)</u>	<u>(154,721)</u>
Nonoperating Revenues (Expenses)					
Interest income	20,500	50,775	9,577	2,635	83,487
Loss on disposal of capital assets	(10,270)	-	-	-	(10,270)
Total nonoperating revenues, net	<u>10,230</u>	<u>50,775</u>	<u>9,577</u>	<u>2,635</u>	<u>73,217</u>
Income before transfers	144,625	285,658	(483,146)	(28,641)	(81,504)
Transfers In	<u>105,000</u>	<u>200,000</u>	<u>-</u>	<u>478,393</u>	<u>783,393</u>
Change in net position	249,625	485,658	(483,146)	449,752	701,889
Total net position, beginning of year restated	<u>5,038,974</u>	<u>5,006,092</u>	<u>1,491,649</u>	<u>-</u>	<u>11,536,715</u>
Total net position, end of year	<u>\$ 5,288,599</u>	<u>\$ 5,491,750</u>	<u>\$ 1,008,503</u>	<u>\$ 449,752</u>	<u>\$ 12,238,604</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Vehicle Maintenance Fund	Health and Dental Insurance Fund	Workers' Compensation Fund	Information Technology Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 4,175,697	\$ 12,712,716	\$ -	\$ 1,216,243	\$ 18,104,656
Other receipts	81,173	-	2,611	-	83,784
Payments to suppliers for goods and services	(2,707,957)	(12,125,860)	(381,452)	(1,234,342)	(16,449,611)
Payments to employees for services	(961,567)	(608,787)	(68,332)	-	(1,638,686)
Receipts from interfund activity	-	20,550	-	-	20,550
Net cash provided by (used in) operating activities	<u>587,346</u>	<u>(1,381)</u>	<u>(447,173)</u>	<u>(18,099)</u>	<u>120,693</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	<u>105,000</u>	<u>200,000</u>	<u>-</u>	<u>478,393</u>	<u>783,393</u>
Net cash provided by noncapital financing activities	<u>105,000</u>	<u>200,000</u>	<u>-</u>	<u>478,393</u>	<u>783,393</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(705,493)	-	-	(64,213)	(769,706)
Net proceeds from the disposal of capital assets	<u>33,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,545</u>
Net cash used in capital and related financing activities	<u>(671,948)</u>	<u>-</u>	<u>-</u>	<u>(64,213)</u>	<u>(736,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	<u>22,572</u>	<u>55,303</u>	<u>10,665</u>	<u>2,635</u>	<u>91,175</u>
Net cash provided by investing activities	<u>22,572</u>	<u>55,303</u>	<u>10,665</u>	<u>2,635</u>	<u>91,175</u>
Net increase (decrease) in cash and cash equivalents	42,970	253,922	(436,508)	398,716	259,100
Cash and cash equivalents, beginning of year	<u>2,904,093</u>	<u>6,260,593</u>	<u>1,491,761</u>	<u>-</u>	<u>10,656,447</u>
Cash and cash equivalents, end of year	<u>\$ 2,947,063</u>	<u>\$ 6,514,515</u>	<u>\$ 1,055,253</u>	<u>\$ 398,716</u>	<u>\$ 10,915,547</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments	\$ 2,947,063	\$ 6,514,515	\$ 1,055,253	\$ 398,716	\$ 10,915,547
Cash and cash equivalents, end of year	<u>\$ 2,947,063</u>	<u>\$ 6,514,515</u>	<u>\$ 1,055,253</u>	<u>\$ 398,716</u>	<u>\$ 10,915,547</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 134,395	\$ 234,883	\$ (492,723)	\$ (31,276)	\$ (154,721)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	550,824	-	-	4,534	555,358
Decrease (increase) in:					
Receivables	15,048	(11,935)	-	-	3,113
Prepaid expenses	-	(377,000)	-	-	(377,000)
Increase (decrease) in:					
Accounts payable	(199,989)	(118,087)	19,968	8,643	(289,465)
Salaries, taxes and benefits payable	10,898	-	1,022	-	11,920
Unearned revenue	-	2,289	-	-	2,289
Claims payable	-	268,469	-	-	268,469
Compensated absences	61,687	-	-	-	61,687
Net OPEB liability and related outflows/inflows	(6,126)	-	4,626	-	(1,500)
Net pension liability and related outflows/inflows	<u>20,609</u>	<u>-</u>	<u>19,934</u>	<u>-</u>	<u>40,543</u>
Net cash provided by (used in) operating activities	<u>\$ 587,346</u>	<u>\$ (1,381)</u>	<u>\$ (447,173)</u>	<u>\$ (18,099)</u>	<u>\$ 120,693</u>

AGENCY FUNDS

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

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

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

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

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

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

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

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

COUNTY OF YORK, VIRGINIA
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2019

	Colonial Behavioral Health	Colonial Group Home Commission	Special Welfare	Regional Projects	Other Funds	Total
ASSETS						
Cash and investments	\$ 3,493,262	\$ 386,794	\$ 47,952	\$ (18,852)	\$ 12,102	\$ 3,921,258
Other receivables	68,330	-	-	93,681	-	162,011
Total assets	<u>\$ 3,561,592</u>	<u>\$ 386,794</u>	<u>\$ 47,952</u>	<u>\$ 74,829</u>	<u>\$ 12,102</u>	<u>\$ 4,083,269</u>
LIABILITIES						
Accounts payable	\$ 731,971	\$ 7,755	\$ -	\$ 68,193	\$ -	\$ 807,919
Deposits payable	-	-	6,097	-	-	6,097
Salaries, taxes and benefits payable	223,820	60,510	-	-	-	284,330
Amounts held for others	2,605,801	318,529	41,855	6,636	12,102	2,984,923
Total liabilities	<u>\$ 3,561,592</u>	<u>\$ 386,794</u>	<u>\$ 47,952</u>	<u>\$ 74,829</u>	<u>\$ 12,102</u>	<u>\$ 4,083,269</u>

COUNTY OF YORK, VIRGINIA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2019

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Colonial Behavioral Health				
ASSETS				
Cash and investments	\$ 3,409,930	\$ 19,012,208	\$ 18,928,876	\$ 3,493,262
Other receivables	25,815	71,125	28,610	68,330
Total assets	<u>\$ 3,435,745</u>	<u>\$ 19,083,333</u>	<u>\$ 18,957,486</u>	<u>\$ 3,561,592</u>
LIABILITIES				
Accounts payable	\$ 736,806	\$ 4,401,354	\$ 4,406,189	731,971
Salaries, taxes and benefits payable	244,599	258,536	279,315	223,820
Amounts held for others	2,454,340	14,423,443	14,271,982	2,605,801
Total liabilities	<u>\$ 3,435,745</u>	<u>\$ 19,083,333</u>	<u>\$ 18,957,486</u>	<u>\$ 3,561,592</u>
Colonial Group Home Commission				
ASSETS				
Cash and investments	\$ 348,910	\$ 1,829,421	\$ 1,791,537	\$ 386,794
Other receivables	252	-	252	-
Total assets	<u>\$ 349,162</u>	<u>\$ 1,829,421</u>	<u>\$ 1,791,789</u>	<u>\$ 386,794</u>
LIABILITIES				
Accounts payable	\$ 21,100	\$ 7,755	\$ 21,100	\$ 7,755
Salaries, taxes and benefits payable	44,977	60,790	45,257	60,510
Amounts held for others	283,085	1,760,876	1,725,432	318,529
Total liabilities	<u>\$ 349,162</u>	<u>\$ 1,829,421</u>	<u>\$ 1,791,789</u>	<u>\$ 386,794</u>
Special Welfare				
ASSETS				
Cash and investments	\$ 61,379	\$ 52,644	\$ 66,071	\$ 47,952
Total assets	<u>\$ 61,379</u>	<u>\$ 52,644</u>	<u>\$ 66,071</u>	<u>\$ 47,952</u>
LIABILITIES				
Deposits payable	\$ 328	\$ 11,890	\$ 6,121	\$ 6,097
Amounts held for others	61,051	40,754	59,950	41,855
Total liabilities	<u>\$ 61,379</u>	<u>\$ 52,644</u>	<u>\$ 66,071</u>	<u>\$ 47,952</u>
Regional Projects				
ASSETS				
Cash and investments	\$ 12,344	\$ 475,765	\$ 506,961	\$ (18,852)
Other receivables	71,712	93,681	71,712	93,681
Total assets	<u>\$ 84,056</u>	<u>\$ 569,446</u>	<u>\$ 578,673</u>	<u>\$ 74,829</u>
LIABILITIES				
Accounts payable	\$ 84,033	\$ 2,893	\$ 18,733	\$ 68,193
Amounts held for others	23	566,553	559,940	6,636
Total liabilities	<u>\$ 84,056</u>	<u>\$ 569,446</u>	<u>\$ 578,673</u>	<u>\$ 74,829</u>
Other Funds				
ASSETS				
Cash and investments	\$ 116,543	\$ 972	\$ 105,413	\$ 12,102
Other receivables	84	-	84	-
Total assets	<u>\$ 116,627</u>	<u>\$ 972</u>	<u>\$ 105,497</u>	<u>\$ 12,102</u>
LIABILITIES				
Accounts payable	\$ -	\$ 25	\$ 25	\$ -
Amounts held for others	116,627	947	105,472	12,102
Total liabilities	<u>\$ 116,627</u>	<u>\$ 972</u>	<u>\$ 105,497</u>	<u>\$ 12,102</u>
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 3,949,106	\$ 21,371,010	\$ 21,398,858	\$ 3,921,258
Other receivables	97,863	164,806	100,658	162,011
Total assets	<u>\$ 4,046,969</u>	<u>\$ 21,535,816</u>	<u>\$ 21,499,516</u>	<u>\$ 4,083,269</u>
LIABILITIES				
Accounts payable	\$ 841,939	\$ 4,412,027	\$ 4,446,047	\$ 807,919
Deposits payable	328	11,890	6,121	6,097
Salaries, taxes and benefits payable	289,576	319,326	324,572	284,330
Amounts held for others	2,915,126	16,792,573	16,722,776	2,984,923
Total liabilities	<u>\$ 4,046,969</u>	<u>\$ 21,535,816</u>	<u>\$ 21,499,516</u>	<u>\$ 4,083,269</u>

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STATISTICAL SECTION

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

Contents:

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

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

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

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

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

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

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

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

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

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

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

	<u>2019</u>	<u>2018 (2)</u>	<u>Restated 2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:										
Net investment in capital assets	\$ 61,388,220	\$ 54,032,029	\$ 59,070,221	\$ 57,048,477	\$ 55,705,954	\$ 55,437,501	\$ 57,401,484	\$ 57,208,246	\$ 58,572,877	\$ 58,434,789
Restricted	3,846,463	8,608,459	1,979,403	2,245,562	1,901,161	1,476,281	1,520,094	1,235,126	10,669	10,723
Unrestricted (deficit)	<u>(25,736,045)</u>	<u>(26,289,614)</u>	<u>(28,390,677)</u>	<u>(16,790,034)</u>	<u>(9,934,965)</u>	<u>21,674,899</u>	<u>13,599,525</u>	<u>8,878,056</u>	<u>10,664,551</u>	<u>6,832,631</u>
Total governmental activities net position	<u>\$ 39,498,638</u>	<u>\$ 36,350,874</u>	<u>\$ 32,658,947</u>	<u>\$ 42,504,005</u>	<u>\$ 47,672,150</u>	<u>\$ 78,588,681</u>	<u>\$ 72,521,103</u>	<u>\$ 67,321,428</u>	<u>\$ 69,248,097</u>	<u>\$ 65,278,143</u>
Business-type Activities:										
Net investment in capital assets	\$ 110,543,036	\$ 114,520,731	\$ 108,482,250	\$ 105,211,098	\$ 103,815,937	\$ 102,477,564	\$ 97,496,807	\$ 91,705,008	\$ 92,794,535	\$ 95,113,023
Restricted	122,713	117,043	105,906	141,802	177,154	177,139	174,935	182,087	403,421	314,833
Unrestricted	<u>9,390,118</u>	<u>6,112,669</u>	<u>7,905,567</u>	<u>8,314,320</u>	<u>6,630,921</u>	<u>5,817,374</u>	<u>7,734,278</u>	<u>12,061,259</u>	<u>10,366,477</u>	<u>6,605,990</u>
Total business-type activities net position	<u>\$ 120,055,867</u>	<u>\$ 120,750,443</u>	<u>\$ 116,493,723</u>	<u>\$ 113,667,220</u>	<u>\$ 110,624,012</u>	<u>\$ 108,472,077</u>	<u>\$ 105,406,020</u>	<u>\$ 103,948,354</u>	<u>\$ 103,564,433</u>	<u>\$ 102,033,846</u>
Primary Government:										
Net investment in capital assets	\$ 171,931,256	\$ 168,552,760	\$ 167,552,471	\$ 162,259,575	\$ 159,521,891	\$ 157,915,065	\$ 154,898,291	\$ 148,913,254	\$ 151,367,412	\$ 153,547,812
Restricted	3,969,176	8,725,502	2,085,309	2,387,364	2,078,315	1,653,420	1,695,029	1,417,213	414,090	325,556
Unrestricted (deficit)	<u>(16,345,927)</u>	<u>(20,176,945)</u>	<u>(20,485,110)</u>	<u>(8,475,714)</u>	<u>(3,304,044)</u>	<u>27,492,273</u>	<u>21,333,803</u>	<u>20,939,315</u>	<u>21,031,028</u>	<u>13,438,621</u>
Total Primary Government net position	<u>\$ 159,554,505</u>	<u>\$ 157,101,317</u>	<u>\$ 149,152,670</u>	<u>\$ 156,171,225</u>	<u>\$ 158,296,162</u>	<u>\$ 187,060,758</u>	<u>\$ 177,927,123</u>	<u>\$ 171,269,782</u>	<u>\$ 172,812,530</u>	<u>\$ 167,311,989</u>

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

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses (1)										
Governmental activities:										
General administration	\$ 4,195,707	\$ 5,589,064	\$ 5,713,262	\$ 5,281,219	\$ 3,408,038	\$ 8,717,434	\$ 3,469,315	\$ 3,852,265	\$ 4,756,990	\$ 3,281,995
Judicial services	3,102,522	2,739,760	3,104,169	2,925,400	3,256,745	3,190,077	2,974,509	2,983,284	3,114,416	3,050,588
Public safety	37,867,220	34,764,761	33,955,855	31,455,990	31,565,116	31,994,037	31,809,187	30,651,085	29,749,782	29,913,451
Environmental and development services	-	-	-	-	5,921,822	4,459,304	4,392,549	5,110,799	7,360,263	4,588,243
Management services	11,029,496	11,470,801	11,381,592	9,863,547	-	-	-	-	-	-
Finance and planning	-	-	-	-	9,776,644	11,071,656	9,605,982	9,246,805	9,957,090	10,347,260
Education	65,751,397	66,176,627	63,842,618	68,349,890	68,436,746	49,589,562	51,052,753	55,589,523	48,896,509	52,749,950
Human services	9,900,319	8,825,140	9,386,250	8,538,830	7,854,783	8,217,138	7,895,079	8,250,918	8,375,011	8,888,070
General services	-	-	-	-	6,884,634	6,707,865	6,400,928	7,185,728	7,159,338	7,219,383
Public works	11,607,674	8,543,538	9,486,304	9,918,224	-	-	-	-	-	-
Community development	4,551,850	-	-	-	-	-	-	-	-	-
Community services	7,201,508	7,011,085	7,044,559	6,479,836	6,449,967	6,263,573	6,333,119	6,667,688	5,934,513	5,828,214
Interest and fiscal charges on noncurrent debt	3,422,992	3,308,747	2,454,107	3,643,143	2,735,422	3,898,226	3,974,566	4,048,324	4,263,014	4,393,098
Total governmental activities	<u>158,630,685</u>	<u>148,429,523</u>	<u>146,368,716</u>	<u>146,456,079</u>	<u>146,289,917</u>	<u>134,108,872</u>	<u>127,907,987</u>	<u>133,586,419</u>	<u>129,566,926</u>	<u>130,260,252</u>
Business-type activities:										
Sewer Utility	11,582,981	10,210,063	11,036,541	10,792,409	10,705,774	10,505,293	10,066,788	10,467,392	9,983,893	8,949,964
Water Utility	4,036,161	1,751,336	443,414	332,253	339,656	349,496	1,082,427	346,275	362,073	596,782
Solid Waste	4,830,364	4,252,661	4,058,355	4,238,137	4,249,485	4,818,406	4,651,045	5,599,987	4,407,178	4,305,967
Yorktown Operations	72,335	77,918	92,828	85,983	77,434	74,718	98,893	112,258	117,368	122,537
Sanitary Districts	418,134	418,133	418,133	418,133	418,133	418,133	424,857	431,544	439,058	455,094
Regional Radio System	4,075,751	3,859,521	2,649,549	2,597,863	2,634,351	2,494,441	2,402,484	2,024,644	1,773,267	1,524,079
Total business-type activities	<u>25,015,726</u>	<u>20,569,632</u>	<u>18,698,820</u>	<u>18,464,778</u>	<u>18,424,833</u>	<u>18,660,487</u>	<u>18,666,494</u>	<u>18,982,100</u>	<u>17,082,837</u>	<u>15,954,423</u>
Total Primary Government	<u>\$ 183,646,411</u>	<u>\$ 168,999,155</u>	<u>\$ 165,067,536</u>	<u>\$ 164,920,857</u>	<u>\$ 164,714,750</u>	<u>\$ 152,769,359</u>	<u>\$ 146,574,481</u>	<u>\$ 152,568,519</u>	<u>\$ 146,649,763</u>	<u>\$ 146,214,675</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General administration	\$ 179,970	\$ 1,030,633	\$ 667,530	\$ 734,113	\$ 141,697	\$ 121,888	\$ 86,198	\$ 77,019	\$ 78,310	\$ 112,626
Judicial services	602,875	550,272	551,142	540,591	496,240	528,711	606,118	854,103	783,767	939,549
Public safety	3,949,345	3,490,235	3,490,578	3,361,432	3,146,553	3,212,578	2,252,219	3,408,661	3,238,055	1,773,303
Environmental and development services	-	-	-	-	816,746	741,235	654,373	403,657	412,451	529,167
Management services	614,300	515,776	495,514	470,186	-	-	-	-	-	-
Finance and planning	-	-	-	-	447,610	449,041	447,077	411,139	400,466	244,008
Education	51,304	52,037	57,119	431,785	311,851	213,633	161,115	59,587	521,282	944,383
Human services	335,960	327,270	323,279	320,155	277,393	270,403	295,254	289,378	362,963	371,921
General services	-	-	-	-	1,289,908	1,257,665	1,404,091	1,181,949	1,200,451	1,238,374
Public works	1,337,489	1,305,091	1,285,384	1,308,871	-	-	-	-	-	-
Community development	862,596	-	-	-	-	-	-	-	-	-
Community services	680,005	659,451	631,672	576,602	500,144	514,474	503,702	443,227	516,414	497,008
Operating grants and contributions	11,737,764	11,226,226	10,845,577	10,631,197	10,188,235	10,521,429	10,205,585	10,146,333	10,738,996	10,900,393
Capital grants and contributions	2,742,009	2,514,487	872,828	797,833	1,369,785	317,128	1,668,035	2,727,017	2,562,616	1,683,547
Total governmental activities	<u>23,093,617</u>	<u>21,671,478</u>	<u>19,220,623</u>	<u>19,172,765</u>	<u>18,986,162</u>	<u>18,148,185</u>	<u>18,283,767</u>	<u>20,002,070</u>	<u>20,815,771</u>	<u>19,234,279</u>
Business-type activities:										
Charges for services:										
Sewer Utility	11,678,458	11,194,581	10,660,740	10,788,652	11,144,763	9,924,081	8,928,385	7,938,010	7,209,582	6,878,901
Water Utility	320,586	273,009	336,448	323,387	349,594	383,138	357,728	333,534	351,955	360,297
Solid Waste	4,676,104	4,439,291	4,460,309	4,626,276	4,626,082	4,856,961	3,739,588	3,505,246	3,520,553	3,452,153
Yorktown Operations	158,467	182,898	146,991	186,905	164,106	166,197	88,725	87,353	97,919	141,836
Regional Radio System	2,965,402	2,928,359	1,726,723	1,643,514	1,901,788	1,602,377	1,501,755	1,259,130	1,035,880	903,155
Operating grants and contributions	293,054	291,507	290,552	291,307	289,674	295,108	300,180	1,342,550	149,502	10,070
Capital grants and contributions	1,501,760	1,719,060	1,121,944	299,948	925,950	1,371,580	1,139,604	1,063,452	2,595,686	1,027,138
Total business-type activities	<u>21,593,831</u>	<u>21,028,705</u>	<u>18,743,707</u>	<u>18,159,989</u>	<u>19,401,957</u>	<u>18,599,442</u>	<u>16,055,965</u>	<u>15,529,275</u>	<u>14,961,077</u>	<u>12,773,550</u>
Total Primary Government	<u>\$ 44,687,448</u>	<u>\$ 42,700,183</u>	<u>\$ 37,964,330</u>	<u>\$ 37,332,754</u>	<u>\$ 38,388,119</u>	<u>\$ 36,747,627</u>	<u>\$ 34,339,732</u>	<u>\$ 35,531,345</u>	<u>\$ 35,776,848</u>	<u>\$ 32,007,829</u>
Net (expense)/revenue										
Governmental activities	\$ (135,537,068)	\$ (126,758,045)	\$ (127,148,093)	\$ (127,283,314)	\$ (127,303,755)	\$ (115,960,687)	\$ (109,624,220)	\$ (113,584,349)	\$ (108,751,155)	\$ (111,025,973)
Business-type activities	(3,421,895)	459,073	44,887	(304,789)	977,124	(61,045)	(2,610,529)	(3,452,825)	(2,121,760)	(3,180,873)
Total Primary Government net expense	<u>\$ (138,958,963)</u>	<u>\$ (126,298,972)</u>	<u>\$ (127,103,206)</u>	<u>\$ (127,588,103)</u>	<u>\$ (126,326,631)</u>	<u>\$ (116,021,732)</u>	<u>\$ (112,234,749)</u>	<u>\$ (117,037,174)</u>	<u>\$ (110,872,915)</u>	<u>\$ (114,206,846)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 91,611,559	\$ 90,382,404	\$ 88,210,050	\$ 85,362,882	\$ 81,767,345	\$ 80,907,792	\$ 79,711,885	\$ 76,373,509	\$ 77,433,934	\$ 75,669,094
Local sales and use taxes	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221
Hotel and motel room taxes	5,241,150	5,142,868	5,071,633	4,994,074	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193	4,072,547
Restaurant food taxes	5,258,588	4,436,519	6,387,418	6,047,842	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721	5,034,793
Business license taxes	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052
Motor vehicle licenses	1,623,247	1,624,520	1,600,973	1,591,953	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710	1,419,591
Taxes on recordation and wills	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995
Other local taxes	1,893,226	1,921,574	1,935,553	1,938,974	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667	2,011,290
Personal property tax relief - Commonwealth of Virginia	8,741,680	8,760,374	8,741,680	8,741,680	8,665,120	8,741,680	8,525,325	8,485,927	8,496,159	8,550,746
Unrestricted investment earnings	1,386,131	650,388	248,076	305,043	149,037	216,877	85,087	174,000	234,060	256,284
Miscellaneous	210,254	115,481	43,452	358,177	79,766	1,256,436	232,168	414,057	813,341	683,799
Gain (loss) on sale of capital assets	-	35,569	-	188,537	(118,576)	22,306	25,631	28,907	33,007	-
Transfers	(1,135,786)	(1,635,528)	(3,694,516)	(3,425,018)	(3,346,849)	(3,262,639)	(3,826,920)	(3,739,725)	(3,562,226)	(3,913,865)
Total governmental activities	<u>138,684,832</u>	<u>130,449,972</u>	<u>126,854,560</u>	<u>123,916,205</u>	<u>118,533,124</u>	<u>118,784,281</u>	<u>114,823,895</u>	<u>111,657,680</u>	<u>112,721,109</u>	<u>110,220,547</u>
Business-type activities:										
Restaurant food taxes	1,446,798	2,036,878	-	-	-	-	-	-	-	-
Unrestricted investment earnings	134,586	93,526	63,619	46,907	12,167	37,303	54,762	66,982	68,299	125,061
Miscellaneous	8,469	19,493	35,417	32,179	17,684	43,003	82,881	30,039	21,822	62,956
Gain on sale of capital assets	1,680	12,222	-	7,000	573	-	103,632	-	-	917
Transfers	1,135,786	1,635,528	3,694,516	3,425,018	3,346,849	3,262,639	3,826,920	3,739,725	3,562,226	3,913,865
Total business-type activities	<u>2,727,319</u>	<u>3,797,647</u>	<u>3,793,552</u>	<u>3,511,104</u>	<u>3,377,273</u>	<u>3,342,945</u>	<u>4,068,195</u>	<u>3,836,746</u>	<u>3,652,347</u>	<u>4,102,799</u>
Total Primary Government	<u>\$ 141,412,151</u>	<u>\$ 134,247,619</u>	<u>\$ 130,648,112</u>	<u>\$ 127,427,309</u>	<u>\$ 121,910,397</u>	<u>\$ 122,127,226</u>	<u>\$ 118,892,090</u>	<u>\$ 115,494,426</u>	<u>\$ 116,373,456</u>	<u>\$ 114,323,346</u>
Change in Net Position										
Governmental activities	\$ 3,147,764	\$ 3,691,927	\$ (293,533)	\$ (3,367,109)	\$ (8,770,631)	\$ 2,823,594	\$ 5,199,675	\$ (1,926,669)	\$ 3,969,954	\$ (805,426)
Business-type activities	(694,576)	4,256,720	3,838,439	3,206,315	4,354,397	3,281,900	1,457,666	383,921	1,530,587	921,926
Total Primary Government	<u>\$ 2,453,188</u>	<u>\$ 7,948,647</u>	<u>\$ 3,544,906</u>	<u>\$ (160,794)</u>	<u>\$ (4,416,234)</u>	<u>\$ 6,105,494</u>	<u>\$ 6,657,341</u>	<u>\$ (1,542,748)</u>	<u>\$ 5,500,541</u>	<u>\$ 116,500</u>

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

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

	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Property tax	\$ 91,611,559	\$ 90,382,404	\$ 88,210,050	\$ 85,362,882	\$ 81,767,345	\$ 80,907,792	\$ 79,711,885	\$ 76,373,509	\$ 77,433,934	\$ 75,669,094
Local sales and use tax	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221
Hotel and motel room taxes	5,241,150	5,142,868	5,071,633	4,994,074	4,643,484	4,323,868	4,268,312	4,221,304	4,336,193	4,072,547
Restaurant food taxes	5,258,588	4,436,519	6,387,418	6,047,842	5,818,598	5,607,884	5,550,391	5,321,843	5,322,721	5,034,793
Business license taxes	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052
Motor vehicle licenses	1,623,247	1,624,520	1,600,973	1,591,953	1,558,331	1,582,332	1,596,403	1,523,082	1,516,710	1,419,591
Taxes on recordation and wills	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995
Other local taxes	1,893,226	1,921,574	1,935,553	1,938,974	1,925,269	1,956,544	1,966,816	1,969,937	2,045,667	2,011,290
Total	<u>\$ 129,482,553</u>	<u>\$ 122,523,688</u>	<u>\$ 121,515,868</u>	<u>\$ 117,747,786</u>	<u>\$ 113,104,626</u>	<u>\$ 111,809,621</u>	<u>\$ 109,782,604</u>	<u>\$ 106,294,514</u>	<u>\$ 106,706,768</u>	<u>\$ 104,643,583</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund										
Nonspendable	\$ 6,518,691	\$ 7,191,310	\$ 7,787,380	\$ 8,750,971	\$ 9,743,740	\$ 9,808,279	\$ 10,518,258	\$ 10,578,620	\$ 11,106,155	\$ -
Restricted	11,645	948,861	1,069,702	1,106,571	991,058	940,152	843,439	781,934	858,361	-
Committed	3,327,357	11,567,875	12,479,603	12,027,362	13,315,169	12,664,460	12,520,518	12,380,970	12,446,451	-
Assigned	5,786,348	9,880,308	11,296,640	11,275,325	13,262,008	18,505,878	14,064,015	18,997,964	8,319,357	-
Unassigned	17,570,640	17,040,240	17,026,740	16,270,680	16,126,447	19,747,802	15,612,469	15,547,246	21,491,918	-
Reserved	-	-	-	-	-	-	-	-	-	11,609,565
Unreserved	-	-	-	-	-	-	-	-	-	39,851,251
Total General Fund	<u>\$ 33,214,681</u>	<u>\$ 46,628,594</u>	<u>\$ 49,660,065</u>	<u>\$ 49,430,909</u>	<u>\$ 53,438,422</u>	<u>\$ 61,666,571</u>	<u>\$ 53,558,699</u>	<u>\$ 58,286,734</u>	<u>\$ 54,222,242</u>	<u>\$ 51,460,816</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 107,390	\$ -	\$ -	\$ -	\$ -	\$ 138,671	\$ 210,976	\$ 8,194,857	\$ -
Restricted	3,834,818	7,659,598	909,701	1,138,991	910,103	536,129	676,655	432,829	1,504,544	-
Committed	16,071,516	7,521,642	5,396,429	6,213,357	4,052,604	5,653,220	9,937,427	851,246	1,101,066	-
Assigned	20,059,989	13,384,755	14,777,136	12,844,980	11,745,879	11,931,032	12,203,643	15,058,975	14,165,574	-
Unassigned	(3,278,362)	(3,947,179)	(4,736,725)	(5,638,008)	(6,637,510)	(6,716,787)	(7,285,908)	(7,308,883)	(15,666,704)	-
Reserved	-	-	-	-	-	-	-	-	-	12,413,276
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	(6,686,125)
Capital project funds	-	-	-	-	-	-	-	-	-	9,075,811
Total all other governmental funds	<u>\$ 36,687,961</u>	<u>\$ 24,726,206</u>	<u>\$ 16,346,541</u>	<u>\$ 14,559,320</u>	<u>\$ 10,071,076</u>	<u>\$ 11,403,594</u>	<u>\$ 15,670,488</u>	<u>\$ 9,245,143</u>	<u>\$ 9,299,337</u>	<u>\$ 14,802,962</u>

*Fiscal years 2019-2011 reflect the adoption of GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions. "

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues										
General property taxes	\$ 91,174,219	\$ 90,544,105	\$ 88,434,572	\$ 85,368,220	\$ 81,977,556	\$ 81,125,127	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162	\$ 75,850,691
Other local taxes	37,842,737	32,189,944	33,181,367	32,343,857	31,318,061	30,891,414	30,012,365	29,997,922	29,073,893	28,997,406
Intergovernmental	22,896,708	20,513,452	20,157,138	19,884,521	19,612,174	19,413,247	20,114,231	20,720,210	19,700,968	20,179,204
Permits, fees and licenses	1,104,298	1,037,354	680,369	779,390	882,569	818,221	659,658	468,190	471,535	598,252
Fines and forfeitures	433,857	345,783	332,090	308,039	277,108	298,754	335,974	387,560	359,937	371,169
Use of money and property	1,748,352	1,006,387	604,377	912,391	523,982	547,159	393,980	438,442	643,250	623,904
Charges for services	4,507,835	4,100,646	3,985,157	3,841,821	3,659,811	3,802,981	3,821,047	3,772,679	3,561,630	2,759,517
Miscellaneous	561,346	2,300,983	428,328	566,588	360,608	1,013,034	251,048	779,129	811,833	581,827
Recovered costs	2,152,453	2,133,591	2,074,403	2,547,682	2,343,291	2,732,928	2,527,853	2,378,769	2,608,989	3,160,903
Total revenues	<u>162,421,805</u>	<u>154,172,245</u>	<u>149,877,801</u>	<u>146,552,509</u>	<u>140,955,160</u>	<u>140,642,865</u>	<u>138,188,070</u>	<u>137,115,593</u>	<u>133,748,197</u>	<u>133,122,873</u>
Expenditures (2)										
General administration	2,860,531	4,571,362	4,266,942	4,125,373	2,117,469	2,203,303	2,056,291	2,011,421	1,915,207	1,911,202
Judicial services	3,008,038	2,909,235	2,753,613	2,607,584	2,788,807	2,741,134	2,576,351	2,630,531	2,831,373	2,760,342
Public safety	34,948,693	33,363,370	35,979,369	30,245,518	29,524,373	29,096,722	28,296,119	27,595,816	30,126,085	27,326,021
Environmental and development services	-	-	-	-	3,420,823	3,668,780	3,512,884	3,441,640	3,492,773	3,580,740
Finance and planning	-	-	-	-	8,687,984	9,613,082	8,305,316	7,822,399	9,058,412	9,479,582
Management services	9,619,413	10,798,169	10,180,894	8,863,808	-	-	-	-	-	-
Education	65,763,188	66,371,103	63,460,252	68,240,885	65,747,918	49,386,779	50,780,591	55,271,680	48,805,929	52,623,555
Human services	9,892,383	9,698,743	9,166,051	8,611,086	7,958,815	7,839,768	7,663,060	7,875,456	8,221,433	8,833,985
Public works	8,677,408	8,431,491	8,541,683	8,623,135	-	-	-	-	-	-
General services	-	-	-	-	6,640,288	6,323,547	6,086,730	6,747,125	6,822,173	7,012,414
Community development	4,030,153	-	-	-	-	-	-	-	-	-
Community services	5,818,632	5,769,126	5,572,438	5,151,517	5,089,962	4,796,824	4,758,072	5,271,976	4,138,036	3,512,723
Non-departmental	2,537,255	2,713,097	2,495,321	1,693,556	1,925,791	1,615,921	2,267,011	2,278,091	1,429,528	1,913,583
Capital outlay	11,083,627	6,128,438	4,635,455	5,988,334	6,955,577	7,784,015	4,646,213	4,091,765	8,968,847	4,613,783
Debt service:										
Principal	7,091,646	8,649,276	7,143,707	5,425,023	6,882,404	7,182,911	6,550,894	6,901,861	6,560,684	5,814,490
Interest and fiscal charges	3,841,150	3,611,114	3,363,409	3,507,961	3,336,339	3,652,774	3,959,671	4,078,062	4,283,166	4,402,171
Other costs of debt issuance	45,918	153,611	63,044	180,516	25,822	188,219	-	41,814	24,257	52,621
Total expenditures	<u>169,218,035</u>	<u>163,168,135</u>	<u>157,622,178</u>	<u>153,264,296</u>	<u>151,102,372</u>	<u>136,093,779</u>	<u>131,459,203</u>	<u>136,059,637</u>	<u>136,677,903</u>	<u>133,837,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,796,230)</u>	<u>(8,995,890)</u>	<u>(7,744,377)</u>	<u>(6,711,787)</u>	<u>(10,147,212)</u>	<u>4,549,086</u>	<u>6,728,867</u>	<u>1,055,956</u>	<u>(2,929,706)</u>	<u>(714,339)</u>
Other Financing Sources (Uses)										
Insurance recovery	54,673	19,705	13,163	78,234	19,749	21,459	23,596	37,594	5,363	206,459
Bonds issued	7,765,000	15,405,000	11,135,000	21,950,000	21,125,000	9,865,000	-	6,925,000	1,120,000	4,180,000
Premium on bonds issued	879,737	1,178,493	606,063	3,312,073	974,672	827,791	-	1,047,456	-	66,222
Capital leases	-	-	4,736,044	-	-	300,376	-	-	3,035,627	-
Sale of capital and other assets	-	-	-	-	-	-	-	11,000	482,720	12,723
Transfers In	25,975,972	26,722,915	19,253,176	20,304,143	17,065,038	13,989,217	19,188,067	14,018,812	16,211,735	17,148,920
Deposits for refunding	-	-	(3,035,000)	(12,598,700)	(12,595,000)	(10,500,116)	-	-	-	-
Transfers Out	<u>(27,839,661)</u>	<u>(28,982,029)</u>	<u>(22,947,692)</u>	<u>(24,082,571)</u>	<u>(22,139,715)</u>	<u>(18,879,173)</u>	<u>(24,243,220)</u>	<u>(19,085,520)</u>	<u>(20,667,938)</u>	<u>(21,608,174)</u>
Total other financing sources (uses), net	<u>6,835,721</u>	<u>14,344,084</u>	<u>9,760,754</u>	<u>8,963,179</u>	<u>4,449,744</u>	<u>(4,375,446)</u>	<u>(5,031,557)</u>	<u>2,954,342</u>	<u>187,507</u>	<u>6,150</u>
Net change in fund balances	<u>\$ 39,491</u>	<u>\$ 5,348,194</u>	<u>\$ 2,016,377</u>	<u>\$ 2,251,392</u>	<u>\$ (5,697,468)</u>	<u>\$ 173,640</u>	<u>\$ 1,697,310</u>	<u>\$ 4,010,298</u>	<u>\$ (2,742,199)</u>	<u>\$ (708,189)</u>
Debt service as a percentage of noncapital expenditures (1)	<u>6.81%</u>	<u>7.75%</u>	<u>7.05%</u>	<u>6.01%</u>	<u>6.95%</u>	<u>8.11%</u>	<u>8.27%</u>	<u>8.22%</u>	<u>8.3%</u>	<u>7.8%</u>

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Property tax	\$ 91,174,219	\$ 90,544,105	\$ 88,434,572	\$ 85,368,220	\$ 81,977,556	\$ 81,125,127	\$ 80,071,914	\$ 78,172,692	\$ 76,516,162	\$ 75,850,691
Local sales and use tax	14,921,971	10,266,194	10,236,341	10,146,625	9,759,880	9,475,836	9,380,393	9,425,492	9,043,325	9,322,221
Hotel and motel room taxes	5,241,150	5,171,984	5,058,976	4,977,615	4,643,484	4,323,868	4,302,250	4,278,426	4,264,686	4,057,057
Restaurant food taxes	5,272,635	4,488,226	6,332,930	6,060,974	5,814,040	5,631,472	5,563,010	5,381,266	5,260,568	5,054,179
Business license taxes	7,330,820	6,952,681	6,603,695	6,187,990	6,240,330	6,410,146	5,720,592	5,855,061	5,770,095	5,470,052
Communications sales tax	1,115,481	1,202,410	1,241,212	1,272,490	1,311,310	1,322,868	1,345,767	1,342,206	1,370,049	1,376,864
Motor vehicle licenses	1,621,817	1,627,449	1,582,337	1,590,308	1,574,559	1,586,865	1,525,026	1,514,549	1,485,763	1,474,552
Franchise taxes	4,403	4,295	3,808	2,876	1,267	1,247	1,028	735	502	259
Taxes on recordation and wills	1,601,992	1,796,928	1,470,205	1,477,446	1,391,389	1,545,219	1,587,812	1,604,286	1,238,123	1,643,995
Other local taxes	732,468	679,777	651,863	627,533	581,802	593,893	586,487	595,901	640,782	598,227
Total	<u>\$ 129,016,956</u>	<u>\$ 122,734,049</u>	<u>\$ 121,615,939</u>	<u>\$ 117,712,077</u>	<u>\$ 113,295,617</u>	<u>\$ 112,016,541</u>	<u>\$ 110,084,279</u>	<u>\$ 108,170,614</u>	<u>\$ 105,590,055</u>	<u>\$ 104,848,097</u>

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

<u>Year</u>	<u>Real Property</u>		<u>Personal Property</u>	<u>Mobile Home</u>	<u>Public Utility</u>			<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
	<u>Residential</u>	<u>Commercial</u>			<u>Real Estate</u>	<u>Personal Property</u>	<u>CPC Equipment</u>		
2019	\$ 7,747,444,900	\$ 1,465,593,000	\$ 612,318,755	\$ 3,302,000	\$ 453,482,644	\$ 50,142	\$ -	\$ 10,282,191,441	\$ 0.9859
2018	7,686,020,670	1,417,754,500	595,105,775	3,294,500	459,070,808	55,504	-	10,161,301,757	0.9827
2017	7,588,190,700	1,516,028,900	582,157,745	3,568,200	459,191,601	82,826	-	10,149,219,972	0.9789
2016	7,425,810,400	1,574,952,300	593,894,890	3,512,600	442,369,715	104,756	-	10,040,644,661	0.9437
2015	7,307,361,300	1,491,507,600	561,880,260	3,939,500	430,748,916	127,592	-	9,795,565,168	0.9379
2014	7,243,259,500	1,491,310,000	552,552,935	3,780,000	425,978,786	148,514	-	9,717,029,735	0.9363
2013	7,321,920,900	1,368,970,400	531,217,905	3,912,100	420,994,403	186,019	-	9,647,201,727	0.9304
2012	7,276,743,200	1,361,986,800	514,828,080	3,812,600	393,773,490	69,127	-	9,551,213,297	0.9172
2011	7,551,450,600	1,397,685,000	493,248,385	4,187,400	382,175,535	96,956	68,960,274	9,897,804,150	0.8232
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

Source: County Commissioner of Revenue.

Note: Values are net of tax exempt property. Property in the County is reassessed every two years. Property is assessed on a calendar year basis and at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value. Calendar year 2012 reflects an amendment to the Virginia State Code, which exempted CPC (Certified Pollution Control) equipment. Calendar year 2017 included a change to the boat tax in that all boats are taxed at \$.000000001/\$100; previously boats less than 5 tons were taxed in the same class as personal property.

COUNTY OF YORK, VIRGINIA

Property Tax Rates Last Ten Fiscal Years

Fiscal Year	Real Estate (1) (2) (3)	Personal Property (1) (4)	Mobile Home (1) (3)	Boats > 5 Tons (1) (5)	Total Direct Tax Rate
2019	\$ 0.795	\$ 4.00	\$ 0.795	\$ 0.000000001	\$ 0.9859
2018	0.795	4.00	0.7950	0.000000001	0.9827
2017	0.7515/0.795	4.00	0.7515/0.795	1.00/0.000000001	0.9789
2016	0.7515	4.00	0.7515	1.00	0.9437
2015	0.7515	4.00	0.7515	1.00	0.9379
2014	0.7515	4.00	0.7515	1.00	0.9363
2013	0.7415/0.7515	4.00	0.7415/0.7515	1.00	0.9304
2012	0.6575/0.7415	4.00	0.6575/0.7415	1.00	0.9172
2011	0.6575	4.00	0.6575	1.00	0.8232
2010	0.6575	4.00	0.6575	1.00	0.8211

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

(2) The amount designated for school operating is \$0.587 per \$100 of valuation for fiscal year 2019.

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

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

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

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

COUNTY OF YORK, VIRGINIA
Principal Property Taxpayers
Calendar Year 2018 and Nine Years Prior*

<u>Taxpayer</u>	<u>Description</u>	<u>2018 Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>2009 Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Virginia Power Company	Generating plant	\$ 359,443,785	1	3.51%	\$ 366,433,825	1	3.67%
Lawyers Title/Fairfield Resorts/Wyndham	Timeshare condominiums	180,538,900	2	1.77%	194,941,940	2	1.95%
City of Newport News	Water system	134,899,500	3	1.32%	87,703,200	4	0.88%
GWR OP Lessee VA LLC (Great Wolf Lodge)	Hotel and water park	98,463,400	4	0.96%	64,828,025	6	0.65%
Kings Creek Plantation	Timeshare condominiums	83,642,000	5	0.82%	69,688,965	5	0.70%
BP/Western Refining/Plains Marketing	Former Refinery	67,000,000	6	0.66%	149,651,350	3	1.50%
Premier Properties-Marquis	Retail sales	-		0.00%	48,225,200	7	0.48%
Moyork LLC (Commonwealth Apartments)	Apartment complex	45,131,500	7	0.44%			
Busch Entertainment/Water Country USA	Water Park	37,024,000	8	0.36%	46,613,770	8	0.47%
Walmart	Retail sales	36,756,800	9	0.36%	35,853,505	9	0.36%
852 LLC (Belmont Apartments)	Apartment complex	33,543,900	10	0.33%			
Phillip Morris	Manufacturer	-		<u>0.00%</u>	<u>19,353,240</u>	10	<u>0.19%</u>
Total		<u>\$ 1,076,443,785</u>		<u>10.53%</u>	<u>\$1,083,293,020</u>		<u>10.85%</u>

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

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Year</u>	<u>Total Collections to Date</u>	
					<u>Amount</u>	<u>Percentage of Levy</u>
2019	\$ 90,196,473	\$ 87,055,100	96.52%	\$ -	\$ 87,055,100	96.52%
2018	89,691,238	87,216,407	97.24%	1,660,296	88,876,703	99.09%
2017	87,536,065	84,909,975	97.00%	2,064,860	86,974,835	99.36%
2016	84,110,482	81,503,407	96.90%	2,039,327	83,542,734	99.32%
2015	80,716,523	77,929,910	96.55%	2,518,274	80,448,184	99.67%
2014	79,831,923	77,513,973	97.10%	1,950,443	79,464,416	99.54%
2013	78,390,079	75,580,443	96.42%	2,375,596	77,956,039	99.45%
2012	77,167,308	75,120,925	97.35%	1,560,147	76,681,072	99.37%
2011	78,309,524	74,202,547	94.76%	1,636,557	75,839,104	96.85%
2010	79,967,238	74,592,412	93.28%	1,709,823	76,302,235	95.42%

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

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Business-type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds</u>	<u>Literary Loans</u>	<u>Capital Leases</u>	<u>Lease Revenue Bonds</u>	<u>Note Payable</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Leases</u>			
2019	\$ 74,271,325	\$ -	\$ 1,997,074	\$ 25,446,020	\$ -	\$ -	\$ 19,963,073	\$ -	\$ 121,677,492	N/A	\$ 1,759
2018	69,812,399	-	3,423,720	28,136,579	-	-	20,616,187	-	121,988,885	N/A	1,775
2017	66,330,054	-	5,722,996	21,308,937	-	-	21,254,301	-	114,616,288	2.53%	1,664
2016	61,906,639	-	2,420,659	23,247,569	-	-	21,169,120	-	108,743,987	2.48%	1,586
2015	53,270,668	-	2,860,682	23,544,723	-	-	21,696,428	325,301	101,697,802	2.35%	1,464
2014	49,619,991	-	3,113,086	24,847,309	-	-	22,207,989	638,542	100,426,917	2.39%	1,490
2013	54,961,398	-	2,862,880	26,059,652	372,740	-	22,141,530	940,170	107,338,370	2.68%	1,603
2012	59,822,805	-	2,917,121	27,499,214	719,393	-	22,570,884	1,230,616	114,760,033	2.89%	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	2.97%	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	2.75%	1,567

N/A - This information is not available.

(1) Bonds are shown at net of related premiums and/or discounts and deferred amounts on refundings for 2008 - 2013. Beginning in FY2014, bonds are shown at net of related premiums and/or discounts.

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

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2019	\$ 74,271,325	\$ -	\$ 74,271,325	0.72%	\$ 1,074
2018	69,812,399	-	69,812,399	0.69%	1,016
2017	66,330,054	-	66,330,054	0.65%	963
2016	61,906,639	-	61,906,639	0.62%	903
2015	53,270,668	-	53,270,668	0.54%	767
2014	49,619,991	-	49,619,991	0.51%	736
2013	54,961,398	-	54,961,398	0.57%	821
2012	59,822,805	-	59,822,805	0.63%	901
2011	56,564,037	-	56,564,037	0.57%	857
2010	59,858,071	-	59,858,071	0.61%	911

(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)
2019	\$ 4,998,596	\$ 1,282,395	\$ 1,446,798	N/A	\$ 1,708,688	3.09	2.71	3.19
2018	5,683,107	1,027,775	1,538,440	N/A	1,714,215	3.48	3.18	3.78
2017	4,405,156	523,657	1,712,878	N/A	1,367,648	3.42	3.23	4.29
2016	4,663,892	759,850	2,420,811	N/A	1,700,755	2.97	2.74	3.94
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

(1) Revenue covenants on the Series 2010 Sewer System Revenue Bonds must meet two coverage tests.

(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 2019 - 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 year 2010, (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)
2019	69,165	N/A	N/A	N/A	13.20	12,756	2.70%
2018	68,725	N/A	N/A	N/A	13.20	12,610	2.80%
2017	68,890	\$ 4,529,273	\$ 56,763	39.00	13.20	12,584	3.50%
2016	68,585	4,378,441	54,944	38.80	13.20	12,522	3.90%
2015	69,466	4,325,482	54,181	38.80	13.20	12,519	4.30%
2014	67,396	4,201,387	53,449	39.30	13.20	12,333	5.00%
2013	66,955	4,005,287	51,238	39.40	13.20	12,226	5.40%
2012	66,428	3,974,745	50,956	39.40	13.20	12,410	5.80%
2011	65,973	3,869,473	49,672	39.40	13.20	12,477	6.10%
2010	65,695	3,738,324	48,274	39.40	13.20	12,533	6.10%

N/A - This information is not available.

Source:

(1) Weldon Cooper Center for Public Service; 2018 estimate derived from previous years' data.

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

(3) Median Age from U.S. Census Bureau

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

(5) County School Division.

(6) Virginia Employment Commission; 2019 estimate per County Planning Division.

COUNTY OF YORK, VIRGINIA

Principal Employers
Current and Nine Years Prior

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Naval Weapons Station/ Cheatham Annex	3,565	1	15.37%	2,682	1	11.97%
York County School Division	1,817	2	7.83%	1,823	2	8.14%
U.S. Coast Guard Station	1,807	3	7.79%	826	4	3.69%
Sentara Williamsburg Regional Medical Center	878	4	3.78%	778	5	3.47%
Walmart	788	5	3.40%	970	3	4.33%
York County Government	762	6	3.28%	733	7	3.27%
Water Country	739	7	3.19%	777	6	3.47%
Great Wolf Lodge of Williamsburg, LLC	522	8	2.25%	483	8	2.16%
YMCA	515	9	2.22%			0.00%
Kroger	298	10	1.28%			
Wyndham Vacation Ownership				435	9	1.94%
Kings Creek Plantation				240	10	1.07%
Total	<u>11,691</u>		<u>50.39%</u>	<u>9,747</u>		<u>43.51%</u>

Source: County Office of Economic Development.

Source: York County School Division Comprehensive Annual Financial Report.

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

Function (1)	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General government	24.00	46.00	44.00	46.00	20.00	19.00	18.00	20.00	20.00	20.50
Judicial services	32.00	32.00	31.00	31.50	32.50	32.50	32.50	32.75	32.75	32.75
Public safety	323.00	313.50	307.00	302.00	300.00	300.00	300.00	300.00	299.50	300.25
Environmental and development services	-	-	-	-	54.50	54.50	54.25	55.00	54.00	54.00
Management services	97.50	97.50	95.75	95.25	-	-	-	-	-	-
Finance and planning	-	-	-	-	92.25	91.25	91.25	89.25	89.25	89.25
Education (Library)	32.50	32.50	32.00	33.00	33.00	33.00	33.00	33.50	33.50	33.50
Public works	176.00	177.00	173.00	171.00	-	-	-	-	-	-
General services	-	-	-	-	72.00	72.00	71.00	80.00	81.00	81.00
Community development	26.00	-	-	-	-	-	-	-	-	-
Community services	51.40	51.40	50.20	50.20	50.20	50.20	50.20	54.20	54.20	54.20
Sewer (Public Works)	-	-	-	-	56.00	57.00	56.00	56.50	55.50	54.00
Water (Public Works)	-	-	-	-	-	-	-	-	-	1.50
Solid Waste (Public Works)	-	-	-	-	12.00	12.00	12.00	12.00	12.00	12.00
	<u>762.40</u>	<u>749.90</u>	<u>732.95</u>	<u>728.95</u>	<u>722.45</u>	<u>721.45</u>	<u>718.20</u>	<u>733.20</u>	<u>731.70</u>	<u>732.95</u>

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

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

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

Function	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government										
Elections - Registered voters	45,274	45,757	45,134	44,361	43,007	44,840	45,165	45,540	44,814	44,353
Building Permits Issued	4,774	4,380	3,570	3,648	4,175	4,822	4,043	3,663	3,751	3,676
Building Permit Value	\$ 171,001,866	\$ 153,764,229	\$ 64,886,424	\$ 68,300,485	\$ 91,568,396	\$ 78,778,858	\$ 74,340,412	\$ 55,959,121	\$ 50,093,788	\$ 76,376,378
Judicial Services (Clerk of Court)										
Criminal and civil cases filed	4,674	4,137	3,307	3,361	2,886	2,501	1,651	1,773	1,903	2,022
Land records filed	21,242	24,273	25,576	22,857	22,821	23,023	26,117	21,061	21,059	28,413
Sheriff										
Physical arrests	1,851	1,768	1,596	1,685	1,547	1,673	1,655	1,768	2,197	2,210
Parking violations	112	62	72	106	83	103	71	92	130	109
Traffic violations	5,095	3,965	3,565	3,768	2,675	2,126	2,476	3,489	3,395	3,712
Fire and Life Safety										
Number of calls	11,558	11,464	10,919	9,969	9,707	9,550	9,289	9,070	8,842	8,677
Fire dispatches	4,971	4,992	4,743	4,117	4,076	4,007	3,567	3,504	3,552	3,482
Rescue dispatches	6,587	6,472	6,176	5,852	5,631	5,543	5,722	5,566	5,290	5,195
Education										
Library book circulation	557,764	509,704	514,824	527,047	534,923	524,847	529,718	562,212	576,134	623,015
Library registered patrons	52,592	48,530	44,022	64,436	63,248	69,860	65,057	70,684	72,915	69,064
School Division cost per pupil	\$ 11,086	\$ 10,662	\$ 10,204	\$ 10,081	\$ 10,177	\$ 9,584	\$ 9,743	\$ 9,424	\$ 9,292	\$ 9,736
Community services										
Recreation program participation	151,048	160,280	131,205	105,032	121,587	100,542	108,590	101,650	119,314	113,653
Sewer										
New connections	316	273	109	170	401	277	339	366	158	166
Solid Waste										
Refuse collections (tons)	95,735	83,094	68,714	83,000	83,996	78,352	82,774	91,699	95,671	103,842
Recyclables collected (tons)	35,686	27,997	27,814	32,005	37,651	28,702	23,970	18,139	17,302	29,780

Source: Various County departments

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

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

Function	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Sheriff										
Patrol units	56	55	56	51	55	61	57	59	54	55
Fire and Life Safety										
Stations	6	6	6	6	6	6	6	6	6	6
Fire and rescue apparatus	27	27	27	26	26	26	26	26	26	26
Community services										
Park acreage	786	786	786	786	786	786	786	786	786	786
Parks	11	11	11	11	11	11	11	11	11	11
Tennis courts	36	36	36	36	36	36	36	36	36	36
Basketball courts	38	38	38	38	38	38	38	38	38	38
Volleyball courts	1	1	1	1	1	1	1	1	1	1
Athletic fields	73	73	73	73	73	73	73	73	73	73
Kayak launches	1	-	-	-	-	-	-	-	-	-
Education										
School facilities	19	19	19	19	19	19	19	19	19	19
Sewer										
Sanitary sewer (miles)	390	389	384	381	377	367	362	350	294	337

Source: Various County departments.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of York, Virginia (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2019. Our report included an emphasis paragraph indicating that the fund balance of the General Fund and nonmajor governmental funds and the net position of the internal service funds, as of June 30, 2018, have been restated to reflect a change in fund reporting presentation.

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 County'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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* or the *Specifications for Audits of Counties, Cities, and Towns*.

Purpose of this Report

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

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

Virginia Beach, Virginia
November 27, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of York, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

Virginia Beach, Virginia
November 27, 2019

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COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<u>Federal Granting Agency/Recipient State Agency/Grant Program/Grant Number</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Agriculture:		
Direct payments: Child and Adult Care Food Program	10.558	\$ 128,706
Pass-through payments:		
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (765-460-03; 765-460-010)	10.561	799,422
Department of Education:		
School Breakfast Program (197-179-01)	10.553	273,492
Department of Agriculture:		
Donated Foods	10.555	254,908
Department of Education:		
National School Lunch Program (197-179-01)	10.555	<u>1,092,288</u>
Subtotal Donated Foods and National School Lunch Program	10.555	<u>1,347,196</u>
Total Child Nutrition Cluster		1,620,688
Department of Defense:		
Direct payments:		
Naval Junior ROTC Program	12.UNK	142,494
National Defense Authorization Act	12.UNK	664,330
Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools	12.556	526,732
Invitational Grants for Military-Connected Schools	12.557	11,366
Department of Housing and Urban Development:		
Pass-through payments:		
Department of Housing and Community Development		
Community Development Block Grants/State's Program (165-533-05)	14.228	506,421
Virginia Housing Development Authority:		
Section 8 Housing Choice Vouchers	14.871	109,245
Department of the Interior:		
Pass-through payments:		
Virginia Department of Health:		
Sportfishing and Boating Safety Act	15.622	63,941
Department of Justice:		
Direct payments:		
State Criminal Alien Assistance Program	16.606	5,255
Bulletproof Vest Partnership Program	16.607	8,550
Equitable Sharing Program	16.922	32,955
Pass-through payments:		
Department of Criminal Justice Services:		
Crime Victim Assistance (140-390-01)	16.575	103,401
Violence Against Women Formula Grants (140-390-01)	16.588	27,894
Department of Transportation:		
Pass-through payments: Department of Motor Vehicles:		
State and Community Highway Safety (530-605-07)	20.600	33,744
Federal Communications Commission:		
Direct payments: Universal Service - E-rate Program	32.UNK	294,893
Department of Education:		
Direct payments:		
Impact Aid	84.041	10,909,651
Pass-through payments:		
Department of Education (197-179-01):		
Title I Grants to Local Educational Agencies	84.010	698,420
Special Education and Rehabilitative Services:		
Special Education - Grants to States	84.027	2,352,629
Special Education - Preschool Grants	84.173	<u>44,493</u>
Total Special Education Cluster (IDEA)		2,397,122

(continued)

COUNTY OF YORK, VIRGINIA
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<u>Federal Granting Agency/Recipient State Agency/Grant Program/Grant Number</u>	<u>Federal Catalog Number</u>	<u>Federal Expenditures</u>
Department of Education:		
Pass-through payments:		
Department of Education (197-179-01):		
School Safety National Activities	84.184	35,001
Vocational and Adult Education:		
Career and Technical Education - Basic Grants to States	84.048	109,940
English Language Acquisition State Grants	84.365	37,992
Supporting Effective Instruction State Grants	84.367	91,565
Department of Health and Human Services:		
Direct payments: Administration for Children, Youth and Families: Head Start	93.600	1,028,996
Pass-through payments:		
Department of Social Services:		
Promoting Safe and Stable Families (765-460-10; 765-469-02)	93.556	24,976
Temporary Assistance for Needy Families (765-452-12; 765-452-01; 765-460-10)	93.558	389,567
Refugee and Entrant Assistance - State Administered Programs		
(765-460-10; 765-491-02)	93.566	211
Low-Income Home Energy Assistance (765-460-10)	93.568	52,073
Child Care and Development Block Grant (765-452-15)	93.575	(2,384)
Child Care Mandatory and Matching Funds of the Child Care and		
Development Fund (765-452-14; 765-452-15; 765-460-10)	93.596	67,131
Total Child Care and Development Fund Cluster (93.575, 93.596)		64,747
Chafee Education and Training Vouchers Program (ETV) (765-469-02)	93.599	951
Stephanie Tubbs Jones Child Welfare Services Program (765-460-10)	93.645	340
Foster Care - Title IV-E (765-460-03; 765-460-10; 765-469-01; 765-469-02)	93.658	319,398
Adoption Assistance (765-460-03; 765-460-10; 765-469-03)	93.659	102,287
Social Services Block Grant (765-460-10; 765-468-02; 765-469-02; 765-469-03)	93.667	299,257
Chafee Foster Care Independence Program (765-460-10; 765-469-02)	93.674	5,371
Children's Health Insurance Program (765-460-10)	93.767	19,068
Medical Assistance Program (765-460-03; 765-460-10)	93.778	892,290
Department of Medical Assistance Services: Medical Assistance Program	93.778	134,784
Total Medicaid Cluster		1,027,074
Department of Homeland Security:		
Direct payments:		
Assistance to Firefighters Grant	97.044	89,229
Pass-through payments:		
Department of Emergency Services:		
Hazard Mitigation Grant (127-775-01; 127-776-01; 127-776-02)	97.039	1,256,362
Emergency Management Performance Grants (127-775-01)	97.042	119,172
Homeland Security Grant Program (127-775-01)	97.067	46,229
 Total		 \$ 24,205,036

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YORK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

1. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the County provided no federal awards to a subrecipient during the year ended June 30, 2019.

4. UNIFORM GRANT GUIDANCE

The Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, which is effective for new grants, issued after December 26, 2014, included changes to how indirect costs are awarded. In an effort to relieve administrative burden, the Office of Management and Budget (OMB) specified that non-federal entities that have never received a negotiated indirect cost rate may elect to charge a de minimis cost rate of 10 percent of modified total direct costs, which may be used indefinitely. The County elected not to apply the de minimis rate for fiscal year 2019.

COUNTY OF YORK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

A. Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified:	No
Significant deficiencies identified:	None reported
Noncompliance material to federal awards noted?	No
Any audit findings disclosed that are required to be reported in Accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major federal programs:

<u>Name of Program</u>	<u>CFDA #</u>
Department of Homeland Security:	
Hazard Mitigation Grant	97.039
Department of Health and Human Services:	
Head Start	93.600
Department of Education:	
Impact Aid	84.041
Department of Defense:	
National Defense Authorization Grant	12.UNK

Dollar threshold to distinguish between Types A and B Programs:	\$750,000
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The County of York was qualified as a low risk auditee in? Accordance with Section 200.520 of the Uniform Guidance?	Yes
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B. Findings - Financial Statement Audit	None
C. Findings and Questioned Costs – Major Federal Awards	None
D. Findings and Questioned Costs – State Compliance	None
E. Resolution of Prior Year's Findings	Not applicable

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